

**STATE OF COLORADO**

**JOINT BUDGET COMMITTEE**



**APPROPRIATIONS REPORT:**

**Fiscal Year 2013-14**

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# INTRODUCTION

This report is produced to assist members of the General Assembly, state personnel, and other interested parties in understanding state funding decisions made during the 2013 Regular Session. This report provides an overview of state revenues and expenditures, comparative and historical information regarding appropriations made during the 2013 Regular Session, and a detailed explanation of major funding changes for each state department. The FY 2013-14 Appropriations Report includes five sections described below.

## **Part I: Overview**

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

## **Part II: Department Summaries**

This section contains a summary of operating appropriations for all departments and highlights the major changes from the FY 2013-14 operating budget. This section also includes summaries for each state department, and for capital construction projects, of general factors driving the budget, and 2013 Regular Session appropriation highlights.

## **Part III: Department Details**

This section contains detailed information regarding funding for the operations of each state department and for capital construction projects. The subsection for each department summarizes funding and FTE authorizations for FY 2012-13 and FY 2013-14. The format reflects appropriations by bill and by division or program area. Narrative sections describe major changes in funding from FY 2012-13 to FY 2013-14, fund sources for each division, and division responsibilities. This section also includes brief summaries of bills adopted during the 2012 Regular Session, the 2012 First Extraordinary Session, and the 2013 Regular Session that contained an appropriation, affected state revenues, or implemented a major policy change.

The footnotes to the 2013 Long Bill (S.B. 13-230) can be found at the end of each departmental section in the 2013 Session Laws, or they can be accessed via the internet at the following address:

<http://www.leg.state.co.us/CLICS/CLICS2013A/csl.nsf/lbcontainer/SB13-230?OpenDocument>

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

[http://www.tornado.state.co.us/gov\\_dir/leg\\_dir/jbc/jbchome.htm](http://www.tornado.state.co.us/gov_dir/leg_dir/jbc/jbchome.htm)

## **Appendices**

The following appendices are included in this report:

- A Glossary of terms used in this report.
- B Descriptions of the general policies that have been applied to determine funding for operations of state departments.
- C Table summarizing 2013 Regular Session adjustments to operating and capital construction appropriations for years prior to FY 2012-13.
- D Table summarizing appropriations from the State Education Fund.
- E Table summarizing appropriations from the Highway Users Tax Fund.
- F Summary of severance tax allocations.
- G Summary of tobacco revenue allocations.
- H Summary of General Fund amounts that were deemed exempt from the statutory limitations on General Fund appropriations.
- I Copies of letters sent by the Joint Budget Committee to the Governor, the Chief Justice, and other elected officials requesting information on programs and expenditures.
- J Summary of Informational (I) Appropriations.

## **Index**

Finally, this report includes an index to assist the reader in identifying the state department associated with a particular division, service, or program.



# **PART I**

## **OVERVIEW**



# A: OVERVIEW OF REVENUES AND EXPENDITURES

## 1. General Fund Overview

This section provides an overview of General Fund revenues and expenditures based on the Office of State Planning and Budgeting March 2013 revenue estimate, which was used as the basis for making adjustments to the FY 2012-13 budget and preparing the FY 2013-14 budget.

### Summary of Major Actions Taken Regarding the General Fund Budget

The following is a summary of the major actions that occurred during the 2013 Regular Session that impacted the General Fund budget:

**General Fund Revenue Projections:** The General Assembly used the Office of State Planning and Budgeting (OSPB) March 2013 revenue estimates when making final adjustments to the FY 2012-13 budget and preparing the FY 2013-14 budget during the 2013 Regular Session. The OSPB March 2013 projections were approximately \$663.4 million higher for FY 2012-13 than the projections that were used during the 2012 Session to prepare the FY 2012-13 budget.

**Actions That Impacted General Fund Revenue:** Table 1 contains a list of bills that were passed during the 2013 Session that had a significant impact on the General Fund.

<b>Table 1</b> <b>Actions that Impacted General Fund Revenue</b> <b>(\$ In Millions)</b>			
<b>Transfers/Paybacks - Bills Passed During the 2013 Session:</b>		<b>FY 2012-13</b>	<b>FY 2013-14</b>
HB 13-1001	Advanced Industries Acceleration Act	\$0.0	(\$5.0)
HB 13-1115	CoverColorado Repeal	2.5	5.0
HB 13-1142	Urban and Rural Enterprise Zone Act Reforms	0.0	6.6
HB 13-1144	Eliminate Cigarette Sales & Use Tax Exemption	0.0	28.0
HB 13-1180	Tobacco	(1.8)	(1.8)
HB 13-1183	Extend Conservation Easement Tax Credit Cap	0.0	12.5
HB 13-1245	Funding Colorado Health Benefit Exchange	0.0	(7.5)
HB 13-1247	Innovative Motor Vehicle Income Tax Credit	(2.4)	(5.2)
HB 13-1317	Implement Amendment 64 Majority Recommendation	0.0	(2.2)
SB 13-127	Sales Tax Revenue to Older Coloradans Cash Fund	0.0	(2.0)
SB 13-146	Board of Assessment Appeals	0.0	(0.2)
SB 13-233	Transfers to the General Fund	0.0	0.0
SB 13-235	Repay the Veteran's Trust Fund	0.0	(3.9)
SB 13-269	Wildfire Mitigation Grant Program	0.0	(9.8)
SB 13-270	Wildfire Preparedness ERF	<u>0.0</u>	<u>(0.5)</u>
<b>Total General Fund Revenue Impacts:</b>		<b>(\$1.7)</b>	<b>\$14.0</b>

**Appropriation Actions:** The major changes in appropriations for FY 2012-13 and FY 2013-14 are explained in Part II and Part III of this document. Part II contains an overview at the department level of FY 2012-13 and FY 2013-14 appropriations and the general factors driving the budget. Part III provides detailed appropriations by division and by bill for FY 2012-13 and FY 2013-14.

**Statutory Reserve:** During the 2013 Regular Session, the General Assembly passed and the Governor signed S.B. 13-237, which added a provision to law increasing the statutory reserve requirement from 4.0 percent to 5.0 percent. The 5.0 percent statutory reserve was applied to both FY 2012-13 and FY 2013-14.

## **FY 2012-13 and FY 2013-14 General Fund Overview**

Table 2 provides an overview of General Fund revenues, spending obligations, and ending reserves for both FY 2012-13 and FY 2013-14. Please note that some of these amounts will change in the future with revised revenue forecasts and/or actions of the General Assembly.

<b>Table 2</b>			
<b>General Fund Overview (\$ in Millions)</b>			
<b>Description</b>		<b>FY 2012-13</b>	<b>FY 2013-14</b>
<b><u>GENERAL FUND AVAILABLE:</u></b>			
Beginning General Fund Reserve		\$795.7	\$373.0
General Fund Nonexempt Revenues		6,802.8	7,042.2
General Fund Exempt Revenues		1,481.4	1,407.2
Transfer/Paybacks		(2.5)	0.6
Revenue Impacts - Bills Passed During 2013 Session		<u>(1.7)</u>	<u>14.0</u>
<b>TOTAL GENERAL FUND AVAILABLE</b>		<b>\$9,075.7</b>	<b>\$8,837.0</b>
<b><u>GENERAL FUND OBLIGATIONS:</u></b>			
General Fund Appropriations		\$7,459.3	\$7,967.3
Rebates and Expenditures		279.6	127.3
Senior Citizen and Disabled Veteran Property Tax Exemption		100.1	105.2
Transfer to the Capital Construction Fund		61.4	186.7
Transfer of Excess General Fund Surplus to the State Education Fund (HB 12-1338)		802.3	0.0
Transfer to the State Education Fund (SB 13-234, FPPA Bill)		0.0	45.3
Transfer of Excess General Fund Surplus to the CWCBCF (SB 13-236)		0.0	6.8
Transfer of Excess General Fund Surplus to the State Education Fund (SB 13-260)		<u>0.0</u>	<u>0.0</u>
<b>TOTAL GENERAL FUND OBLIGATIONS</b>		<b>\$8,702.7</b>	<b>\$8,438.6</b>
<b>YEAR END GENERAL FUND RESERVE (Available Funds Less Obligations)</b>		<b>\$373.0</b>	<b>\$398.4</b>
<b><u>General Fund Reserve Information</u></b>			
<b>STATUTORY RESERVE</b>		<b>\$373.0</b>	<b>\$398.4</b>
<b>GENERAL FUND RESERVE IN EXCESS OF THE STATUTORY REQUIREMENT</b>		<b>\$0.0</b>	<b>\$0.0</b>

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

**Gross General Fund Nonexempt and Exempt Revenues:** These figures represent estimates of the total General Fund revenues as reflected in the March 2013 Office of State Planning and Budgeting (OSPB) revenue estimate. The major components of the state's General Fund revenues are individual and corporate income, sales and use, insurance, and cigarette taxes. General Fund revenues must be applied to statutory obligations before the General Assembly can appropriate the remaining General Fund. These obligations include rebates and expenditures and the capital construction transfer as described below.

As a result of the passage of Referendum C in November 2005, the State is permitted to retain excess revenues that otherwise would have been refunded under the Taxpayers Bill of Rights (TABOR). The Gross General Fund Exempt Revenues represent the estimate of those retained amounts as reflected in the March 2013 OSPB revenue estimate. Please see Part I-B - ARTICLE X, SECTION 20 (TABOR) OVERVIEW for a more detailed overview of TABOR and Referendum C.

**Transfer/Paybacks:** Moneys transfer to or from the General Fund based on existing statutes.

**Revenue Impacts - Bills Passed During 2013 Session:** This line identifies the total amount of legislation that impacted the General Fund revenues. There is an explanation in each section of this report that identifies 2013 Regular Session bills that impacted General Fund revenues in FY 2012-13 and FY 2013-14 and the associated amounts. Table 1 in this section provides a list of these bills.

**General Fund Appropriations:** This figure represents the total appropriations made in the Long Bill and in any separate bills. This amount does not include funds appropriated for rebates and expenditures, which are described below and are not subject to the statutory restriction on General Fund appropriations.

**Rebates and Expenditures:** These statutory obligations include the Old Age Pension program, cigarette tax rebates to local governments, State contributions for local fire and police pensions, and Old Age Heat and Fuel and Property Tax Assistance Grants. These statutory obligations are not subject to the statutory restriction on General Fund appropriations. Appendix H provides more detail concerning rebates and expenditures for FY 2012-13 and FY 2013-14.

**Senior Citizen and Disabled Veteran Property Tax Exemption:** In the 2000 general election, Colorado voters approved a constitutional amendment that reduces property taxes for qualifying senior citizens. The property tax reduction, or "homestead exemption", is available to senior citizens 65 years of age or older who have owned and lived in their home for at least ten years. In the 2006 general election, Colorado voters approved a constitutional amendment extending the homestead exemption to veterans who are 100.0 percent disabled as a result of a service-connected disability. The cost of the exemption is borne by the State rather than by local governments or other property owners. The amounts shown for FY 2012-13 and FY 2013-14 represent estimated state expenditures as reflected in the March 2013 OSPB revenue estimate (also shown in Appendix H).

**Transfer to the Capital Construction Fund:** Section 24-75-302 (2), C.R.S., provides for transfers from the General Fund to the Capital Construction Fund. These transfers are not subject to the statutory restriction on General Fund appropriations. The General Assembly can, and has, changed the amount of the annual transfer when necessary.

**Transfer of Excess General Fund Surplus to the State Education Fund (HB 12-1338):** These amounts represent excess year end reserve amounts that are transferred from the General Fund to the State Education Fund. House Bill 12-1338 required that \$59.0 million of the General Fund excess that exceeds the 4.0 percent reserve requirement for FY 2011-12, and all of the excess General Fund reserve at the end of FY 2012-13, be transferred to the State Education Fund.

**Transfer to the State Education Fund (SB 13-234, FPPA Bill):** Senate Bill 13-234 requires the State Treasurer to transfer \$45.3 million from the General Fund to the State Education Fund on April 30, 2014. The bill further directs the State Treasurer to transfer \$25.3 million from the General Fund to the State Education Fund on April 30 of each year from 2015 through 2018. On April 30, 2019, the State Treasurer is directed to transfer \$25.0 million from the General Fund to the State Education Fund.

**Transfer of Excess General Fund Surplus to the Colorado Water Conservation Board Construction Fund (CWCBCF) (SB 13-236):** Senate Bill 13-236 requires that the State Controller transfer an amount of the General Fund Surplus for the FY 2013-14 that is equal to the lesser of \$30.0 million or the total General Fund surplus to the CWCBCF. As of the writing of this document, that amount was estimated to be \$6.8 million. This amount could change throughout the course of FY 2013-14.

**Transfer of Excess General Fund Surplus to the State Education Fund (SB 13-260):** Senate Bill 13-260 requires the State Treasurer to transfer 75.0 percent of the Excess General Fund Surplus to the State Education Fund after making the transfer pursuant to S.B. 13-236.

**Year End General Fund Reserve (Available Funds Less Obligations):** This figure represents the amount of General Fund in reserve after the transfers and other obligations described above have occurred. The ending General Fund reserve for one fiscal year becomes the beginning General Fund reserve for the next.

**Statutory Reserve:** Section 24-75-201.1 (1) (d) and (e), C.R.S., require a reserve of at least 5.0 percent of General Fund appropriations for FY 2012-13 and FY 2013-14, and Section 24-75-201.5, C.R.S., requires the Governor to take action to reduce state spending during the year if revenue estimates indicate the reserve would fall to 2.5 percent or less. Senate Bill 13-237 increased the required reserve from 4.0 percent to 5.0 percent beginning in FY 2012-13.

## 2. Statutory and Constitutional Restrictions

### Statutory Restriction on Appropriations

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

Table 3 shows the calculation of the allowable General Fund appropriations for FY 2012-13. The table also shows the General Fund appropriations that are exempt from or not subject to the statutory restriction on General Fund appropriations for FY 2012-13, and the difference between General Fund appropriations and the restriction for FY 2013-14.

<b>Table 3</b> <b>Statutory Restriction on Appropriations (\$ in Millions)</b>	
Calendar Year 2011 Personal Income (base as defined in Statute*)	\$225,400.0
Multiplied by 5.0 Percent	<u>5.00%</u>
FY 2013-14 General Fund Appropriations Restriction	\$11,270.0
 FY 2013-14 General Fund Appropriations	 \$8,094.2
Less: General Fund Appropriations Exempt From/ Not Subject to Statutory Restriction	<u>\$126.8</u>
FY 2013-14 General Fund Appropriations Subject to Restriction	\$7,967.4
 Over/(Under) FY 2013-14 General Fund Appropriations Restriction	 (\$3,302.6)
*Section 24-75-201.1 (1) (a) (VII) (A), C.R.S.	

### Constitutional Restrictions

**Article X, Section 20 (TABOR):** In addition to the General Fund appropriation restrictions imposed by Section 24-75-201.1, C.R.S., Article X, Section 20 of the Colorado Constitution (the Taxpayer's Bill of Rights or "TABOR") places restrictions on the amount of total General Fund and cash funds that can be collected and, consequently, spent by the State. This section provides information about this constitutional revenue and spending limit.

TABOR has several key provisions that impact the state budget:

- Fiscal year spending is defined as expenditures or reserve increases. In other words, *all* revenues received by the State that are not specifically exempt are considered "spending";

- The change in fiscal year spending for the next year is restricted to the percentage change in the consumer price index (inflation) plus the percentage change in state population in the prior calendar year, adjusted for revenue changes approved by the voters after 1991; and
- The base for calculating the allowable growth is the *lesser* of either actual revenues or the allowable limit.

In order to comply with the limits contained in TABOR several calculations are necessary. Because this provision makes no distinction between General Fund and cash funds collected by the state, it is necessary to make forecasts of all the separate cash funds as well as the General Fund. The estimated totals of the General Fund and cash funds are then increased by the estimated changes in inflation and population to project the allowable increase in fiscal year spending.

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

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

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

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

The measure clarified that the statutory restriction on General Fund appropriations, and the exceptions or exclusions thereto, apply to moneys in the General Fund Exempt Account.

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

Table 4 summarizes the General Fund Exempt account Appropriations made in compliance with Sections 24-77-103.6 and 24-77-104.5, C.R.S.



**Table 4**  
**Referendum C General Fund Exempt Appropriations by Program**  
(\$ in Millions)

Department	Line Item	FY 2011-12	FY 2012-13	FY 2013-14
Education	State Share of Districts' Total Program Funding	\$506.9	\$507.2	\$469.8
Health Care Policy and Financing	Medical Services Premiums	506.9	507.2	469.8
Higher Education	College Opportunity Fund Program - Stipends	449.5	452.1	427.4
Local Affairs	Volunteer Firefighter Retirement Plans	4.3	4.3	4.3
Treasury	Fire and Police Pension Association Old Hire Plans*	5.3	10.0	0.0
Transportation	Capital Construction - Transportation Highway Construction Projects	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>
Total General Fund Exempt Appropriated		\$1,473.4	\$1,481.3	\$1,371.8
Total General Fund Exempt Available for Appropriation		<u>\$1,473.4</u>	<u>\$1,481.3</u>	<u>\$1,407.1</u>
Amount Over/(Under) Appropriated*		\$0.0	\$0.0	(\$35.3)
* Due to passage of S.B. 13-234, moneys were utilized out of the General Fund Exempt account in FY 2013-14 for the Department of Treasury. This resulted in an under appropriation of \$35.3 million in the amount available for allocation from the General Fund Exempt account in FY 2013-14. The allocation of General Fund Exempt will be corrected in future supplemental actions based on appropriation adjustments in the other line items and the final amount of General Fund Exempt available.				

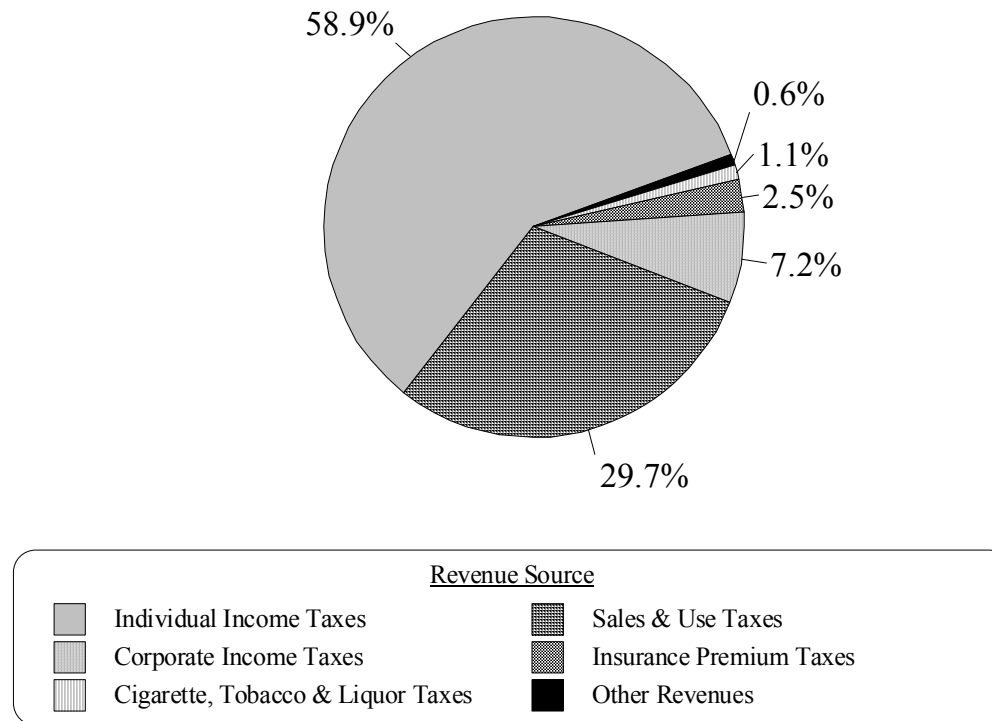
Please Note: The Office of State Planning and Budgeting's revenue forecast from March 2013 was used as a basis for the appropriations listed in Table 4. Subsequent revenue forecast revisions and actual experience will require that these appropriations be adjusted in future legislative sessions to reflect actual experience.

# **B: SUMMARY CHARTS AND TABLES**

The following includes summary charts and tables identifying the sources of General Fund revenues and comparing the distribution of expenditures by program and fund source.

## 1. Sources of General Fund Revenue

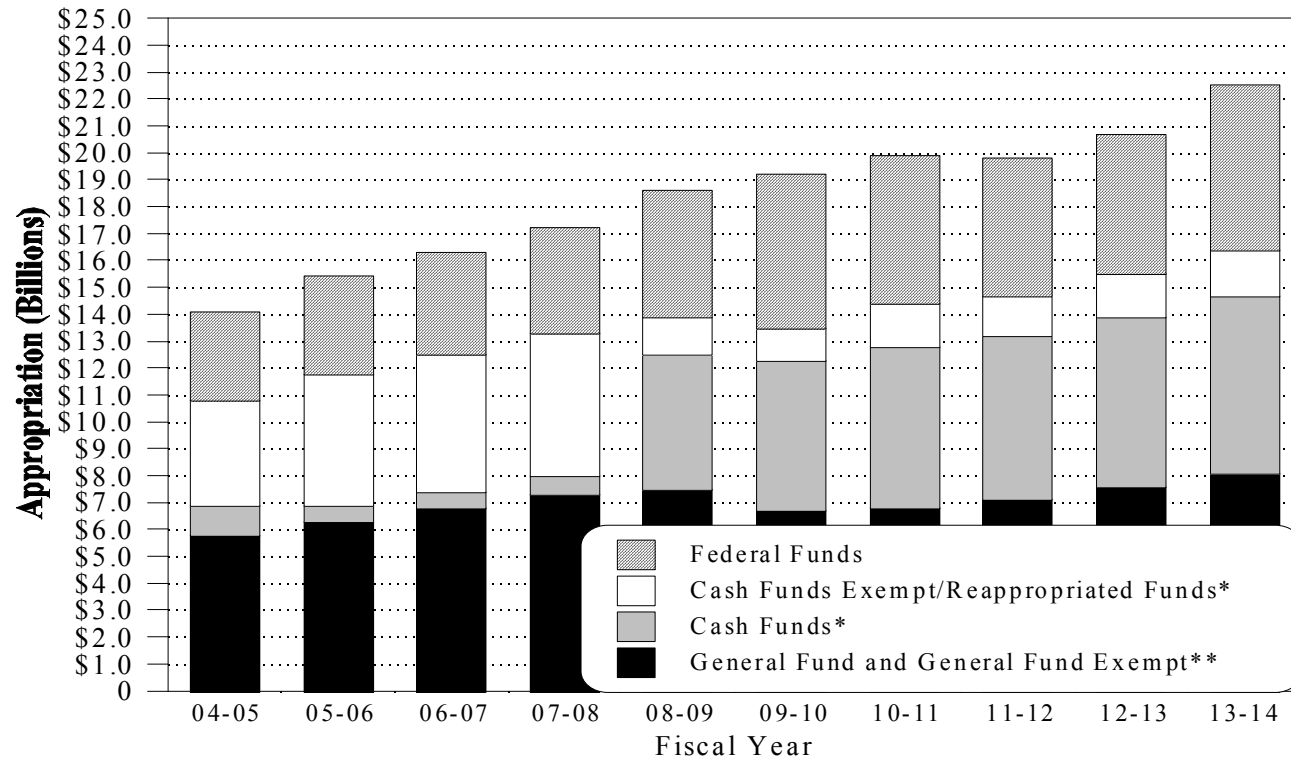
**Estimated Total General Fund Revenue FY 2013-14 = \$8,449.4 Million\***



\* Source: Office of State Planning and Budgeting's March 2013 *The Colorado Outlook*. These percentages are net of income tax receipts that are credited to the State Education Fund (\$448.6 million).

## 2. History of Appropriations by Funding Source

### Operating Budget Fiscal Years 2004-05 through 2013-14



NOTE: Appropriated amounts have not been adjusted for inflation.

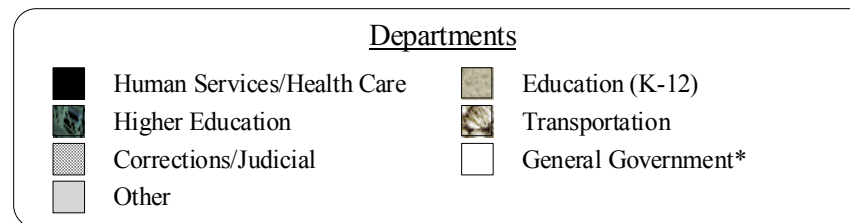
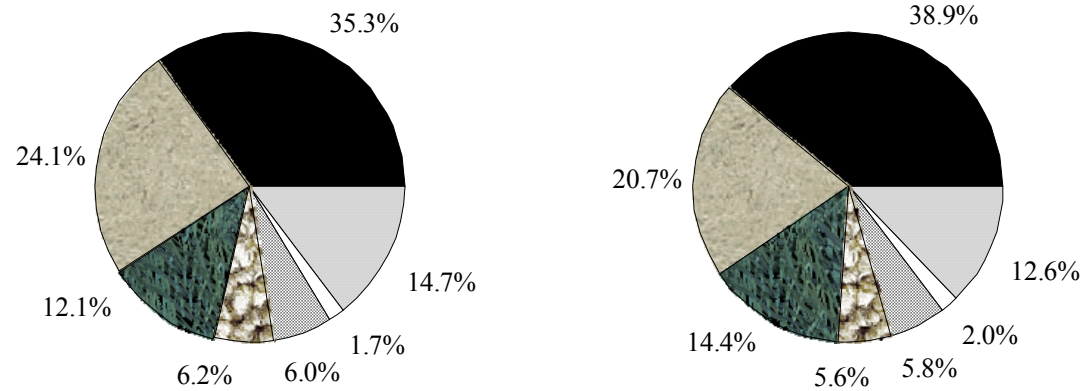
\* Appropriations for FY 2008-09 and subsequent years are reflected in a new format, which redistributes funds previously classified "cash funds" and "cash funds exempt" into the newly defined "cash funds" and "reappropriated funds" categories. Cash Funds Exempt amounts are reflected for FY 2007-08 and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

\*\* General Fund Exempt amounts are included for FY 2005-06, when the General Fund Exempt account was created, and subsequent years.

### 3. a. Comparison of Total Operating Appropriations by Program

**FY 2003-04 = \$13.62 billion**

**FY 2013-14 = \$22.48 billion**

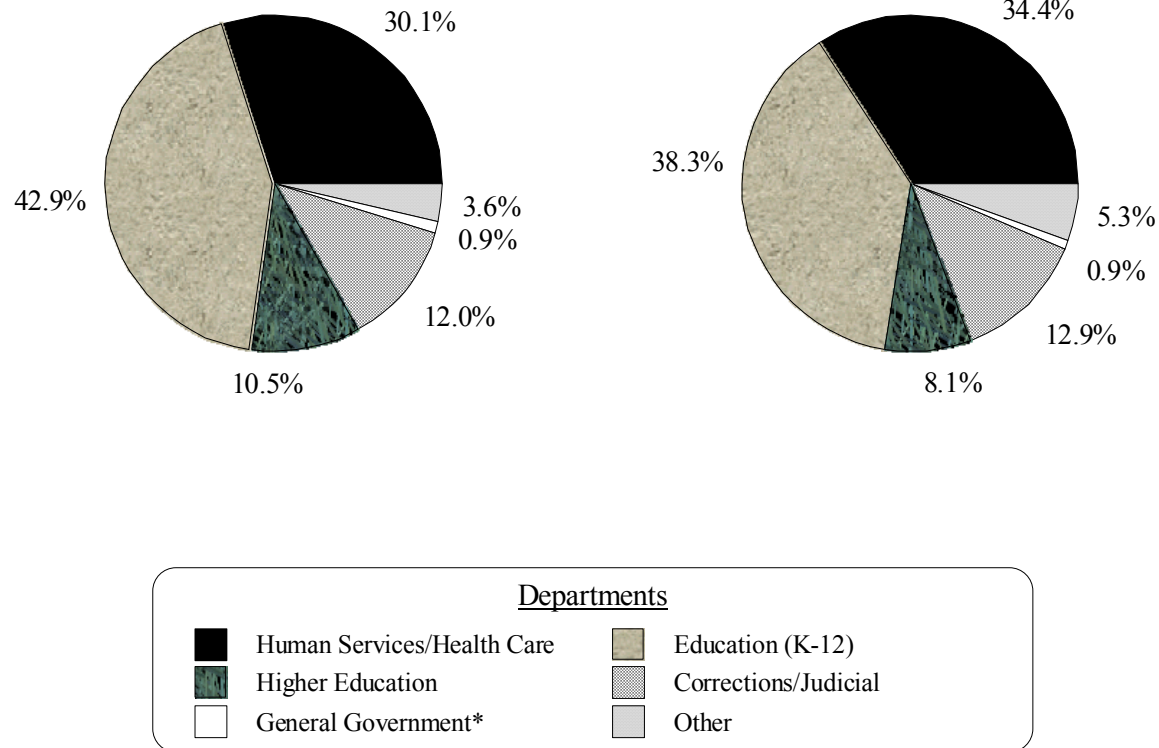


\* Includes the Governor-Lieutenant Governor-State Planning and Budgeting, the Legislative Department, and the Department of Personnel.

### 3. b. Comparison of General Fund Operating Appropriations by Program

**FY 2003-04 = \$5.64 billion**

**FY 2013-14 = \$8.09 billion**



\* Includes the Governor-Lieutenant Governor-State Planning and Budgeting, the Legislative Department, and the Department of Personnel.

## 4. FY 2012-13 Operating Appropriations by Department

FY 2012-13 Operating Appropriations by Department						
	Total Funds	General Fund <sup>1</sup>	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Agriculture	\$39,679,233	\$6,863,921	\$27,838,161	\$1,090,001	\$3,887,150	282.4
Corrections	740,960,074	654,682,235	39,619,027	45,644,484	1,014,328	6,077.1
Education <sup>1</sup>	4,435,413,899	3,015,441,352	767,189,974	24,078,570	628,704,003	565.7
Governor	206,378,703	18,524,704	33,007,504	149,228,302	5,618,193	1,036.1
Health Care Policy and Financing <sup>1</sup>	5,595,528,532	1,847,607,793	936,373,544	7,174,145	2,804,373,050	327.1
Higher Education <sup>1</sup>	3,035,143,739	628,569,790	1,835,273,931	552,186,789	19,113,229	21,458.9
Human Services	2,087,162,329	645,940,781	340,033,047	485,205,073	615,983,428	4,872.8
Judicial	511,376,813	353,411,788	134,221,003	19,319,022	4,425,000	4,269.6
Labor and Employment	158,126,901	0	60,492,110	651,881	96,982,910	1,006.3
Law	58,484,678	10,452,022	10,979,963	35,476,528	1,576,165	432.7
Legislature	37,046,125	35,963,244	179,065	903,816	0	271.0
Local Affairs <sup>1</sup>	327,213,891	11,074,259	206,386,363	7,129,597	102,623,672	163.2
Military and Veterans Affairs	222,957,286	6,692,607	1,332,993	803,662	214,128,024	1,384.9
Natural Resources	262,777,961	23,768,283	209,619,862	8,641,534	20,748,282	1,464.1
Personnel	164,186,172	6,603,153	12,565,917	145,017,102	0	396.9
Public Health and Environment <sup>1</sup>	468,222,974	31,142,676	159,564,801	31,568,086	245,947,411	1,223.2
Public Safety	323,109,852	86,452,085	156,169,131	27,132,877	53,355,759	1,562.3
Regulatory Agencies	78,885,112	1,715,818	71,586,905	4,267,189	1,315,200	559.9
Revenue	287,797,760	73,393,521	211,976,517	1,603,334	824,388	1,249.1
State	20,458,878	0	20,458,878	0	0	133.0
Transportation	1,119,353,686	0	706,181,582	3,763,059	409,409,045	3,308.8
Treasury <sup>1</sup>	478,909,305	109,314,351	369,594,954	0	0	31.5
Controlled Maintenance Trust Fund	<u>23,000,000</u>	<u>23,000,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>OPERATING TOTAL<sup>2</sup></b>	<b>\$20,682,173,903</b>	<b>\$7,590,614,383</b>	<b>\$6,310,645,232</b>	<b>\$1,550,885,051</b>	<b>\$5,230,029,237</b>	<b>52,076.6</b>

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

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

## 5. FY 2013-14 Operating Appropriations by Department

FY 2013-14 Operating Appropriations by Department						
	Total Funds	General Fund <sup>1</sup>	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Agriculture	\$42,670,244	\$7,723,805	\$29,176,366	\$1,632,203	\$4,137,870	274.1
Corrections	751,232,064	664,148,559	40,179,999	45,892,992	1,010,514	6,019.6
Education <sup>1</sup>	4,648,370,616	3,100,516,167	893,700,039	28,629,576	625,524,834	563.8
Governor	225,366,541	22,073,247	36,740,540	159,797,133	6,755,621	1,060.9
Health Care Policy and Financing <sup>1</sup>	6,537,643,053	2,063,159,596	888,516,606	10,483,522	3,575,483,329	358.1
Higher Education <sup>1</sup>	3,233,189,910	659,062,854	1,978,139,263	576,697,493	19,290,300	22,842.3
Human Services	2,214,378,373	724,844,518	358,900,608	519,799,788	610,833,459	4,874.9
Judicial	552,453,960	383,079,450	139,134,949	25,814,561	4,425,000	4,358.7
Labor and Employment	163,342,035	98,519	65,399,832	650,740	97,192,944	1,012.5
Law	67,564,072	12,168,714	12,330,132	41,294,862	1,770,364	446.5
Legislature	40,399,019	38,592,648	179,000	1,627,371	0	272.6
Local Affairs <sup>1</sup>	305,205,047	17,698,568	208,920,557	8,629,582	69,956,340	164.3
Military and Veterans Affairs	223,858,252	7,378,715	1,239,695	800,000	214,439,842	1,389.6
Natural Resources	277,509,241	24,978,508	215,177,148	8,774,311	28,579,274	1,438.8
Personnel	174,205,986	9,131,974	13,628,813	151,445,199	0	392.6
Public Health and Environment <sup>1</sup>	524,078,332	53,402,747	149,737,005	29,677,710	291,260,870	1,241.3
Public Safety	343,086,267	97,396,503	164,734,328	25,776,057	55,179,379	1,616.1
Regulatory Agencies	81,184,712	1,703,494	73,652,864	4,504,371	1,323,983	572.7
Revenue	302,095,503	77,856,804	218,345,598	5,068,713	824,388	1,241.7
State	22,908,217	0	22,908,217	0	0	139.0
Transportation	1,267,747,364	0	759,829,076	19,775,304	488,142,984	3,317.5
Treasury <sup>1</sup>	433,702,981	106,171,325	327,531,656	0	0	31.9
Controlled Maintenance Trust Fund	<u>48,000,000</u>	<u>23,000,000</u>	<u>0</u>	<u>0</u>	<u>25,000,000</u>	<u>0.0</u>
<b>OPERATING TOTAL<sup>2</sup></b>	<b>\$22,480,191,789</b>	<b>\$8,094,186,715</b>	<b>\$6,598,102,291</b>	<b>\$1,666,771,488</b>	<b>\$6,121,131,295</b>	<b>53,629.5</b>

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

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



# **PART II**

## **DEPARTMENT SUMMARIES**



# SUMMARY OF FY 2012-13 ADJUSTED OPERATING APPROPRIATIONS AND FY 2013-14 OPERATING APPROPRIATIONS – ALL DEPARTMENTS

Operating Appropriations to All Departments						
	Total Funds	General Fund <sup>1,2</sup>	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2012-13 Appropriation:</b>						
FY 2012-13 Appropriation	\$20,592,633,551	\$7,579,462,062	\$6,292,356,225	\$1,522,988,961	\$5,197,826,303	52,016.2
2013 legislative session bills	<u>89,540,352</u>	<u>11,152,321</u>	<u>18,289,007</u>	<u>27,896,090</u>	<u>32,202,934</u>	<u>60.4</u>
<b>TOTAL</b>	<b>\$20,682,173,903</b>	<b>\$7,590,614,383</b>	<b>\$6,310,645,232</b>	<b>\$1,550,885,051</b>	<b>\$5,230,029,237</b>	<b>52,076.6</b>
<b>FY 2013-14 Appropriation:</b>						
FY 2012-13 Appropriation	\$20,682,173,903	\$7,590,614,383	\$6,310,645,232	\$1,550,885,051	\$5,230,029,237	52,076.6
Decision items	998,286,332	400,455,875	194,465,354	113,401,117	289,963,986	1,479.1
Technical changes	344,037,571	(12,034,953)	209,880,985	16,937,342	129,254,197	9.4
Centrally appropriated line items	112,040,325	52,893,249	28,907,805	20,307,180	9,932,091	0.0
Statewide IT common policy adjustments	7,708,611	3,843,824	1,169,754	4,428,525	(1,733,492)	0.0
Annualize prior year legislation	(106,626,203)	37,294,685	(85,773,465)	(45,948,371)	(12,199,052)	(6.0)
Annualize prior year funding	(36,942,222)	(3,826,979)	(18,084,790)	(1,081,021)	(13,949,432)	(95.7)
<b>SB 13-230 / SB 13-187</b>	<b>\$22,000,678,317</b>	<b>\$8,069,240,084</b>	<b>\$6,641,210,875</b>	<b>\$1,658,929,823</b>	<b>\$5,631,297,535</b>	<b>53,463.4</b>
Additional legislation	<u>479,513,472</u>	<u>24,946,631</u>	<u>(43,108,584)</u>	<u>7,841,665</u>	<u>489,833,760</u>	<u>166.0</u>
<b>TOTAL</b>	<b>\$22,480,191,789</b>	<b>\$8,094,186,715</b>	<b>\$6,598,102,291</b>	<b>\$1,666,771,488</b>	<b>\$6,121,131,295</b>	<b>53,629.4</b>
<b>Increase/(Decrease)</b>	\$1,798,017,886	\$503,572,332	\$287,457,059	\$115,886,437	\$891,102,058	1,552.8
Percentage Change	8.7%	6.6%	4.6%	7.5%	17.0%	3.0%

<sup>1</sup> Includes \$1,481,783,200 General Fund Exempt in FY 2012-13 and \$1,372,255,521 General Fund Exempt in FY 2013-14. See Parts II and III for the Departments of Education, Health Care Policy and Financing, Higher Education, Local Affairs, Public Health and Environment, and Treasury for information on General Fund Exempt appropriations.

<sup>2</sup> Includes \$131,377,953 in FY 2012-13 and \$126,771,353 in FY 2013-14 that is not subject to the statutory limit on state General Fund appropriations imposed by Section 24-75-201.1, C.R.S. See Parts II and III for the Departments of Health Care Policy and Financing, Local Affairs, Public Health and Environment, Revenue, and Treasury for further information on General Fund appropriations that are exempt from the statutory limit.

## FY 2012-13 Appropriation – Mid-year Adjustments

**2013 legislative session bills:** Represents the FY 2012-13 impact of legislation passed in the 2013 legislative session. These bills correspond to a 0.4 percent total funds and 0.1 percent General Fund increase in the total FY 2012-13 appropriation compared to the pre-2013 legislative session FY 2012-13 appropriation. Major highlights include:

- (38.4 percent) Health Care Policy and Financing – Increase of \$34.4 million total funds (including \$33.9 million federal funds);
- (17.7 percent) Human Services – Increase of \$15.8 million total funds (including \$4.0 million General Fund);
- (15.3 percent) Education – Increase of \$13.7 million cash funds; and
- (28.6 percent) Other agencies.

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

## **FY 2013-14 Appropriation Highlights**

**Decision items:** Represents programmatic funding changes the General Assembly included in the FY 2013-14 Long Bill (S.B. 13-230) and the legislative appropriation bill (S.B. 13-187). Examples include funding for new programs, expansion of existing programs, and reductions to or elimination of existing programs. These items comprise 55.5 percent of the total funds and 79.5 percent of the General Fund changes in the total FY 2013-14 appropriation compared to the adjusted FY 2012-13 appropriation. Major highlights include:

- (60.0 percent) Health Care Policy and Financing – Increase of \$598.8 million total funds (including \$175.2 million General Fund);
- (12.1 percent) Education – Increase of \$120.8 million total funds (including \$83.9 million General Fund);
- (11.8 percent) Human Services – Increase of \$118.1 million total funds (including \$66.5 million General Fund);
- (7.2 percent) Higher Education – Increase of \$71.7 million total funds (including \$39.2 million General Fund); and
- (8.9 percent) Other agencies.

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

**Technical changes:** Represents revenue forecast adjustments and error corrections the General Assembly included in S.B. 13-230 and S.B. 13-187. These items comprise 19.1 percent of the total funds change and a decrease in the General Fund portion of the total FY 2013-14 appropriation compared to the adjusted FY 2012-13 appropriation. Major highlights include:

- (42.9 percent) Transportation – Increase of \$147.5 million total funds (including \$78.7 million federal funds)
- (40.6 percent) Higher Education – Increase of \$139.8 million cash funds;
- (12.9 percent) Public Health and Environment – Increase of \$45.2 million total funds (including \$45.7 million federal funds); and
- (3.6 percent) Other agencies.

For more detailed information on specific technical changes, see the relevant department sections in Parts II and III.

**Centrally appropriated line items:** Represents changes reflected in the Executive Director's Office (or comparable division) for each agency for use department-wide that the General Assembly included in S.B. 13-230 and S.B. 13-187. Examples include employee benefits (salary changes and employer contributions to health/life/dental insurance), vehicle lease payments, and Capitol Complex leased space. These items comprise

6.2 percent of the total funds and 10.5 percent of the General Fund changes in the total FY 2013-14 appropriation compared to the adjusted FY 2012-13 appropriation. Major highlights include:

- (17.8 percent) Corrections – Increase of \$19.9 million total funds (including \$18.9 million General Fund);
- (13.9 percent) Judicial – Increase of \$15.6 million total funds (including \$13.2 million General Fund);
- (12.8 percent) Human Services – Increase of \$14.3 million total funds (including \$9.6 million General Fund); and
- (55.5 percent) Other agencies.

For more detailed information on centrally appropriated line item adjustments, see the relevant department sections in Parts II and III.

**Statewide IT common policy adjustments:** Represents changes to appropriations that are transferred from agencies to the Governor's Office of Information technology that the General Assembly included in S.B. 13-230 and S.B. 13-187. These items comprise 0.4 percent of the total funds and 0.8 percent of the General Fund changes in the total FY 2013-14 appropriation compared to the adjusted FY 2012-13 appropriation. Major highlights include:

- (45.8 percent) Corrections – Increase of \$3.5 million total funds (including \$3.5 million General Fund);
- (13.7 percent) Judicial – Increase of \$1.1 General Fund;
- (10.8 percent) Natural Resources – Increase of \$0.8 million total funds (including \$0.5 million General Fund); and
- (29.7 percent) Other agencies.

For more detailed information on specific Statewide IT common policy adjustments, see the relevant department sections in Parts II and III.

**Annualize prior year legislation:** Represents the FY 2013-14 impact of legislation passed in prior legislative sessions that the General Assembly included in S.B. 13-230 and S.B. 13-187. These items comprise a decrease in total funds and 7.4 percent of the General Fund change in the total FY 2013-14 appropriation compared to the adjusted FY 2012-13 appropriation. Major highlights include:

- (35.9 percent) Human Services – Decrease of \$38.3 million total funds (including \$10.8 million General Fund);
- (22.7 percent) Governor – Decrease of \$24.3 million total funds (including \$0.5 million General Fund);
- (15.9 percent) Higher Education – Decrease of \$16.9 million total funds (including \$9.3 million General Fund);
- (12.2 percent) Health Care Policy and Financing – Decrease of \$13.0 million total funds (including an increase of \$44.3 million General Fund); and
- (13.3 percent) Other agencies.

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

**Annualize prior year funding:** Represents the FY 2013-14 impact of budgetary decision items included in prior fiscal year appropriations that the General Assembly included in S.B. 13-230 and S.B. 13-187. These items comprise a decrease in total funds and in the General Fund portion of the total FY 2013-14 appropriation compared to the adjusted FY 2012-13 appropriation. Major highlights include:

- (21.7 percent) Corrections – Decrease of \$8.0 million total funds (including \$8.0 million General Fund);
- (18.9 percent) Human Services – Decrease of \$7.0 million total funds (including an increase of \$2.4 million General Fund);
- (17.4 percent) Education – Decrease of \$6.4 million cash funds; and
- (42.0 percent) Other agencies.

For more detailed information on specific annualizations of prior year funding, see the relevant department sections in Parts II and III.

**Additional legislation:** Represents the FY 2013-14 impact of legislation passed in the 2013 legislative session in addition to S.B. 13-230 and S.B. 13-187. These items comprise 26.7 percent of the total funds and 5.0 percent of the General Fund changes in the total FY 2013-14 appropriation. Major highlights include:

- (71.4 percent) Health Care Policy and Financing – Increase of \$342.4 million total funds (including \$489.8 million federal funds);
- (17.9 percent) Education – Increase of \$85.8 million total funds (including \$85.6 million cash funds);
- (10.3 percent) Human Services – Increase of \$49.3 million total funds (including \$28.1 million General Fund); and
- (0.4 percent) Other agencies.

The table below highlights the ten bills from the 2013 legislative session in addition to S.B. 13-230 and S.B. 13-187 that have the largest total funds impact on the FY 2013-14 appropriation.

<b>Additional 2013 Legislative Session Legislation with Largest Total Funds Impact on FY 2013-14</b>							
<b>Bill</b>	<b>Subject</b>	<b>Department(s)</b>	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
S.B. 13-200	Medicaid Expansion	Health Care Policy and Financing, Human Services	\$314,489,381	(\$775,084)	(\$154,578,421)	\$469,842,886	19.0
S.B. 13-260	School Finance	Education, Human Services	85,568,308	43,898	85,524,410	0	0.0
S.B. 13-242	Adult Dental Benefit	Health Care Policy and Financing	33,858,405	(738,262)	11,244,171	23,352,496	1.3
S.B. 13-181	Water Projects	Natural Resources	32,340,000	0	32,340,000	0	0.0
S.B. 13-266	Crisis Services	Human Services	19,792,028	19,792,028	0	0	0.9
H.B. 13-1191	Nutrient Grants	Public Health and Environment	15,000,000	15,000,000	0	0	0.0
H.B. 13-1020	Assault Evidence	Public Safety	6,351,002	6,351,002	0	0	0.0
H.B. 13-1283	Species Conservation	Natural Resources	4,000,000	0	4,000,000	0	0.0
H.B. 13-1210	Legal Counsel	Judicial	3,795,400	3,795,400	0	0	37.9
S.B. 13-111	Elder Abuse	Human Services	3,171,208	3,171,208	0	0	1.0

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

# DEPARTMENT OF AGRICULTURE

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

## Department Budget: Recent Appropriations

Funding Source	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14
General Fund	\$4,924,114	\$5,164,362	\$6,863,921	\$7,723,805
Cash Funds	28,568,372	28,782,323	27,838,161	29,176,366
Reappropriated Funds	1,126,997	1,042,342	1,090,001	1,632,203
Federal Funds	<u>4,019,345</u>	<u>3,977,614</u>	<u>3,887,150</u>	<u>4,137,870</u>
<b>Total Funds</b>	<b>\$38,638,828</b>	<b>\$38,966,641</b>	<b>\$39,679,233</b>	<b>\$42,670,244</b>
Full Time Equiv. Staff	287.1	284.1	282.4	274.1

## General Factors Driving the Budget

Funding for this department consists of 18.1 percent General Fund, 68.4 percent cash funds, 3.8 percent reappropriated funds, and 9.7 percent federal funds. Some of the major factors driving the Department's budget are discussed below.

### Agricultural Services Division

Funding appropriated to the Agricultural Services Division (ASD) is expended on four program areas: animal industry, plant industry, inspection and consumer services, and conservation services. In FY 2013-14 ASD accounted for 29.3 percent of the Department's total appropriation including 44.9 percent of the Department's total General Fund appropriation and 22.7 percent of the Department's total cash fund appropriation.

The primary source of funding for ASD is cash funds from license and inspection fees. The following table outlines some of the major workload measures driving the ASD budget:

<b>Agricultural Services Division Workload Measures Driving the Budget</b>				
	<b>FY 2010-11 Actual</b>	<b>FY 2011-12 Actual</b>	<b>FY 2012-13 Estimate</b>	<b>FY 2013-14 Estimate</b>
<b>Animal Industry</b>				
Exported Livestock	2,005,299	2,214,382	2,320,672	2,225,000
Animal Abuse Investigations	12,621	14,712	15,000	15,000
Disease Traceability IDs	27,286	34,927	38,748	40,658
<b>Inspection and Consumer Services</b>				
Small & Large Devices Tested	23,855	27,451	24,288	27,000
Egg Inspections (by the dozen)	131,176	160,000	103,600	108,000
<b>Plant Industry</b>				
Pounds of seed sampled	988,741	2,003,450	5,325,673	3,000,000
Volume of nursery stock inspected	549,806	3,654,167	1,506,225	2,500,000

## Department Workload

Cash funds make up the majority of funding for this Department. Cash funds appropriations respond to increases and decreases in workload for products or services associated with specific cash funds within the Department. The three largest cash funds appropriations are the State Fair Cash Fund, Brand Inspection Cash Fund, and the Plant Health, Pest Control, and Environmental Protection Cash Fund. Together these appropriations account for over 50.0 percent of the Department's total cash funds appropriation in FY 2013-14.

## Agriculture Management Fund

The Agriculture Management Fund was created by House Bill 08-1399 (Buescher/Isgar) which allocated the interest earned on the Unclaimed Property Tourism Promotion Trust Fund, once the debt on the State Fair Events Center was repaid, in the following ways:

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

The Agriculture Management Fund has enabled the Department to limit the number of cuts taken during the economic downturn by backfilling General fund reductions with Agriculture Management Fund dollars. The following table outlines the estimated use of the \$2.1 million appropriation for FY 2013-14.

<b>Agriculture Management Fund Estimated Spending FY 2013-14</b>	
Conservation Grants	15.0%
Outreach	13.7%
State Fair	13.3%
Colorado Proud Advertising	11.0%
Noxious Weeds	11.0%



### Agriculture Management Fund Estimated Spending FY 2013-14

FTE and Employee Benefits	9.8%
Rocky Ford Cantaloupe Branding	8.5%
Contract Service for US Herds Software	6.7%
Miscellaneous Marketing	5.5%
Contract Service Predator/Animal Traceability	4.8%
Indirect Cost Assessment	0.8%

## Appropriation Highlights – 2013 Legislative Session

Department of Agriculture						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2012-13 Appropriation:</b>						
HB 12-1335	\$39,146,901	\$6,850,576	\$27,319,174	\$1,090,001	\$3,887,150	282.4
HB 12-1246	9,456	9,456	0	0	0	0.0
HB 12-1334	500,000	0	500,000	0	0	0.0
SB 13-085	<u>22,876</u>	<u>3,889</u>	<u>18,987</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$39,679,233</b>	<b>\$6,863,921</b>	<b>\$27,838,161</b>	<b>\$1,090,001</b>	<b>\$3,887,150</b>	<b>282.4</b>
<b>FY 2013-14 Appropriation:</b>						
FY 2012-13 Appropriation	\$39,679,233	\$6,863,921	\$27,838,161	\$1,090,001	\$3,887,150	282.4
Centrally appropriated line items	1,420,956	465,541	868,584	(23,405)	110,236	0.0
Indirect cost assessment	703,349	(221,986)	359,093	418,222	148,020	0.0
Technical adjustments	534,000	450,000	0	84,000	0	(7.3)
Statewide IT common policy adjustments	173,506	148,996	32,046	0	(7,536)	0.0
Brand board vehicle replacement	120,000	0	120,000	0	0	0.0
License and permit business manager	63,385	0	0	63,385	0	0.0
OIT staff transfer	0	0	0	0	0	(1.0)
Annualize prior year funding	(45,390)	(3,872)	(41,518)	0	0	0.0
<b>SB 13-230</b>	<b>\$42,649,039</b>	<b>\$7,702,600</b>	<b>\$29,176,366</b>	<b>\$1,632,203</b>	<b>\$4,137,870</b>	<b>274.1</b>
SB 13-241	<u>21,205</u>	<u>\$21,205</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$42,670,244</b>	<b>\$7,723,805</b>	<b>\$29,176,366</b>	<b>\$1,632,203</b>	<b>\$4,137,870</b>	<b>274.1</b>
<b>Increase/(Decrease)</b>	\$2,991,011	\$859,884	\$1,338,205	\$542,202	\$250,720	(8.3)
Percentage Change	7.5%	12.5%	4.8%	49.7%	6.4%	(2.9%)

## **FY 2012-13 Appropriation - Mid-year Adjustments**

Senate Bill 13-085 adds \$22,876 total funds for mid-year adjustments to the Department's FY 2012-13 appropriations, including adjustments to common policy line items.

## **FY 2013-14 Appropriation Highlights**

**Centrally appropriated line items:** The appropriation includes adjustments to centrally appropriated line items for the following: state contributions for health, life, and dental benefits; merit pay; salary survey; short-term disability; supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund; vehicle lease payments; workers' compensation; legal services; administrative law judges; payment to risk management and property funds; Capitol complex leased space; and statewide indirect cost assessments.

**Indirect cost assessment:** The appropriation includes a net increase in funds to reflect a new indirect cost methodology within the Department which includes a standard collection based on cash fund spending authority.

**Technical adjustments:** The appropriation includes adjustments to restore prior year funding reductions, an increase of reappropriated funds for pesticide samples analysis, and a decrease of FTE to reflect actual usage.

**Statewide IT common policy adjustments:** The appropriation includes adjustments to line items appropriated for: purchase of services from the computer center; Colorado state network; management and administration of the Governor's Office of Information Technology (OIT); communication services payments; COFRS modernization; and information technology security.

**Brand board vehicle replacement:** The appropriation includes an increase of \$120,000 cash funds from the Brand Inspection Cash Fund for replacement vehicles used by brand inspectors.

**License and permit business manager:** The appropriation includes a transfer of 1.0 FTE from the Agricultural Services Division to the Commissioner's Office and Administrative Services Division, and an associated increase of \$63,385 reappropriated funds.

**OIT staff transfer:** The appropriation reflects a budget neutral adjustment for technical changes related to transfers of Office of Information Technology staff.

**Annualize prior year funding:** The appropriation includes adjustments related to prior year funding including S.B. 13-085 (Supplemental Appropriation).

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

# DEPARTMENT OF CORRECTIONS

The Department is responsible for the following activities:

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

The Department is comprised of the following divisions:

1. Management
2. Institutions
3. Support Services
4. Inmate Programs
5. Community Services
6. Parole Board
7. Correctional Industries
8. Canteen Operation

## Department Budget: Recent Appropriations

Funding Source	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14
General Fund	\$658,794,383	\$648,950,165	\$654,682,235	\$664,148,559
Cash Funds	44,669,172	42,343,166	39,619,027	40,179,999
Reappropriated Funds	43,324,213	44,727,525	45,644,484	45,892,992
Federal Funds	<u>1,007,478</u>	<u>3,197,101</u>	<u>1,014,328</u>	<u>1,010,514</u>
<b>Total Funds</b>	<b>\$747,795,246</b>	<b>\$739,217,957</b>	<b>\$740,960,074</b>	<b>\$751,232,064</b>
Full Time Equiv. Staff	6,733.1	6,220.6	6,077.1	6,019.6

## General Factors Driving the Budget

Funding for this department consists of 88.4 percent General Fund, 5.3 percent cash funds, 6.1 percent reappropriated funds, and 0.1 percent federal funds. Some of the major factors driving the Department's budget are discussed below.

## Inmate Population

The Department of Corrections (DOC) budget depends in substantial part upon the Department's caseload, which has two key components:

- The number of incarcerated offenders that the Department must place in state-operated prisons, private prisons, or county jails; and
- The number of transition and parole offenders that the Department must supervise.

The following table shows recent changes in the Department's total inmate jurisdictional population, which includes inmates who are housed in state-operated prisons, private prisons, and county jails. This population peaked at the beginning of FY 2009-10 and has subsequently declined.

<b>Total Inmate Jurisdictional Population</b>	<b>FY 08-09 Actual</b>	<b>FY 09-10 Actual</b>	<b>FY 10-11 Actual</b>	<b>FY 11-12 Actual</b>	<b>FY 12-13 Estimate</b>	<b>FY 13-14 Estimate</b>
Fiscal year-end inmate population	23,186	22,860	22,319	21,037	20,150	19,825
Annual percentage change		(1.4%)	(2.4%)	(5.7%)	(4.2%)	(1.6%)

## DOC Offenders in County Jails

A portion of the offenders under the DOC's jurisdiction are housed in county jails. Some of these offenders have recently been sentenced to the DOC and are awaiting transfer from jail (a population that is commonly referred to as the jail backlog). Pursuant to Section 17-1-112 (1), C.R.S., the DOC is required to reimburse counties for holding these inmates starting 72 hours after they are sentenced. Other offenders were on parole and, following a parole violation, have been placed in jail while awaiting a parole revocation hearing. In addition, the DOC has contracts with several jails around the state and places offenders in these facilities on a longer term basis. The following table highlights the DOC jail population in recent years.

<b>DOC Offenders in County Jails</b>	<b>FY 08-09 Actual</b>	<b>FY 09-10 Actual</b>	<b>FY 10-11 Actual</b>	<b>FY 11-12 Actual</b>	<b>FY 12-13 Estimate</b>	<b>FY 13-14 Approp.</b>
Average DOC population in jails	413	569	639	559	558	560
Cost to DOC	\$7,595,058	\$10,474,017	\$11,772,794	\$10,320,054	\$10,266,266	\$10,524,789
Annual percentage change of cost		37.9%	12.4%	(12.3%)	(0.5%)	2.5%
Daily Reimbursement Rate	\$50.44	\$50.44	\$50.44	\$50.44	\$50.44	\$51.45
Annual percentage change of rate		0.0%	0.0%	0.0%	0.0%	2.0%

## DOC Offenders in Private Prisons

In the 1990s, the DOC began contracting with out-of-state prisons and in-state private prisons to house Colorado offenders. The DOC continues to house offenders at in-state private prisons, but Colorado offenders have not been housed at out-of-state prisons since FY 2007-08. The following information summarizes recent payments to in-state private prisons.

<b>DOC Offenders in Private Prisons</b>	<b>FY 08-09 Actual</b>	<b>FY 09-10 Actual</b>	<b>FY 10-11 Actual</b>	<b>FY 11-12 Actual</b>	<b>FY 12-13 Estimate</b>	<b>FY 13-14 Approp.</b>
Average Daily Population	5,425	5,088	4,451	4,169	3,829	3,508
Annual percentage change		(6.2%)	(12.5%)	(6.3%)	(8.2%)	(8.4%)
Cost of Private Contracts	\$104,323,294	\$97,844,779	\$85,599,904	\$80,393,692	\$73,637,932	\$68,802,680
Annual percentage change		(6.2%)	(12.5%)	(6.1%)	(8.4%)	(6.6%)
Daily Reimbursement Rate	\$52.69	\$52.69	\$52.69	\$52.69	\$52.69	\$53.74
Annual percentage change		0.0%	0.0%	0.0%	0.0%	2.0%

### Transition and Parole – Costs of Returning Offenders to the Community

The process of returning an offender to the community always involves a period of parole, but may include placement in a community corrections facility (known as a halfway house) and a period of intensely supervised independent living before parole begins. Inmates living in halfway houses are often referred to as "transition" offenders. Once on parole, a significant number of offenders are reincarcerated for violating their parole conditions; if the parole violation does not involve a new crime that leads to a new conviction, reincarceration will last no longer than six months.

The costs of returning offenders to the community are shared by the DOC and the Division of Criminal Justice (DCJ) at the Department of Public Safety. The DCJ is responsible for payments to halfway houses, which in Colorado are operated by private entities, non-profits, and local governments. The DOC is responsible for the costs of supervising DOC offenders who are in community corrections, living independently prior to parole, or on parole. In addition, the DOC pays reincarceration costs when parole is revoked. Non-violent parolees whose parole is temporarily revoked are frequently reincarcerated in "Community Return-to-Custody" facilities, which are somewhat similar to halfway houses and are not run by the State.

Costs of supervision are closely tied to the size of the population being supervised. The following table reports the recent fiscal year-end parole population.

<b>Parole</b>	<b>FY 08-09 Actual</b>	<b>FY 09-10 Actual</b>	<b>FY 10-11 Actual</b>	<b>FY 11-12 Actual</b>	<b>FY 12-13 Estimate</b>	<b>FY 13-14 Approp.</b>
Fiscal year-end parole population	9,016	8,535	8,181	8,445	8,717	8,426
Annual percentage change		(5.3%)	(4.1%)	3.2%	3.2%	(3.3%)

The next table summarizes DOC's recent costs of supervision and recent payments to Community Return-to-Custody facilities.

<b>Transition and Parole Costs</b>	<b>FY 08-09 Actual</b>	<b>FY 09-10 Actual</b>	<b>FY 10-11 Actual</b>	<b>FY 11-12 Actual</b>	<b>FY 12-13 Approp.</b>	<b>FY 13-14 Approp.</b>
Community Corrections Supervision	\$12,823,512	\$13,662,290	\$12,790,930	\$12,315,305	\$12,730,190	\$12,035,717
Annual percentage change		6.5%	(6.4%)	(3.7%)	3.4%	(5.5%)
Parole Supervision	\$20,828,293	\$21,127,826	\$22,219,683	\$23,483,761	\$23,273,651	\$24,154,252
Annual percentage change		1.4%	5.2%	5.7%	(0.9%)	3.8%

<b>Transition and Parole Costs</b>	<b>FY 08-09 Actual</b>	<b>FY 09-10 Actual</b>	<b>FY 10-11 Actual</b>	<b>FY 11-12 Actual</b>	<b>FY 12-13 Approp.</b>	<b>FY 13-14 Approp.</b>
Payments to Community Return-to-Custody Facilities	\$3,395,999	\$3,912,275	\$4,035,869	\$4,004,246	\$4,216,433	\$3,600,021
Annual percentage change		15.2%	3.2%	(0.8%)	5.3%	(14.6%)

For more information on the cost of placing DOC offenders in community corrections facilities, please see the Department of Public Safety section of this document.

### Capital Construction and Certificates of Participation

In addition to the DOC's operating costs, there are also costs associated with new construction, controlled maintenance of existing capital resources, and payments for the certificates of participation that financed the construction of one of the State's prison facilities. Related appropriations are summarized in the following table.

<b>Capital Construction</b>	<b>FY 08-09 Approp.</b>	<b>FY 09-10 Approp.</b>	<b>FY 10-11 Approp.</b>	<b>FY 11-12 Approp.</b>	<b>FY 12-13 Approp.</b>	<b>FY 13-14 Approp.</b>
Appropriation from Capital Construction Fund	\$3,664,965	\$6,274,207	\$2,012,428	\$18,952,353	\$20,798,083	\$27,225,308

## Appropriation Highlights – 2013 Legislative Session

<b>Department of Corrections</b>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2012-13 Appropriation:</b>						
HB 12-1335	\$736,945,972	\$650,697,073	\$40,835,214	\$44,399,357	\$1,014,328	6,020.9
SB 08-239	175,424	175,424	0	0	0	0.0
HB 08-1115	28,758	28,758	0	0	0	0.0
HB 08-1194	31,634	31,634	0	0	0	0.0
HB 08-1352	217,566	217,566	0	0	0	0.0
HB 10-1081	28,800	28,800	0	0	0	0.0
HB 10-1277	4,482	4,482	0	0	0	0.0
HB 12-1223	0	0	0	0	0	2.0
HB 12-1246	136,460	136,460	0	0	0	0.0
HB 12-1310	11,840	11,840	(1,245,127)	1,245,127	0	0.0
SB 13-086	<u>3,379,138</u>	<u>3,350,198</u>	<u>28,940</u>	<u>0</u>	<u>0</u>	<u>54.2</u>
<b>TOTAL</b>	<b>\$740,960,074</b>	<b>\$654,682,235</b>	<b>\$39,619,027</b>	<b>\$45,644,484</b>	<b>\$1,014,328</b>	<b>6,077.1</b>

Department of Corrections						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2013-14 Appropriation:</b>						
FY 2012-13 Appropriation	\$740,960,074	\$654,682,235	\$39,619,027	\$45,644,484	\$1,014,328	6,077.1
Centrally appropriated line items	19,825,632	18,965,384	860,248	0	0	0.0
Statewide IT common policy adjustments	3,578,719	3,549,324	29,940	0	(545)	0.0
Kitchen security posts	3,013,836	3,013,836	0	0	0	56.1
Mental health expansion	2,848,786	2,848,786	0	0	0	0.0
Parole caseload	1,992,533	1,992,533	0	0	0	22.9
Community provider rate	1,783,687	1,783,687	0	0	0	0.0
Food service inflation	441,612	441,612	0	0	0	0.0
Shutdown Fort Lyon	326,500	326,500	0	0	0	0.0
Sex offender treatment	193,657	193,657	0	0	0	2.0
Insurance and security for Fort Lyon after shutdown	90,000	90,000	0	0	0	0.0
Indirect cost assessment	20,117	(81,828)	(323,294)	428,508	(3,269)	0.0
Move parolee substance abuse program	0	180,000	0	(180,000)	0	0.0
Bed reductions	(9,452,702)	(9,449,256)	(3,446)	0	0	(21.8)
Annualize prior year funding	(8,269,277)	(8,266,801)	(2,476)	0	0	(100.1)
Medical and pharmaceutical expenditures for offenders	(3,176,313)	(3,176,313)	0	0	0	0.0
Community supervision caseload	(804,807)	(804,807)	0	0	0	(6.6)
Administrative reductions	(632,857)	(632,857)	0	0	0	(10.4)
Five-year statutory appropriations for FY 2013-14	(56,814)	(56,814)	0	0	0	0.0
End funding for CCJJ	(56,160)	(56,160)	0	0	0	0.0
<b>SB 13-230</b>	<b>\$752,626,223</b>	<b>\$665,542,718</b>	<b>\$40,179,999</b>	<b>\$45,892,992</b>	<b>\$1,010,514</b>	<b>6,019.2</b>
SB 10-128	28,014	28,014	0	0	0	0.0
HB 10-1081	28,800	28,800	0	0	0	0.0
SB 13-007	56,160	56,160	0	0	0	0.0
SB 13-200	(2,471,751)	(2,471,751)	0	0	0	0.4
SB 13-210	963,168	963,168	0	0	0	0.0
SB 13-250	521,850	521,850	0	0	0	0.0
HB 13-1160	<u>(520,400)</u>	<u>(520,400)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$751,232,064</b>	<b>\$664,148,559</b>	<b>\$40,179,999</b>	<b>\$45,892,992</b>	<b>\$1,010,514</b>	<b>6,019.6</b>

Department of Corrections						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Increase/(Decrease)	\$10,271,990	\$9,466,324	\$560,972	\$248,508	(\$3,814)	(57.5)
Percentage Change	1.4%	1.4%	1.4%	0.5%	(0.4%)	(0.9%)

### FY 2012-13 Appropriation - Mid-year Adjustments

Senate Bill 13-086 makes the following supplemental adjustments to the Department's FY 2012-13 appropriation:

- \$839,012 of additional General Fund and 4.3 FTE to provide utilities, maintenance, and security for Fort Lyon Correctional Facility after closure as a prison facility.
- \$774,465 of additional General Fund and \$32,269 extra cash funds for a state-wide liability insurance true-up.
- \$75,178 less General Fund for reduced IT expenditures related to the closure of Colorado State Penitentiary II (CSP II).
- \$3,840,382 less General Fund, \$3,329 less cash funds, and 54.8 fewer FTE due to early closure of beds at two correctional facilities.
- \$5,008,531 more General Fund due to higher medical expenses for offenders.
- \$643,750 more General Fund and 5.6 more FTE due to increased parole caseload.
- 104.7 more FTE in order to align the Department's FTE appropriation with FTE usage.

### FY 2013-14 Appropriation Highlights

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

**Statewide IT common policy adjustments:** The appropriation includes adjustments to line items appropriated for purchase of services from the computer center; Colorado state network; management and administration of the Governor's Office of Information Technology (OIT); communication services payments; information technology security, and COFRS modernization.

**Kitchen security posts:** The appropriation increases funding and FTE for kitchen security.

**Mental health expansion:** The appropriation increases funding for contract psychiatrists who will treat offenders with mental illness.

**Parole caseload:** The appropriation increases funding and FTE for the Parole and Parole Intensive Supervision programs, reflecting increased caseload.

**Community provider rate:** The appropriation includes an increase of \$1,783,687 total funds for the 2.0 percent community provider rate increase, which applies to private prisons, jails that house offenders sentenced to prison, and community-return-to-custody facilities for parolees who have their parole revoked.



**Food service inflation:** The appropriation increases funding for raw food; the Department has not received an inflationary food increase since FY 2007.

**Shutdown Fort Lyon:** The appropriation provides funding for a full shutdown of Fort Lyon Correctional Facility. Note that S.B. 13-210 designates Fort Lyon as a transitional residential community for the homeless and provides funding for that purpose. See the "Recent Legislation" section at the end of Part III of this department for more information.

**Sex offender treatment:** The appropriation funds a psychologist and a clinician for the Department's sex offender treatment and management program.

**Insurance and security for Fort Lyon after shutdown:** The appropriation provides insurance at Fort Lyon following shutdown. Note that S.B. 13-210 designates Fort Lyon as a transitional residential community for the homeless.

**Indirect cost assessment:** The appropriation adjusts indirect cost assessments.

**Move parolee substance abuse program:** The appropriation moves funding for a parolee substance abuse program from the Division of Criminal Justice in the Department of Public Safety to the Department of Corrections. These moneys were formerly appropriated to the Department of Public Safety and transferred to the Department of Corrections.

**Bed reductions:** Reflecting reduced caseload, the appropriation reduces funding for private prisons as well as reductions of staff and support at Denver Women's Correctional Facility and Sterling Correctional Facility.

**Annualize prior year funding:** The appropriation includes adjustments related to prior year legislation and budget actions.

**Medical and pharmaceutical expenditures for offenders:** The appropriation reduces funding for inpatient and outpatient medical care for offenders outside of prison facilities and for pharmaceuticals, reflecting the declining caseload.

**Community supervision caseload:** The appropriation reduces funding for supervising transition inmates in community corrections and on Intensive Supervision (ISP-Inmate) status, reflecting reduced caseload.

**Administrative reductions:** The appropriation reduces the Department's administrative staff.

**Five-year statutory appropriations for FY 2013-14:** The appropriation includes the FY 2013-14 funding provided in five-year sentencing bills to finance part of the cost of operating the Department.

**End funding for CCJJ:** The Long Bill appropriation eliminates funding for the Colorado Commission on Criminal and Juvenile Justice because authorization for the Commission is expiring. Senate Bill 13-007 continues the Commission.

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

# DEPARTMENT OF EDUCATION

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

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

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

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

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

## Department Budget: Recent Appropriations

Funding Source	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14
General Fund <sup>1</sup>	\$2,963,613,216	\$2,833,702,613	\$3,015,441,352	\$3,100,516,167
Cash Funds	592,384,040	857,596,308	767,189,974	893,700,039
Reappropriated Funds	22,737,017	23,645,698	24,078,570	28,629,576
Federal Funds	<u>787,486,667</u>	<u>625,903,566</u>	<u>628,704,003</u>	<u>625,524,834</u>
<b>Total Funds</b>	<b>\$4,366,220,940</b>	<b>\$4,340,848,185</b>	<b>\$4,435,413,899</b>	<b>\$4,648,370,616</b>
Full Time Equiv. Staff	555.7	541.6	565.7	563.8

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

## General Factors Driving the Budget

Although local government revenues provide a significant source of funding for K-12 education in Colorado (\$2.0 billion in FY 2013-14), local funds are not reflected in the State's annual appropriations to the Department of Education. Funding for this department in FY 2013-14 consists of 66.7 percent General Fund, 19.2 percent cash funds, 13.5 percent federal funds, and 0.6 percent reappropriated funds. The two primary factors driving the Department's budget, public school finance and categorical programs, are reviewed below.

### Public School Finance

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

The formula provides the same statewide base per-pupil funding amount for every school district (\$5,954 per pupil for FY 2013-14). The formula then increases this statewide base per-pupil funding amount for each district based on factors that affect districts' costs of providing educational services. Thus, per-pupil funding allocations vary for each district. For FY 2013-14, per-pupil funding allocations are anticipated to range from \$6,205 to \$15,472, with a statewide average of \$6,652<sup>1</sup> per pupil. Each district's per-pupil funding allocation is multiplied by its funded-pupil count to determine its total program funding. For FY 2013-14, pursuant to the formula, a total of \$5.5 billion in state and local funds will be allocated among school districts.

### *Constitutional Inflationary Requirement (Amendment 23)*

Pursuant to Section 17 of Article IX of the Colorado Constitution, the General Assembly is required to provide annual inflationary increases in the statewide base per-pupil funding amount. For FY 2001-02 through FY 2010-11, this amount was required to increase annually by at least inflation plus one percent; for FY 2011-12 and subsequent fiscal years, this amount must increase annually by at least the rate of inflation. For example, for FY 2013-14, the General Assembly was required to increase the statewide base per-pupil funding amount by at least \$111 (from \$5,843 to \$5,954, or 1.9 percent), based on the actual 1.9 percent increase in the Denver-Boulder consumer price index in calendar year 2012. Given an estimated funded-pupil count of more than 828,000, the General Assembly is required to provide a minimum of \$4.9 billion in state and local funds for FY 2013-14, equal to 89.5 percent of the \$5.3 billion in total program funding.

### *Factors Considered in Public School Finance Formula*

The remaining 10.5 percent of state and local funds that will be allocated among school districts in FY 2013-14 is driven by other factors in the statutory school finance formula that increase the base per-pupil funding for each district by varying amounts to account for individual district characteristics. The formula includes three primary factors.

- **Cost of Living Factor** - Recognizes that the cost of living in a community affects the salaries required to attract and retain qualified personnel.

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<sup>1</sup> These amounts are after the application of the negative factor (discussed on the following page).

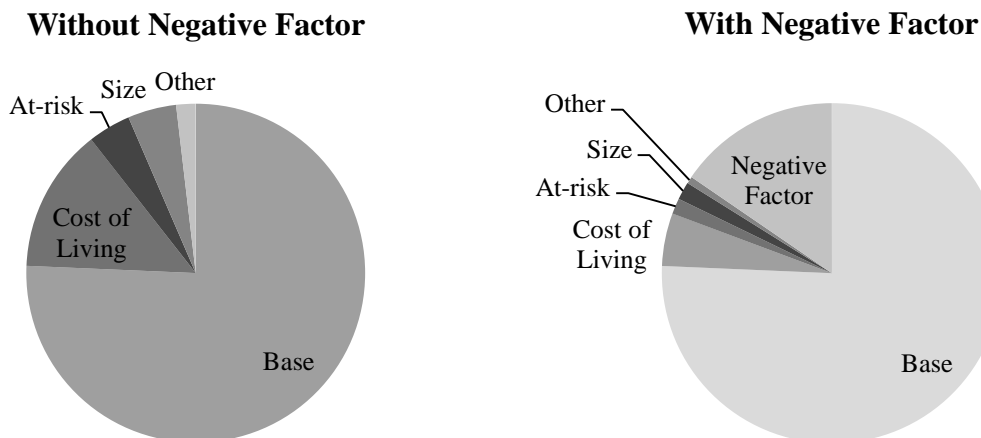
- **Size Factor** - Compensates districts lacking enrollment-based economies of scale.
- **At-risk Factor** - Provides additional funding for districts serving students who may be at risk of failing or dropping out of school. The formula utilizes a proxy to estimate the number of at-risk students: the number and concentration of students who are either eligible for free lunch under the federal school lunch program or English language learners.

In addition, the school finance formula requires a minimum level of per-pupil funding (\$6,311 per pupil for FY 2013-14<sup>2</sup>), regardless of the impact of the above factors. For FY 2013-14, 14 districts are anticipated to receive funding based on this minimum level of per-pupil funding. The School Finance Act also provides a fixed amount of funding per pupil (established at \$6,068 for FY 2013-14<sup>3</sup>) for two types of students:

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

Finally, since FY 2010-11 the formula has included a negative factor designed to reduce districts' total program funding to a specified total amount. For FY 2013-14, this factor is estimated to be -15.5 percent, requiring a \$1.0 billion reduction in total program funding. Thus, the Department will calculate total program funding for each district based on the formula described above, and then reduce each district's total program funding by 15.5 percent<sup>4</sup>. Because the General Assembly cannot decrease base per-pupil funding, this new factor has the effect of reducing the funding attributed to the other formula factors, as illustrated in the following graphic.

#### Total Program Funding by Component: FY 2013-14



<sup>2</sup> This amount is calculated after the application of the negative factor (discussed in the next paragraph).

<sup>3</sup> This amount is calculated after the application of the negative factor (discussed in the next paragraph).

<sup>4</sup> Please note that for some districts, this reduction exceeds the state share of total program funding. In this case, the reduction in total program funding is limited to the state share of funding.

### ***Determining the State and Local Shares of Funding***

Once the total program funding amount is determined for each district, the state and local share of such funding is calculated for each district. Local property and specific ownership taxes provide the first source of revenue for each district's total program funding. Property taxes are based on each district's tax rate (the mill levy) and the portion of property value that is taxable (the assessment rate). Specific ownership taxes are paid when registering a motor vehicle. These local tax revenues are collected and expended by each school district, and thus are not reflected in the state budget. For FY 2013-14, \$2.0 billion in local tax revenues are anticipated to be available to support public schools pursuant to the statutory school finance formula. State funding is appropriated to fill the gap between local tax revenues and total program funding. Thus, the General Assembly appropriated \$3.5 billion in state funding for FY 2013-14 to provide a total of \$5.5 billion for school district operations.

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

- In 1982, voters approved a property tax reform measure that included a provision (generally called the "Gallagher amendment") which initially reduced the residential assessment rate from 30.0 percent to 21.0 percent, and capped the residential share of property taxes.
- In 1992 voters approved the Taxpayer's Bill of Rights (TABOR). Prior to TABOR, local governments could generally collect and spend the same amount of property tax revenue each year by periodically increasing or decreasing mill levies. With respect to school district property taxes, TABOR: (1) imposes a property tax revenue limit based on inflation and changes in student enrollment; (2) prohibits districts from increasing a mill levy without voter approval; and (3) requires voter approval for any increase in the assessment rate for a class of property.

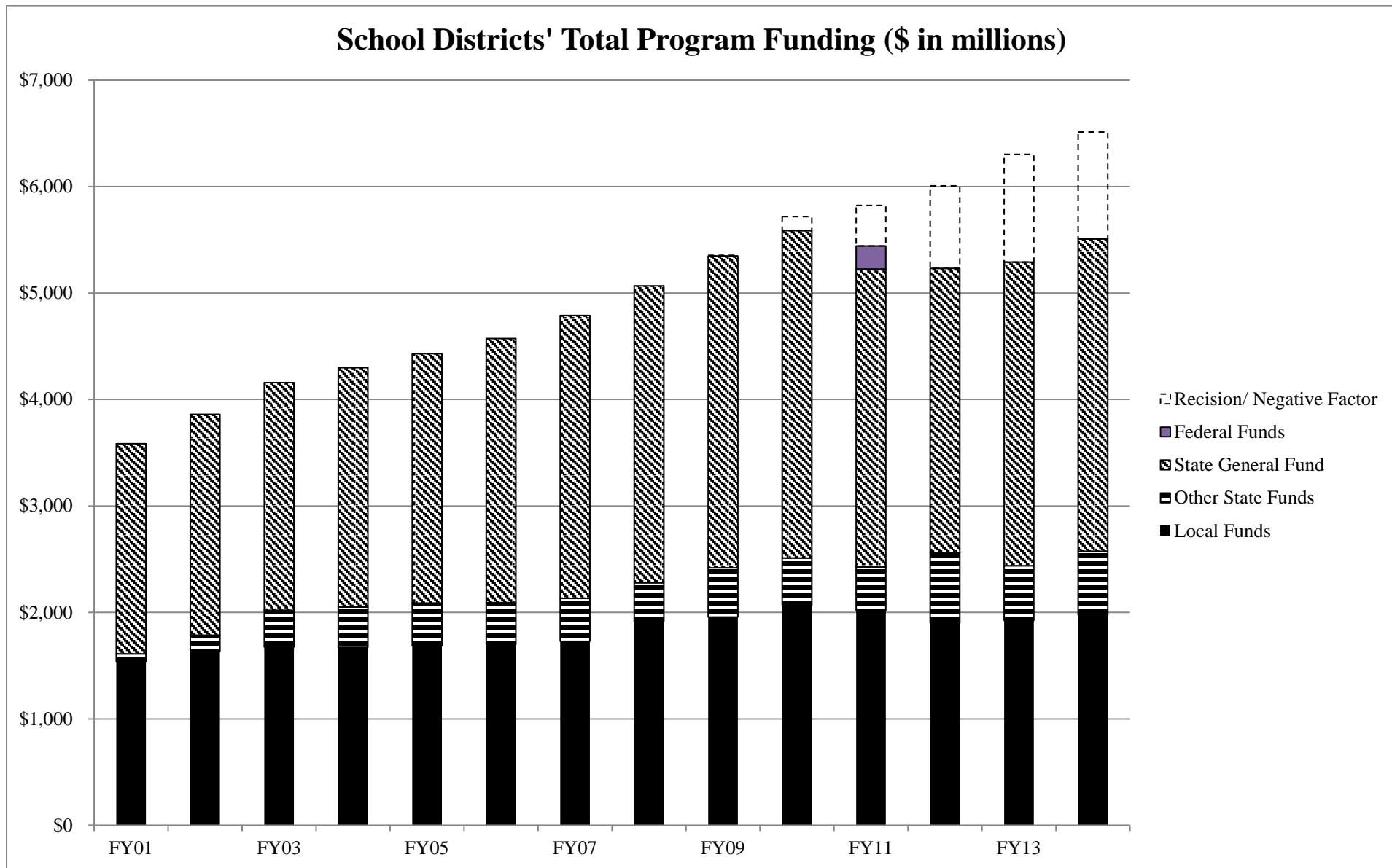
As a result of the combined impact of the Gallagher amendment and TABOR, the residential assessment rate has declined from 30.00 percent to 7.96 percent (to keep the residential share of property tax revenues at about 47.0 percent); school district mill levies have declined from the uniform mill of 40.080 (established by the General Assembly in 1988) to disparate mill levies that currently range from 1.680 to 27.000. These reductions, in combination with the inflationary spending increases required by Amendment 23, have caused the local share of total program funding to increase at a slower rate than overall funding, requiring the State's relative share of funding to increase. Specifically, from CY 1988 to FY 2006-07, the state share of funding rose from 43 percent to 64 percent, while the local share fell from 57 percent to 36 percent.

Senate Bill 07-199 changed the method for calculating school district property taxes, thereby allowing property tax revenues to increase at a rate more commensurate with overall funding. Due to the passage of S.B. 07-199 and increases in assessed valuation, the state share of funding (as a percentage of the total program) decreased in FY 2007-08 (to 62.2 percent). Subsequently, due to declines in assessed valuation, the state share has increased and is projected to provide 64.1 percent of total program funding in FY 2013-14.

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

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

The graphic on the following page illustrates school districts' total program funding, by fund source, from FY 2000-01 through FY 2013-14. The stacked bar segments outlined with a dotted line illustrate the mid-year recisions required in FY 2008-09 and FY 2009-10 due to insufficient state appropriations, as well as the impact of the negative factor in subsequent fiscal years. The graphic is followed by key data related to school finance funding for the last four fiscal years, as well as appropriations for FY 2012-13 and FY 2013-14.



School Districts' Total Program Funding: Key Data						
Description	FY 2008-09 Actual	FY 2009-10 Actual	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Approp.	FY 2013-14 Approp.
<b>Funded Pupil Count</b>	<b>778,108</b>	<b>789,497</b>	<b>798,600</b>	<b>808,139</b>	<b>817,660</b>	<b>828,045</b>
<i>Annual Percent Change</i>	2.3%	1.5%	1.2%	1.2%	1.2%	1.3%
<i>Change in Denver-Boulder Consumer Price Index for Previous Calendar Year</i>	2.2%	3.9%	(0.6%)	1.9%	3.7%	1.9%
Statewide <u>Base</u> Per Pupil Funding	<b>\$5,250</b>	<b>\$5,508</b>	<b>\$5,530</b>	<b>\$5,635</b>	<b>\$5,843</b>	<b>\$5,954</b>
<i>Annual Percent Change</i>	3.2%	4.9%	0.4%	1.9%	3.7%	1.9%
Statewide <u>Average</u> Per Pupil Funding	<b>\$6,874</b>	<b>\$7,078</b>	<b>\$6,814</b>	<b>\$6,474</b>	<b>\$6,479</b>	<b>\$6,652</b>
<i>Annual Percent Change</i>	3.2%	3.0%	(3.7%)	(5.0%)	0.1%	2.7%
<b>Total Program Funding/1</b>	<b>\$5,349,019,294</b>	<b>\$5,587,765,303</b>	<b>\$5,441,412,219</b>	<b>\$5,232,445,847</b>	<b>\$5,297,963,176</b>	<b>\$5,508,386,124</b>
<i>Annual Percent Change</i>	5.5%	4.5%	(2.6%)	(3.8%)	1.3%	4.0%
<u>Local Share</u> of Total Program Funding	\$1,956,083,870	\$2,068,895,672	\$2,018,856,003	\$1,900,524,532	\$1,918,248,885	\$1,975,723,359
<i>Annual Percent Change</i>	2.1%	5.8%	(2.4%)	(5.9%)	0.9%	3.0%
Federal Funds allocated based on School Finance Act formula	0	0	\$216,358,164	0	0	0
<b><u>State Share</u> of Total Program Funding</b>	<b>\$3,392,935,424</b>	<b>\$3,518,869,631</b>	<b>\$3,206,198,052</b>	<b>\$3,331,921,314</b>	<b>\$3,379,714,291</b>	<b>\$3,532,662,765</b>
<i>Annual Percent Change</i>	7.6%	3.7%	(8.9%)	3.9%	1.4%	4.5%
<i>State Share as Percent of Districts' Total Program Funding</i>	63.4%	63.0%	58.9%	63.7%	63.8%	64.1%

1/ For FY 2008-09 and FY 2009-10, these figures exclude amounts that were rescinded mid-year due to insufficient funds (\$5,777,656 and \$129,813,999, respectively). For FY 2010-11 through FY 2012-13, figures reflect total program funding after application of the negative factor.



## Categorical Programs

Programs designed to serve particular groups of students (e.g., students with limited proficiency in English) or particular student needs (e.g., transportation) have traditionally been referred to as "categorical" programs. Unlike public school finance funding, there is no legal requirement that the General Assembly increase funding commensurate with the number of students eligible for any particular categorical program. However, Section 17 of Article IX of the Colorado Constitution requires the General Assembly to increase total state funding for all categorical programs annually by at least the rate of inflation plus one percent for FY 2001-02 through FY 2010-11, and by at least the rate of inflation for subsequent fiscal years. For example, in calendar year 2012 the percentage change in the Denver-Boulder consumer price index was 1.9 percent, so the General Assembly was required to increase state funding for categorical programs by at least that amount (\$4,640,166) for FY 2013-14.

The General Assembly determines on an annual basis how to allocate the required increase among the various categorical programs. Since FY 2000-01, the General Assembly has increased annual state funding for categorical programs by \$126.7 million. In certain fiscal years, the General Assembly elected to increase state funding by more than the minimum, constitutionally-required amount, resulting in appropriations that are now \$57.8 million higher than the minimum amount that would have otherwise been required.

The following table details the allocation of the \$126.7 million increase since FY 2000-01 among categorical programs. For details concerning the allocation of the funding increase provided for FY 2013-14, please see the Assistance to Public Schools, Categorical Programs section.

<b>Increases in State Funding for Categorical Programs Since FY 2000-01</b>				
<b>Long Bill Line Item</b>	<b>FY 2000-01 Appropriation</b>	<b>FY 2013-14 Appropriation</b>	<b>Total Increase in Annual Appropriation of State Funds Since FY 2000-01</b>	
Special education - children with disabilities	\$71,510,773	\$157,221,408	\$85,710,635	119.86%
English Language Proficiency Program	3,101,598	15,240,040	12,138,442	391.36%
Public school transportation	36,922,227	52,811,338	15,889,111	43.03%
Career and technical education programs	17,792,850	24,528,307	6,735,457	37.85%
Special education - gifted and talented children	5,500,000	9,600,000	4,100,000	74.55%
Expelled and at-risk student services grant program	5,788,807	7,493,560	1,704,753	29.45%
Small attendance center aid	948,140	959,379	11,239	1.19%
Comprehensive health education	600,000	1,005,396	405,396	67.57%
<b>Total</b>	<b>\$142,164,395</b>	<b>\$268,859,428</b>	<b>\$126,695,033</b>	<b>71.80%</b>

## Appropriation Highlights – 2013 Legislative Session

<b>Department of Education</b>						
	<b>Total Funds</b>	<b>General Fund<sup>1</sup></b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2012-13 Appropriation:</b>						
HB 12-1335	\$4,352,905,769	\$2,958,024,914	\$742,098,282	\$24,078,570	\$628,704,003	556.9
SB 12-068	6,800	6,800	0	0	0	0.0
HB 12-1238	169,473	0	169,473	0	0	8.8

Department of Education						
	Total Funds	General Fund <sup>/1</sup>	Cash Funds	Reappropriated Funds	Federal Funds	FTE
HB 12-1246	173,373	173,373	0	0	0	0.0
HB 12-1261	604,800	0	604,800	0	0	0.0
HB 12-1345	67,850,747	57,232,000	10,618,747	0	0	0.0
SB 13-087	449,265	4,265	445,000	0	0	0.0
SB 13-108	13,253,672	0	13,253,672	0	0	0.0
SB 13-230	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$4,435,413,899</b>	<b>\$3,015,441,352</b>	<b>\$767,189,974</b>	<b>\$24,078,570</b>	<b>\$628,704,003</b>	<b>565.7</b>
<b>FY 2013-14 Appropriation:</b>						
FY 2012-13 Appropriation	\$4,435,413,899	\$3,015,441,352	\$767,189,974	\$24,078,570	\$628,704,003	565.7
Total program funding	101,104,740	81,371,913	19,732,827	0	0	0.0
BEST program COP payment increase	13,000,000	0	13,000,000	0	0	0.0
Categorical programs increase	4,640,166	0	4,640,166	0	0	0.0
Assessment update	4,192,802	0	4,192,802	0	0	0.0
State grants to libraries	4,000,000	2,000,000	0	2,000,000	0	0.0
Centrally appropriated line items	3,420,490	1,025,297	469,388	449,070	1,476,735	0.0
Continuous appropriation adjustments	2,014,450	0	0	2,014,450	0	1.0
Accountability planning	566,728	566,728	0	0	0	3.2
Hold-harmless full-day kindergarten	138,767	0	138,767	0	0	0.0
Statewide IT common policy adjustments	29,564	29,564	0	0	0	0.0
Indirect cost assessment	0	0	0	0	0	0.0
Other funding adjustments	(4,403,016)	(79,560)	(476,556)	87,486	(3,934,386)	(5.5)
Annualize prior year funding	(1,560,150)	(6,800)	(831,832)	0	(721,518)	(2.8)
<b>SB 13-230</b>	<b>\$4,562,558,440</b>	<b>\$3,100,348,494</b>	<b>\$808,055,536</b>	<b>\$28,629,576</b>	<b>\$625,524,834</b>	<b>561.6</b>
SB 13-193	150,093	\$150,093	0	0	0	1.0
SB 13-217	17,580	\$17,580	0	0	0	0.2
SB 13-260	85,524,410	0	85,524,410	0	0	0.0
HB 13-1257	<u>120,093</u>	<u>0</u>	<u>120,093</u>	<u>0</u>	<u>0</u>	<u>1.0</u>
<b>TOTAL</b>	<b>\$4,648,370,616</b>	<b>\$3,100,516,167</b>	<b>\$893,700,039</b>	<b>\$28,629,576</b>	<b>\$625,524,834</b>	<b>563.8</b>
<b>Increase/(Decrease)</b>	\$212,956,717	\$85,074,815	\$126,510,065	\$4,551,006	(\$3,179,169)	(1.9)
Percentage Change	4.8%	2.8%	16.5%	18.9%	(0.5%)	(0.3%)

/1 Includes General Fund Exempt.

## **FY 2012-13 Appropriation - Mid-year Adjustments**

The FY 2012-13 appropriation was modified during the 2013 Legislative Session to:

1. Increase total state and local funding that is distributed to public schools through the School Finance Act by \$7.1 million to cover the costs of higher than anticipated student counts and at-risk student counts, thereby avoiding a mid-year decrease in average per-pupil funding. Local tax revenues for school finance are \$6.2 million lower than anticipated for FY 2012-13, so S.B. 13-108 increases appropriations of state funds by \$13.3 million to support the increased student counts and offset the reduction in local funds.
2. Increase cash funds spending authority by \$0.4 million (through S.B. 13-087) to allow for the expenditure of a variety of grants received by the Department in FY 2012-13 that were not anticipated in the original appropriation.

## **FY 2013-14 Appropriation Highlights**

**Total program funding:** The appropriation increases total state and local funding that is distributed to public schools through the School Finance Act by \$210.4 million (4.0 percent), increasing average per-pupil funding to \$6,652 (2.7 percent). Local tax revenues for school finance are anticipated to increase by \$57.5 million, so appropriations of state funds increase by \$152.9 million (through the Long Bill and S.B. 13-260). This net increase in state funding includes an increase of \$81.4 million General Fund and \$71.6 million cash funds.

**BEST program COP payment increase:** The appropriation adds \$13.0 million cash funds spending authority from the Public School Capital Construction Assistance Fund for payments on lease-purchase agreements associated with the Building Excellent Schools Today (“BEST”) Program.

**Categorical programs increase:** The appropriation increases total state funding for categorical programs by \$24.6 million cash funds from the State Education Fund, including: (1) \$20.0 million specifically for special education programs for children with disabilities (appropriated in S.B. 13-260); and (2) \$4.6 million to increase state funding for categorical programs by 1.9 percent as required by Section 17 (1) of Article IX of the State Constitution.

**Assessment update:** The appropriation adds \$4.2 million cash funds from the State Education Fund to continue to update statewide standardized assessments to align with current statewide academic content standards.

**State grants to libraries:** The appropriation provides \$2.0 million General fund to reinstate the State Grants to Publicly-Supported Libraries Program. Also provides spending authority from the associated cash fund to support the program.

**Centrally appropriated line items:** The appropriation adds \$3.4 million total funds, including \$1.0 million General Fund, for adjustments to centrally appropriated line items for the following: state contributions for health, life, and dental benefits; merit pay; salary survey; short-term disability; supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund; vehicle lease payments; workers' compensation; legal services; and payment to risk management and property funds.

**Continuous appropriation adjustments:** The appropriation reflects a net increase of \$2.0 million cash funds and 1.0 FTE based on anticipated expenditures of funds that are continuously appropriated to the Department of Education in FY 2013-14.

**Accountability planning:** The appropriation adds \$0.6 million General Fund and 3.2 FTE to provide additional resources and staff to improve the Department’s accountability and improvement planning efforts pursuant to S.B. 09-163.

**Hold-harmless full-day kindergarten funding:** The appropriation increases funding for certain districts for full-day kindergarten based on changes in per-pupil funding.

**Statewide IT common policy adjustments:** The appropriation includes adjustments to line items appropriated for: purchase of services from the computer center; Colorado state network; and information technology security.

**Indirect cost assessment:** The appropriation includes adjustments associated with indirect cost assessments.

**Other funding adjustments:** The appropriation includes a variety of funding adjustments to reflect anticipated federal revenues and change specific fund sources.

**Annualize prior year funding:** The appropriation includes adjustments related to prior year legislation and budget actions.

**Additional legislation:** For information on additional legislation, see the “Recent Legislation” section at the end of Part III of this department.

# DEPARTMENT OF GOVERNOR - LIEUTENANT GOVERNOR – STATE PLANNING AND BUDGETING

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

## Department Budget: Recent Appropriations

Funding Source	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14
General Fund	\$11,930,349	\$10,613,728	\$18,524,704	\$22,073,247
Cash Funds	26,204,006	23,692,996	33,007,504	36,740,540
Reappropriated Funds	131,373,119	136,717,444	149,228,302	159,797,133
Federal Funds	<u>33,496,112</u>	<u>23,791,753</u>	<u>5,618,193</u>	<u>6,755,621</u>
<b>Total Funds</b>	<b>\$203,003,586</b>	<b>\$194,815,921</b>	<b>\$206,378,703</b>	<b>\$225,366,541</b>
Full Time Equiv. Staff	1,048.9	1,046.8	1,036.1	1,060.9

## General Factors Driving the Budget

Funding for this department consists of 9.8 percent General Fund, 16.3 percent cash funds, 70.9 percent reappropriated funds, and 3.0 percent federal funds. Some of the major factors driving the Department's budget are discussed below.

### Energy Efficiency and Renewable Energy Resource Development Initiatives

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

To address the future of the Office, H.B. 12-1315 (Becker/Steadman) changed the statutory mission of CEO from promoting renewable energy and energy efficiency to encouraging all sources of energy development. Additionally, it created the Clean and Renewable Energy Cash Fund and the Innovative Energy Fund. The Clean and Renewable Energy Cash Fund receives a transfer of \$1.6 million from the General Fund from FY 2012-13 through FY 2016-17, while the Innovative Energy Fund receives a transfer of \$1.5 million from the Severance Tax Trust Fund from FY 2012-13 through FY 2016-17.

## **Economic Development Programs**

Funding for the Office of Economic Development and International Trade (OEDIT) is primarily from cash funds transferred from the tax revenues collected and deposited in the Limited Gaming Fund. The gaming revenue moneys transferred to the Office include funds for tourism promotion, creative industries, the bioscience industry, and film incentives. Senate Bill 13-133 (Steadman/Gerou) amended the distribution formula of moneys transferred to these funds by prescribing a set dollar amount for each fund rather than making transfers to each fund based on a percentage of all gaming revenue, as prior law dictated.

The legislature opted to provide OEDIT with an additional \$5.0 million General Fund for FY 2012-13 to provide new job creation incentives for companies relocating to Colorado and expanding in Colorado. The increase of funds for this purpose was extended for an additional year through FY 2013-14.

## **Statewide Information Technology Consolidation**

In May 2007, the Governor issued Executive Order D 016 067 to begin centralizing the management of executive branch information technology resources in the Governor's Office of Information Technology (OIT). The purpose was to address infrastructure, purchasing, project planning and delivery, asset management, and strategic leadership needs. During the 2008 legislative session, the General Assembly passed and the Governor signed S.B. 08-155 (Cadman/Kerr, A.) that consolidated the responsibility for information technology oversight of most of the State's executive branch agencies in OIT.

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

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

Funding historically dedicated to the associated information technology staff in specific State agencies and programs continues to be appropriated to those agencies in order for them to maintain consistency of program, state, and federal funding streams and reporting standards. Agencies make payments to OIT for their share of information technology staff payroll costs, including centrally appropriated line items and personal services expenses. With the exception of expenses associated with the operation of the Colorado Benefits Management System (CBMS), the payments are made from information technology common policy allocations based on the information technology common policy function that each position transferred most appropriately aligns (Purchases of Services from Computer Center, Colorado State Network Payments, Communications Services, or Management and Administration of OIT). Expenses associated with CBMS are billed directly to the Department of Human Services outside of the information technology common policy structure.

The following table summarizes appropriation levels for OIT for the past five years.

<b>Office of Information Technology – Appropriations from FY 2008-09 through FY 2013-14</b>						
	<b>FY 2008-09</b>	<b>FY 2009-10</b>	<b>FY 2010-11</b>	<b>FY 2011-12</b>	<b>FY 2012-13</b>	<b>FY 2013-14</b>
FTE	227.3	218.8	898.8	902.8	897.5	920.0
Change	1,648.5%	(3.7%)	310.8%	0.4%	(0.6%)	2.5%
Appropriation	\$46,808,750	\$44,974,711	\$121,981,006	\$125,669,817	\$136,339,882	\$141,459,054
Change	3,371.8%	(3.9%)	171.2%	3.0%	8.5%	3.8%

## Appropriation Highlights – 2013 Legislative Session

<b>Governor - Lieutenant Governor - State Planning and Budgeting</b>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2012-13 Appropriation:</b>						
HB 12-1335	186,267,091	17,968,186	23,086,596	128,513,469	16,698,840	1,022.7
HB 12-1023	2,960	0	0	2,960	0	0.0
HB 12-1038	32,000	0	0	32,000	0	0.0
HB 12-1041	78,940	0	0	78,940	0	0.0
HB 12-1052	35,520	0	0	35,520	0	0.0
HB 12-1131	2,960	0	0	2,960	0	0.0
HB 12-1153	2,960	0	0	2,960	0	0.0
HB 12-1162	2,960	0	0	2,960	0	0.0
HB 12-1223	100,640	0	0	100,640	0	0.0
HB 12-1246	1,895	1,895	0	0	0	0.0
HB 12-1275	68,080	0	0	68,080	0	0.0
HB 12-1283	(10,201,205)	0	0	0	(10,201,205)	(6.0)
HB 12-1286	3,000,000	0	3,000,000	0	0	0.0
HB 12-1295	2,960	0	0	2,960	0	0.0
HB 12-1302	2,960	0	0	2,960	0	0.0
HB 12-1303	1,184	0	0	1,184	0	0.0
HB 12-1310	11,840	0	0	11,840	0	0.0
HB 12-1314	14,800	0	0	14,800	0	0.0
HB 12-1315	3,660,491	0	3,660,491	0	0	20.7
HB 12-1327	12,210	0	0	12,210	0	0.0
HB 12-1336	350,000	350,000	0	0	0	0.0
HB 12-1339	12,279,762	0	0	12,279,762	0	0.0

Governor - Lieutenant Governor - State Planning and Budgeting						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
HB 12-1360	4,000,000	0	4,000,000	0	0	0.0
SB 12S-001	76,220	0	0	76,220	0	0.0
SB 13-088	<u>6,571,475</u>	<u>204,623</u>	<u>(739,583)</u>	<u>7,985,877</u>	<u>(879,442)</u>	<u>(1.3)</u>
<b>TOTAL</b>	<b>\$206,378,703</b>	<b>\$18,524,704</b>	<b>\$33,007,504</b>	<b>\$149,228,302</b>	<b>\$5,618,193</b>	<b>1,036.1</b>
<b>FY 2013-14 Appropriation:</b>						
FY 2012-13 Appropriation	\$206,378,703	\$18,524,704	\$33,007,504	\$149,228,302	\$5,618,193	1,036.1
CBMS modernization continuation	14,571,587	0	0	14,571,587	0	0.0
Gaming revenue adjustment	8,722,245	0	8,722,245	0	0	0.0
Centrally appropriated line items	5,264,224	(254,741)	268,127	4,968,395	282,443	0.0
Revenue IT infrastructure	3,256,667	0	0	3,256,667	0	22.0
Economic Development Commission increase	2,915,515	2,915,515	0	0	0	0.0
Unemployment insurance initiatives	2,872,000	0	0	2,872,000	0	0.0
Tourism promotion and branding	2,000,000	2,000,000	0	0	0	0.0
Network implementation funding	1,394,368	0	0	1,394,368	0	0.0
IT security	1,075,700	0	0	1,075,700	0	0.0
Continuous improvement program (Lean)	965,650	965,650	0	0	0	0.0
Film incentives	800,000	800,000	0	0	0	0.0
Behavioral health data system	480,000	0	0	480,000	0	0.0
Enterprise asset management	437,600	0	0	437,600	0	0.0
Operating expenses transfer	345,335	345,335	0	0	0	0.0
Prospect pipeline and branding	313,354	313,354	0	0	0	1.8
IT common policy allocations study	300,000	300,000	0	0	0	0.0
Microwave infrastructure assessment	300,000	0	300,000	0	0	0.0
Adult Protective Services system	250,000	0	0	250,000	0	0.0
Economic impact analysis	175,000	175,000	0	0	0	0.0
Grants management system upgrade	150,000	0	0	150,000	0	0.0
Child care licensing system	131,620	0	0	131,620	0	0.0
Leased space increase	114,985	114,985	0	0	0	0.0
Indirect cost assessment	61,998	0	44,821	17,177	0	0.0
CBMS technical corrections	10,009	0	0	10,009	0	0.0
Annualize prior year funding	(24,687,832)	(546,518)	(3,757,891)	(21,262,865)	879,442	1.8
General Fund reduction	(4,000,000)	(4,000,000)	0	0	0	0.0



Governor - Lieutenant Governor - State Planning and Budgeting						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Statewide IT common policy adjustments	(870,333)	(1,794,710)	0	948,834	(24,457)	0.0
OIT staff transfer	(265,656)	0	0	(265,656)	0	(3.8)
<b>SB 13-230</b>	<b>\$223,462,739</b>	<b>\$19,858,574</b>	<b>\$38,584,806</b>	<b>\$158,263,738</b>	<b>\$6,755,621</b>	<b>1,057.9</b>
SB 13-004	4,588	0	0	4,588	0	0.0
SB 13-039	10,993	0	0	10,993	0	0.0
SB 13-060	2,972	0	0	2,972	0	0.0
SB 13-120	2,960	0	0	2,960	0	0.0
SB 13-180	7,104	0	0	7,104	0	0.0
SB 13-188	51,800	0	0	51,800	0	0.0
SB 13-224	2,972	0	0	2,972	0	0.0
SB 13-250	521,850	0	0	521,850	0	1.5
SB 13-251	35,774	0	0	35,774	0	0.0
SB 13-276	300,000	0	300,000	0	0	0.0
SB 13-280	25,900	0	0	25,900	0	0.0
HB 13-1001	(2,463,016)	0	(2,463,016)	0	0	0.0
HB 13-1002	200,000	200,000	0	0	0	0.0
HB 13-1003	218,750	200,000	18,750	0	0	0.0
HB 13-1004	1,500,000	1,500,000	0	0	0	0.0
HB 13-1031	108,000	0	0	108,000	0	0.0
HB 13-1071	604	0	0	604	0	0.0
HB 13-1079	99,673	99,673	0	0	0	1.5
HB 13-1110	68,212	0	0	68,212	0	0.0
HB 13-1111	5,180	0	0	5,180	0	0.0
HB 13-1119	7,800	0	0	7,800	0	0.0
HB 13-1135	31,672	0	0	31,672	0	0.0
HB 13-1193	300,000	0	300,000	0	0	0.0
HB 13-1240	26,714	0	0	26,714	0	0.0
HB 13-1271	529,800	0	0	529,800	0	0.0
HB 13-1301	215,000	215,000	0	0	0	0.0
HB 13-1317	<u>88,500</u>	<u>0</u>	<u>0</u>	<u>88,500</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$225,366,541</b>	<b>\$22,073,247</b>	<b>\$36,740,540</b>	<b>\$159,797,133</b>	<b>\$6,755,621</b>	<b>1,060.9</b>
<b>Increase/(Decrease)</b>	\$18,987,838	\$3,548,543	\$3,733,036	\$10,568,831	\$1,137,428	24.8
Percentage Change	9.2%	19.2%	11.3%	7.1%	20.2%	2.4%

## **FY 2012-13 Appropriation - Mid-year Adjustments**

Senate Bill 13-088 provides supplemental appropriations to the Department to modify FY 2012-13 appropriations included in the FY 2012-13 Long Bill (H.B. 12-1335). It appropriates additional funding for the Colorado Benefits Management System (CBMS) modernization project, additional funding for Lean projects administered by the Office of State Planning and Budgeting, and makes various technical changes and corrections.

## **FY 2013-14 Appropriation Highlights**

**CBMS modernization continuation:** The appropriation includes \$14.6 million reappropriated funds transferred from the Department of Human Services and the Department of Health Care Policy and Financing to OIT to continue the CBMS modernization project.

**Gaming revenue adjustment:** The appropriation includes an increase of \$8.7 million cash funds from limited gaming tax revenue based on current law, as amended by S.B. 13-133 (Steadman/Gerou).

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

**Revenue IT infrastructure:** The appropriation includes an increase of \$3.3 million reappropriated funds transferred to OIT by the Department of Revenue and 22.0 FTE to increase the level of operational support services, including service desk staff, desk side support, network support, server support, security support, and project management functions.

**Economic Development Commission increase:** The appropriation includes \$2.9 million General Fund to maintain the prior-year level of funding for economic development incentives for companies relocating to Colorado or adding jobs in Colorado.

**Unemployment insurance initiatives:** The appropriation includes an increase of \$2.9 million reappropriated funds transferred from the Department of Labor and Employment to OIT for services related to the multi-state WyCAN project to manage unemployment taxes and benefits.

**Tourism promotion and branding:** The appropriation includes an increase of \$2.0 million General Fund for the Colorado Tourism Office to promote tourism in the state and launch a branding campaign.

**Network implementation funding:** The appropriation includes an increase of \$1.4 million reappropriated funds transferred from State agencies to OIT to meet the financial obligations of operating the State's Multiuse Network concurrently with the new Colorado State Network while migration to the new network for all State agencies is completed.

**IT security:** The appropriation includes an increase of \$1.1 million reappropriated funds transferred from State agencies to OIT to address the State's most pressing cyber security needs.

**Continuous improvement program (Lean):** The appropriation includes an increase of \$1.0 million General Fund to continue the implementation of Lean operational process improvements in executive branch agencies.

**Film incentives:** The appropriation includes \$0.8 million General Fund for the continuation of the performance-based film incentives program.

**Behavioral health data system:** The appropriation includes an increase of \$0.5 million reappropriated funds transferred from the Department of Human Services to OIT for the provision of a behavioral health data system to track patient and provider performance data.

**Enterprise asset management:** The appropriation includes an increase of \$0.4 million reappropriated funds transferred from State agencies to OIT for the implementation of an information technology asset tracking system.

**Operating expenses transfer:** The appropriation includes an increase of \$0.3 million General Fund for basic operating costs for FTE transferred to OIT from State agencies as part of the consolidation of information technology resources.

**Prospect pipeline and branding:** The appropriation includes an increase of \$0.3 million General Fund and 1.8 FTE to support business retention and prospecting activities.

**IT common policy allocations study:** The appropriation includes an increase of \$0.3 million General Fund to conduct an information technology billing study.

**Microwave infrastructure assessment:** The appropriation includes an increase of \$0.3 million cash funds from the reserve of the Public Safety Trust Fund for OIT to conduct a microwave upgrade assessment for the Digital Trunked Radio System.

**Adult Protective Services system:** The appropriation includes an increase of \$0.3 million reappropriated funds transferred from the Department of Human Services to OIT for the provision of a data system to track services provided to at-risk adults.

**Economic impact analysis:** The appropriation includes an increase of \$0.2 million General Fund to study the impact of the federal budget sequestration and potential military facility spending reductions on Colorado's economy.

**Grants management system upgrade:** The appropriation includes an increase of \$0.2 million reappropriated funds transferred from the Departments of Education, Public Health and Environment, and Public safety to OIT to upgrade the Colorado Grants Management System .

**Child care licensing system:** The appropriation includes \$0.1 million reappropriated funds transferred from the Department of Human Services to OIT to add a reporting module to the Colorado Child Care Licensing System.

**Leased space increase:** The appropriation includes an increase of \$0.1 million General Fund for the new lease agreement for the Office of Economic Development and International Trade's 1625 Broadway location in Denver.

**Indirect cost assessment:** The appropriation includes a net increase in the Department's indirect cost assessment.

**CBMS technical corrections:** The appropriation includes an increase of reappropriated funds transferred from the Department of Human Services and the Department of Health Care Policy and Financing to OIT for the ongoing operating and contract expenses of CBMS.

**Annualize prior year funding:** The appropriation includes adjustments related to prior year legislation and budget actions.

**General Fund reduction:** The appropriation includes a decrease of \$4.0 million General Fund due to an increase in limited gaming tax revenue cash funds for economic development programs contained in S.B. 13-133.

**Statewide IT common policy adjustments:** The bill includes adjustments to line items appropriated for: purchase of services from the computer center; Colorado state network; information technology security; and COFRS modernization.

**OIT staff transfer:** The appropriation includes a decrease of \$0.3 million reappropriated funds and 3.8 FTE transferred from State agencies to OIT to make technical changes related to staffing levels, assignment of FTE, and associated funding.

**Additional legislation:** For information on additional legislation, see the “Recent Legislation” section at the end of Part III of this department.

# DEPARTMENT OF HEALTH CARE POLICY AND FINANCING

The Department of Health Care Policy and Financing provides health care services through four major programs: (1) the State's Medicaid medical and behavioral health programs; (2) the Colorado Indigent Care Program (CICP); (3) the Children's Basic Health Plan (CHP+); and (4) the Old Age Pensioner Medical Program. In addition to these programs, the Department also administers the Primary Care Fund Program to increase access to health care services for medically under-served populations or areas. The Medicaid, CICP, and CHP+ programs are federal and state partnerships; therefore, the State receives approximately \$3.6 billion in federal matching funds for these programs.

## Department Budget: Recent Appropriations

Funding Source	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14
General Fund <sup>1</sup>	\$1,278,711,042	\$1,698,937,482	\$1,847,607,793	\$2,063,159,596
Cash Funds	785,202,148	886,393,498	936,373,544	888,516,606
Reappropriated Funds	18,526,832	8,576,440	7,174,145	10,483,522
Federal Funds	<u>2,810,778,210</u>	<u>2,589,886,684</u>	<u>2,804,373,050</u>	<u>3,575,483,329</u>
<b>Total Funds</b>	<b>\$4,893,218,232</b>	<b>\$5,183,794,104</b>	<b>\$5,595,528,532</b>	<b>\$6,537,643,053</b>
Full Time Equiv. Staff	294.8	312.5	327.1	358.1

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

## General Factors Driving the Budget

Funding for this department consists of 31.6 percent General Fund, 13.6 percent cash funds, 0.2 percent reappropriated funds, and 54.7 percent federal funds. Some of the major factors driving the Department's budget are discussed below.

### Medicaid

Medicaid provides health care to people with low income and to people needing long-term care. Participants generally do not pay annual premiums<sup>1</sup> and in the limited cases where there are copayments the amounts are nominal. **Medicaid** is not the same as **Medicare**, which is a federally-financed, premium-based, insurance option for seniors, with no income-based eligibility criteria. For most Medicaid services and populations the federal government pays 50.0 percent of the cost and state funds provide the remaining 50.0 percent as a match,

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

although the match rate can change over time and there are exceptions for specific services and populations that receive a different federal contribution.

Most of Medicaid operates as an entitlement program, meaning that people who meet predetermined eligibility criteria are entitled to the covered services. If more people are eligible and/or the cost of covered services is higher than assumed when calculating the initial appropriation, the state and federal government still pay for covered services for eligible people. While most of Medicaid operates as an entitlement program, there are some exceptions where federal waivers allow expenditure or enrollment caps. The Department has statutory authority in Section 24-75-109 (a), C.R.S. to overexpend the Medicaid appropriation, if necessary.

In FY 2013-14 Medicaid expenditures are budgeted in five categories: (1) Medical Service Premiums; (2) Behavioral Health Community Services; (3) Office of Community Living (effective March 1, 2014); (4) the Indigent Care Program; and (5) programs administered by other departments. Each of these is discussed in more detail below.

### ***(1) Medical Services Premiums***

Medical Services Premiums pay for physical health and long-term care services. Expenditures for Medical Services Premiums are driven by the number of clients, the amount of services each client uses, and the cost per unit of service.

Medicaid enrollment has increased significantly in recent years, due to increases in the state population, economic conditions that impact the number of people who meet the income eligibility criteria, and state and federal policy changes regarding eligibility. In addition to increased costs due to caseload growth, the Medicaid budget also grows as a result of higher medical costs and greater utilization of medical services. The chart below summarizes changes in expenditures, enrollment, and per capita costs.

<b>Medical Services Premiums Expenditures, Enrollment, and Per Capita Costs</b>						
	<b>FY 2008-09 Actual</b>	<b>FY 2009-10 Actual</b>	<b>FY 2010-11 Actual</b>	<b>FY 2011-12 Actual</b>	<b>FY 2012-13 Appropriation</b>	<b>FY 2013-14 Appropriation</b>
Medical services	\$2,508,537,655	\$2,552,180,141	\$2,769,295,897	\$2,924,894,763	\$3,178,088,304	\$3,864,299,082
Supplemental payments/financing	<u>18,453,787</u>	<u>395,864,563</u>	<u>556,099,288</u>	<u>717,137,999</u>	<u>767,891,188</u>	<u>872,525,795</u>
Medical Services Premiums	2,526,991,443	2,948,044,704	3,325,395,185	3,642,032,762	3,945,979,492	4,736,824,877
Enrollment	391,962	436,812	498,797	560,722	677,509	809,452
Medical services cost per capita <sup>/1</sup>	\$6,399.95	\$5,842.74	\$5,551.95	\$5,216.30	\$4,690.85	\$4,773.97

<sup>/1</sup> Does not include supplemental payments/financing

Senate Bill 13-200 expanded Medicaid eligibility for adults as of January 2014 to 133.0 percent of the federal poverty limit (FPL). The newly eligible populations effected by this change include adults without dependent children with income from 11 percent through 133 percent of the FPL and parents with income from 101 percent through 133 percent of the FPL. Pursuant to the provisions of the federal Affordable Care Act, Colorado is eligible for an enhanced federal match rate for certain populations as a result of the eligibility expansion authorized in S.B. 13-200. For Colorado the enhanced federal match rate applies to adults without dependent children with income from 0 percent through 133 percent of the FPL and to parents with income from 61 percent through 133 percent of the FPL. The enhanced federal match rate is 100 percent from 2014 through 2016 and then it reduces in increments until it reaches 90 percent in 2020. Senate Bill 13-200

authorizes the Hospital Provider Fee to pay the state share of costs for the newly eligible populations when the enhanced federal match rate is reduced. The table below summarizes the projected increases in enrollment associated with the bill.

<b>Projected Enrollment Impact of S.B. 13-200 Medicaid Eligibility Expansions</b>			
	<b>FY 13-14</b>	<b>FY 14-15</b>	<b>FY 15-16</b>
Newly eligible as a direct result of the expansion			
Adults without dependent children 11% through 133% FPL	54,834	144,244	166,748
Parents 101% through 133% FPL	6,534	17,189	19,870
Emergency services	<u>26</u>	<u>92</u>	<u>159</u>
Subtotal	61,394	161,525	186,777
Newly eligible due to enhanced federal match freeing up Hospital Provider Fee money			
Continuous eligibility for children	4,286	17,460	17,722
Expected increase in participation from among eligible but not enrolled (EBNE)			
Medicaid	<u>1,137</u>	<u>7,083</u>	<u>6,053</u>
<b>SUBTOTAL Medicaid enrollment</b>	<b>66,817</b>	<b>186,068</b>	<b>220,552</b>
Enrollment in Other Medical Programs			
EBNE Children's Basic Health Plan	1,124	7,002	15,871
Old Age Pension State Medical Program (Medicaid eligible)	<u>(495)</u>	<u>(1,464)</u>	<u>(1,406)</u>
<b>TOTAL enrollment impact</b>	<b>67,446</b>	<b>191,606</b>	<b>235,017</b>

## **(2) Behavioral Health Community Services**

Medicaid behavioral health community services throughout Colorado are delivered through a managed care or "capitated" program. Under capitation, the State pays a regional entity -- a Behavioral Health Organization (BHO) -- a contracted amount (per member per month) for each Medicaid client eligible for behavioral health services in the entity's geographic area. The BHO is then required to provide appropriate behavioral health services to all Medicaid-eligible persons needing such services.

The rate paid to each BHO is based on each class of Medicaid client eligible for behavioral health services (e.g., children in foster care, low-income children, elderly, disabled) in each BHO's geographic region. Under the capitated mental health system, changes in rates, changes in overall Medicaid eligibility, and case-mix (mix of types of clients within the population) are important drivers in overall state appropriations for mental health services. Capitation represents the bulk of the funding for Medicaid mental health community programs. The following table provides information on the recent expenditures and caseload for Medicaid mental health capitation.

<b>Medicaid Mental Health Capitation Funding</b>						
	<b>FY 2008-09 Actual</b>	<b>FY 2009-10 Actual</b>	<b>FY 2010-11 Actual</b>	<b>FY 2011-12 Actual</b>	<b>FY 2012-13 Appropriation</b>	<b>FY 2013-14 Appropriation</b>
Capitation Funding	\$215,860,937	\$226,620,818	\$249,352,665	\$273,376,614	\$305,399,042	\$380,837,424
Annual Dollar Change	\$19,849,904	\$10,759,881	\$22,731,847	\$24,023,949	\$32,022,428	\$75,438,382
Annual Dollar % Change	10.1%	5.0%	10.0%	9.6%	11.7%	24.7%

<b>Medicaid Mental Health Capitation Funding</b>						
	<b>FY 2008-09 Actual</b>	<b>FY 2009-10 Actual</b>	<b>FY 2010-11 Actual</b>	<b>FY 2011-12 Actual</b>	<b>FY 2012-13 Appropriation</b>	<b>FY 2013-14 Appropriation</b>
Caseload	417,750	479,185	540,456	598,322	653,663	783,425
Annual Caseload Change	43,631	61,435	61,271	57,866	55,341	129,762
Annual Caseload % Change	11.8%	14.7%	12.8%	10.7%	9.3%	19.9%

### ***(3) Office of Community Living***

Pursuant to H.B. 13-1314, in March of 2014 community programs for people with intellectual and developmental disabilities will be transferred from the Department of Human Services to this newly created division in the Department of Health Care Policy and Financing. The specific dollar amount transferred is dependent on the remaining funds when the transfer occurs, which was not known at the time of this publication.

### ***(4) Indigent Care Program***

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

### ***(5) Programs administered by other departments***

The Department transfers Medicaid money to other departments for long-term care services to people with disabilities, for mental health services provided to people in youth corrections, child welfare, and the mental health institutes, for Medicaid's share of the Colorado Benefits Management System, and for the regulation of long-term care settings. The money is first appropriated to the Department and then transferred to the administering departments to comply with federal regulations that one state agency receive all federal Medicaid funding. The cost drivers for these programs are described in more detail in the "General Factors Driving the Budget" for the receiving departments, but the table below provides the magnitude of the transfers.

<b>Major Programs Administered by Other Departments</b>					
<b>Program</b>	<b>Department</b>	<b>FY 2010-11 Actual</b>	<b>FY 2011-12 Actual</b>	<b>FY 2012-13 Appropriation</b>	<b>FY 2013-14 Appropriation</b>
Services for People with Disabilities <sup>1</sup>	Human Services	\$390,563,801	\$377,031,150	\$394,797,049	\$426,160,074
Information Technology, Maintenance, and Administration	Human Services	27,115,136	27,092,121	48,833,821	45,172,314
Child Welfare	Human Services	12,308,914	11,066,417	14,426,342	14,712,207
Office of Early Childhood	Human Services	0	0	0	4,582,485
Mental Health Institutes	Human Services	6,298,534	6,370,737	7,280,521	6,712,261



Major Programs Administered by Other Departments					
Program	Department	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14
		Actual	Actual	Appropriation	Appropriation
Youth Corrections	Human Services	2,597,008	1,501,271	1,399,146	1,365,389
Regulation of long-term care facilities	Public Health and Environment <sup>2</sup>	4,707,033	4,671,998	5,205,465	5,297,765
<b>TOTAL</b>		<b>\$443,590,426</b>	<b>\$427,733,694</b>	<b>\$471,942,344</b>	<b>\$504,002,495</b>

<sup>1</sup> Portions of this program transfer to the Office of Community Living in the Department of Health Care Policy and Financing in March of 2014 pursuant to H.B. 13-1314.

<sup>2</sup> A portion of this is then sent to the Department of Public Safety.

## Children's Basic Health Plan

The Children's Basic Health Plan (CHP+) compliments the Medicaid program, providing low-cost health insurance for children and pregnant women in families with slightly more income than Medicaid eligibility criteria allows. Annual membership premiums are variable based on income, but an example of a typical premium would be \$75 to enroll one child in a family earning 205 percent of the federal poverty guidelines. Coinsurance costs are similarly discounted to the premiums. Federal funds pay 65.0 percent of the program costs not covered by member contributions and state funds pay the remaining 35.0 percent as a match. CHP+ typically receives approximately \$28 million in revenue from the tobacco master settlement agreement and the remaining state match comes from the General Fund.

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

Children's Basic Health Plan						
	FY 2008-09 Actual	FY 2009-10 Actual	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Appropriation
<b><u>Expenditures</u></b>						
Children Medical	\$100,411,914	\$152,027,675	\$142,367,277	\$147,398,355	\$165,979,136	\$163,939,568
Children Dental	9,876,521	10,889,516	10,807,933	12,586,244	14,831,602	13,452,232
Prenatal	<u>19,437,576</u>	<u>17,543,561</u>	<u>25,580,142</u>	<u>24,488,529</u>	<u>20,124,869</u>	<u>18,890,477</u>
<b>TOTAL</b>	<b>\$129,726,011</b>	<b>\$180,460,751</b>	<b>\$178,755,352</b>	<b>\$184,473,128</b>	<b>\$200,935,608</b>	<b>\$196,282,277</b>
<b><u>Enrollment</u><sup>1</sup></b>						
Children	61,582	68,725	67,267	74,266	83,316	73,773
Prenatal	<u>1,665</u>	<u>1,560</u>	<u>1,741</u>	<u>2,064</u>	<u>1,812</u>	<u>1,398</u>
<b>TOTAL</b>	<b>63,247</b>	<b>70,285</b>	<b>69,008</b>	<b>76,330</b>	<b>85,128</b>	<b>75,171</b>
<b><u>Per Capita</u></b>						
Children Medical	\$1,630.54	\$2,212.12	\$2,116.45	\$1,984.74	\$1,992.16	\$2,222.22
Children Dental	\$160.38	\$158.45	\$160.67	\$169.48	\$178.02	\$182.35
Prenatal	\$11,674.22	\$11,245.87	\$14,692.79	\$11,864.60	\$11,109.51	\$13,517.34

<sup>1</sup> Adjusted for back payments to federally qualified health centers and rural health centers.

## Medicare Modernization Act State Contribution

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

	Medicare Modernization Act				
	FY 09-10 Actual	FY 10-11 Actual	FY 11-12 Actual	FY 12-13 Appropriation	FY 13-14 Appropriation
State Contribution	<u>\$57,624,126</u>	<u>\$72,377,768</u>	<u>\$93,582,494</u>	<u>\$101,888,629</u>	<u>\$107,173,869</u>
General Fund	57,624,126	58,711,725	62,939,212	52,207,622	82,492,862
Federal Funds	0	13,666,043	30,643,282	49,681,007	24,681,007
State Contribution change		\$14,753,642	\$21,204,726	\$8,306,135	\$5,285,240
Percent		25.6%	29.3%	8.9%	5.2%
General Fund change		\$1,087,599	\$4,227,487	(\$10,731,590)	\$30,285,240
Percent		1.9%	7.2%	(17.1%)	58.0%

## Appropriation Highlights – 2013 Legislative Session

Department of Health Care Policy and Financing						
	Total Funds	General Fund <sup>1/2</sup>	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2012-13 Appropriation:</b>						
HB 12-1335	\$5,561,097,516	\$1,858,056,769	\$925,385,218	\$7,172,593	\$2,770,482,936	314.3
SB 12-060	(48,940)	0	(24,470)	0	(24,470)	0.1
SB 12-159	6,925	0	3,463	0	3,462	0.0
HB 12-1246	285,719	157,109	0	0	128,610	0.0
HB 12-1281	213,079	106,540	0	0	106,539	0.8
HB 12-1339	8,628,491	3,307,395	10,708	997,655	4,312,733	11.0
HB 12-1340	(9,024,676)	(4,512,338)	0	0	(4,512,338)	0.0
SB 13-089	43,215,460	2,290,813	10,085,922	1,150,000	29,688,725	0.9
SB 13-167	2,324,517	(1,162,256)	4,192,172	(1,867,655)	1,162,256	0.0
SB 13-177	(36,464)	(18,232)	0	0	(18,232)	0.0
SB 13-230	<u>(11,133,095)</u>	<u>(10,618,007)</u>	<u>(3,279,469)</u>	<u>(278,448)</u>	<u>3,042,829</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$5,595,528,532</b>	<b>\$1,847,607,793</b>	<b>\$936,373,544</b>	<b>\$7,174,145</b>	<b>\$2,804,373,050</b>	<b>327.1</b>

Department of Health Care Policy and Financing						
	Total Funds	General Fund <sup>1/2</sup>	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2013-14 Appropriation:</b>						
FY 2012-13 Appropriation	\$5,595,528,532	\$1,847,607,793	\$936,373,544	\$7,174,145	\$2,804,373,050	327.1
Caseload and expenditure forecast	381,000,540	93,481,069	93,520,441	0	193,999,030	0.0
Community provider rate	79,395,227	36,699,693	1,570,868	14,514	41,110,152	0.0
Nursing for long-term hospital patients	70,086,310	43,155	35,000,000	0	35,043,155	0.9
Program changes in the Department of Human Services with Medicaid impacts	30,100,718	20,950,521	(3,805,797)	(1,151,768)	14,107,762	0.0
Medicaid Management Information System reprocurement	15,624,403	1,439,072	287,834	0	13,897,497	0.0
CO Indigent Care Program true-up	12,120,762	0	6,060,381	0	6,060,381	0.0
Substance use disorder benefit	5,788,068	1,818,130	42,035	0	3,927,903	0.0
Public school health services true-up	3,206,625	0	1,526,964	0	1,679,661	0.0
Customer service technology improvements	1,800,000	900,000	0	0	900,000	0.0
Centrally appropriated line items	1,513,804	381,636	112,164	(59,088)	1,079,092	0.0
Colorado Benefits Management System improvements	1,150,000	0	0	1,150,000	0	0.0
Breast and cervical cancer screening	1,146,806	573,403	0	0	573,403	0.0
Dental administrative services organization	576,072	0	0	0	576,072	0.0
Stakeholder relations	570,400	285,201	0	0	285,199	7.4
Indirect cost assessment	546,883	30,141	38,481	557,667	(79,406)	0.0
Health facility surveys	92,300	82,372	0	0	9,928	0.0
Annualize S.B. 11-212 Hospital Provider Fee offset of GF	0	25,000,000	(25,000,000)	0	0	0.0
Breast and Cervical Cancer Program true-up	0	7,257	7,257	(14,514)	0	0.0
Reallocate federal bonus payments	0	25,000,000	0	0	(25,000,000)	0.0
Colorado Choice Transitions	(2,372,278)	(1,186,139)	0	0	(1,186,139)	0.0
Annualize prior year funding	(1,995,353)	18,499,635	(16,052,345)	(2,172,221)	(2,270,422)	2.5
Statewide IT common policy adjustments	(475,128)	13,085	0	44	(488,257)	0.0
Fund source adjustment	(116,996)	(318,544)	153,896	2,984,743	(2,937,091)	0.0
<b>SB 13-230</b>	<b>\$6,195,287,695</b>	<b>\$2,071,307,480</b>	<b>\$1,029,835,723</b>	<b>\$8,483,522</b>	<b>\$3,085,660,970</b>	<b>337.9</b>

<b>Department of Health Care Policy and Financing</b>						
	<b>Total Funds</b>	<b>General Fund<sup>1/2</sup></b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
SB 13-166	100,000	\$100,000	0	0	0	0.0
SB 13-167	2,155,054	(\$1,018,559)	2,096,086	0	1,077,527	0.9
SB 13-200	315,141,256	(\$123,209)	(154,578,421)	0	469,842,886	19.0
SB 13-232	0	(\$2,000,000)	0	2,000,000	0	0.0
SB 13-242	33,858,405	(\$738,262)	11,244,171	0	23,352,496	1.3
SB 13-264	1,000,000	\$500,000	0	0	500,000	0.0
SB 13-276	(163,649)		(80,953)	0	(82,696)	(1.0)
HB 13-1117	0	0	0	0	0	0.0
HB 13-1152	(9,735,708)	(\$4,867,854)	0	0	(4,867,854)	0.0
HB 13-1314	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$6,537,643,053</b>	<b>\$2,063,159,596</b>	<b>\$888,516,606</b>	<b>\$10,483,522</b>	<b>\$3,575,483,329</b>	<b>358.1</b>
<b>Increase/(Decrease)</b>	\$942,114,521	\$215,551,803	(\$47,856,938)	\$3,309,377	\$771,110,279	31.0
Percentage Change	16.8%	11.7%	(5.1%)	46.1%	27.5%	9.5%

<sup>1/1</sup> Includes \$507,677,557 General Fund Exempt in FY 2012-13 and \$470,280,384 General Fund Exempt in FY 2013-14. See division detail for more information.

<sup>2/2</sup> Includes \$441,600 in FY 2012-13 and \$438,300 in FY 2013-14 General Fund that is not subject to the statutory limitation on General Fund appropriations imposed by Section 24-75-201.1, C.R.S.

## **FY 2012-13 Appropriation - Mid-year Adjustments**

Senate Bill 13-230 decreases FY 2012-13 appropriations by \$13.1 million total funds, including \$11.7 million General Fund, for revised caseload and expenditure estimates, including:

- Decrease of \$42.3 million total funds, including \$11.7 million General Fund, for Medical Service Premiums
- Decrease of \$7.1 million total funds, including \$4.0 million General Fund, for Behavioral Health Community Programs
- Increase of \$15.4 million total funds, including \$4.8 million General Fund, for the Children's Basic Health Plan
- Increase of \$11.2 million total funds, including \$1.6 million General Fund, for the state's obligation under the Medicare Modernization Act of 2009
- Increase of \$12.1 million total funds for the Colorado Indigent Care Program
- Decrease of \$2.4 million General Fund for Old Age Pension State Medical Program

In addition to the adjustments for expenditure and caseload estimates, S.B. 13-230 provided an increase of \$1.8 million, including \$0.9 million General Fund for provider rates.

## **FY 2013-14 Appropriation Highlights**

**Caseload and expenditure forecast:** The appropriation increases appropriations \$381.0 million, including \$93.5 million General Fund, for revised caseload and expenditure estimates, including:

- \$305.3 million total funds, including \$84.8 million General Fund for Medical Service Premiums
- \$33.8 million total funds, including \$9.6 million General Fund, for Behavioral Health Community Programs
- \$36.6 million total funds, including a decrease of \$6.3 million General Fund, for the Children's Basic Health Plan
- \$5.3 million General Fund, for the state's obligation under the Medicare Modernization Act of 2009.

**Community provider rate:** Increases \$79.5 million total funds, including \$36.7 million General Fund, for the following community provider rate increases:

#### FY 2012-13

- 4.5 percent for home health, private duty nursing, and home and community based services

#### FY 2013-14

- 3.6 percent for home health, private duty nursing, home and community based services
- 4.5 percent for dental services
- The greater of current rates or 105 percent of Medicare rates for family planning services
- 2.0 percent across-the-board for all other providers decreased in prior years.

**Nursing for long-term hospital patients:** Increases \$70.1 million total funds, including \$43,155 General Fund and 0.9 FTE (annualizing to 1.0 FTE), for a state plan amendment that would allow an intergovernmental transfer from Denver Health to provide the state match for nursing home services for chronically acute, long-stay patients.

**Program changes in the Department of Human Services with Medicaid impacts:** Makes changes associated with programs administered by the Department of Human Services. See the Department of Human Services portion of this document for more detail.

**Medicaid Management Information System repurchase:** Increases \$15.6 million total funds, including \$1.4 million General Fund, for repurchase of the Medicaid Management Information System.

**CO Indigent Care Program true-up:** Increases \$12.1 million total funds based on updated projections of revenue from the Hospital Provider Fee and certified public expenditures available for matching federal funds under the federal Upper Payment Limit for the Colorado Indigent Care Program.

**Substance use disorder benefit:** Increases \$5.8 million total funds, including \$1.8 million General Fund, for a new substance use disorder benefit.

**Public school health services true-up:** Increases \$3.2 million total funds to more accurately reflect expected certified public expenditures by school districts and the matching federal funds for public school health services.

**Customer service technology improvements:** Increases \$1.8 million total funds, including \$0.9 million General Fund, for customer service technology improvements.

**Centrally appropriated line items:** Increases a net \$1.5 million for adjustments to centrally appropriated line items for the following: state contributions for health, life, and dental benefits; merit pay; salary survey; short-

term disability; supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund; shift differential; workers' compensation; legal services; administrative law judges; payment to risk management and property funds; and Capitol complex leased space.

**Breast and cervical cancer screening:** Increases \$1.1 million total funds for an expected increase in the number of people treated for breast and cervical cancer as a result of eliminating restrictions on eligibility based on the clinic where the diagnosis occurs.

**Dental administrative services organization:** Increases \$576,000 total funds to contract with a dental administrative services organization (ASO) to manage the existing dental benefit for children. The ASO will be responsible for processing claims, authorizations, and appeals, educating enrollees, and reaching out to and supporting providers.

**Stakeholder relations:** Increases \$570,000 total funds, including \$285,000 General Fund, for 7.4 FTE (annualizing to 9.0 FTE) to improve stakeholder relations.

**Indirect cost assessment:** Changes the way indirect costs are appropriated to be more consistent with other departments, creating a double-count. This double-count is partially offset by a decrease in the Department's total indirect cost assessment.

**Health facility surveys:** Provides an increase for health facility surveys and certifications. See the Department of Public Health and Environment part of this document for more detail.

**Annualize S.B. 11-212 Hospital Provider Fee offset of GF:** Increases \$25.0 million General Fund and decreases \$25.0 million cash funds for the end of one-time financing from the Hospital Provider Fee to offset the need for General Fund in FY 2012-13, pursuant to S.B. 11-212.

**Breast and Cervical Cancer Program true-up:** Includes an adjustment to the fund sources for the Breast and Cervical Cancer Program.

**Reallocate federal bonus payments:** Reallocates federal bonus payments previously used to offset General Fund for the state's obligation under the Medicare Modernization Act of 2009 (MMA) to instead increase the balance of the Controlled Maintenance Trust Fund. These bonus payments were earned for meeting performance goals of the federal Children's Health Insurance Program Reauthorization Act.

**Colorado Choice Transitions:** Reduces General Fund and federal funds as a result of transitioning individuals out of nursing facilities and into community-based settings. These individuals will receive services through the home- and community-based comprehensive waiver for individuals with developmental disabilities. An associated increase in funding for additional waiver placements is provided in the Department of Human Services, Services for People with Disabilities section of the Long Bill.

**Annualize prior year funding:** Decreases \$812,000 total funds, including an increase of \$17.8 million General Fund and an increase of 2.5 FTE, to annualize prior year legislation and budget decisions.

**Statewide IT common policy adjustments:** Adjusts line items appropriated for: purchase of services from the computer center; Colorado state network; management and administration of the Governor's Office of Information Technology (OIT); information technology security; and COFRS modernization.

**Fund source adjustment:** Makes several technical fund source adjustments, including showing money from the Public School Health Services for administration as reappropriated funds rather than federal funds.

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

# DEPARTMENT OF HIGHER EDUCATION

The Department is responsible for higher education and vocational training programs in the State. The Colorado Commission on Higher Education (CCHE) serves as the central policy and coordinating board for the Department. The Commission is responsible for negotiating performance contracts with public higher education institutions. Financial aid programs also fall under the purview of CCHE. The executive director of CCHE is also the executive director of the Department and appoints the directors of College Assist and CollegeInvest, which are both statutorily authorized state enterprises with responsibilities related to student loans and college savings programs.

The College Opportunity Fund Program provides stipends for undergraduate resident students to attend public colleges and participating private colleges in Colorado. This section also includes appropriations for fee-for-service contracts with public higher education institutions for graduate education and other educational services not covered by the stipends. Tuition, stipend, and fee-for-service spending authority for public higher education institutions is provided in the Governing Boards section.

The Division of Occupational Education oversees Colorado Vocational Act programs, the Area Vocational Schools, federal Perkins technical training programs, and resources for the promotion of job development, job training, and job retraining.

The Department also includes: state subsidies for Local District Junior Colleges; History Colorado; and the Auraria Higher Education Center, which maintains the single shared campus of the Community College of Denver, Metropolitan State College of Denver, and the University of Colorado at Denver and Health Sciences Center.

## Department Budget: Recent Appropriations

Funding Source	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14
General Fund <sup>/1</sup>	\$705,108,145	\$623,962,700	\$628,569,790	\$659,062,854
Cash Funds	1,614,730,367	1,720,379,975	1,835,273,931	1,978,139,263
Reappropriated Funds	643,769,858	550,656,940	552,186,789	576,697,493
Federal Funds	<u>49,455,658</u>	<u>19,014,815</u>	<u>19,113,229</u>	<u>19,290,300</u>
<b>Total Funds</b>	<b>\$3,013,064,028</b>	<b>\$2,914,014,430</b>	<b>\$3,035,143,739</b>	<b>\$3,233,189,910</b>
Full Time Equiv. Staff	21,397.0	21,490.8	21,458.9	22,842.3

/1 Includes General Fund Exempt.



## General Factors Driving the Budget

Funding for this department consists of 20.4 percent General Fund, 61.2 percent cash funds, 17.8 percent reappropriated funds, and 0.6 percent federal funds. Some of the major factors driving the Department's budget are discussed below.

### Overview and Organization

The public higher education system serves roughly 250,000 students annually (about 190,000 full-time equivalent students (FTE)). Approximately 45.0 percent of the students (35.0 percent of student FTE) attend 2-year and certificate institutions. These include state-operated community colleges, local district junior colleges that receive regional property tax revenues in addition to state funding, and area vocational schools that offer occupational certificates and serve both secondary and post-secondary students. Students attending institutions that offer baccalaureate and higher degrees are concentrated at the University of Colorado, Colorado State University, and Metropolitan State University of Denver.

The Colorado Commission on Higher Education (Commission) coordinates the higher education delivery system, including requests for state funding. The Commission has some regulatory authority over the public higher education institutions in areas such as role and mission, degree programs, the transfer of credits, and performance reporting. However, each institution has a governing board that makes policy and budget decisions for the institution.

The General Assembly has delegated significant budgetary control to the governing boards of the higher education institutions. The members of the governing boards are appointed by the Governor, except at the University of Colorado, which has an elected Board of Regents. Within broad parameters the governing boards are allowed to determine how to spend the revenue they earn, and they can retain unspent funds at the end of each fiscal year for future initiatives.

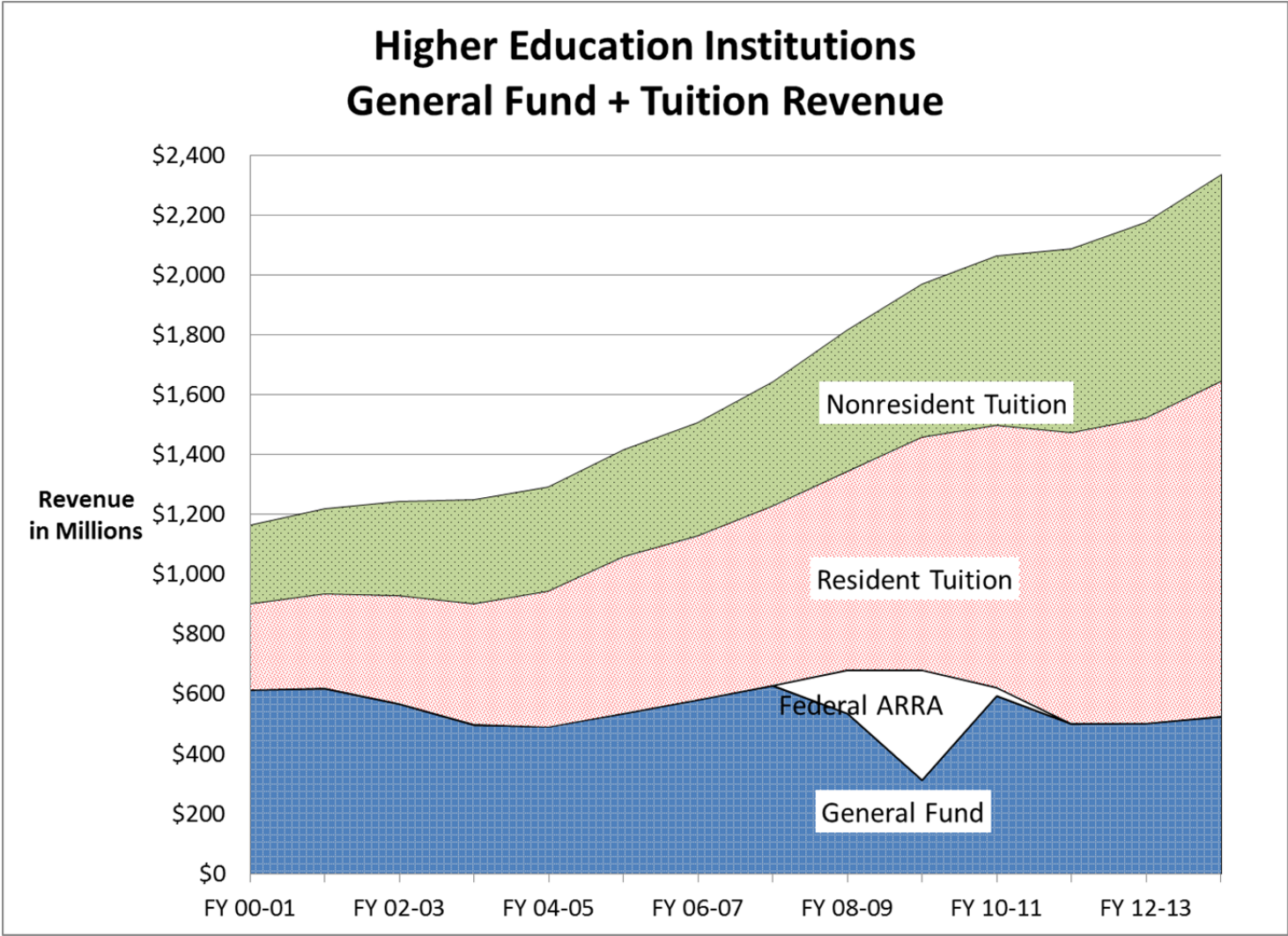
### Impact of the Statewide Budget Outlook

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

While there are many potential benefits to supporting higher education, there are no statutes, constitutional provisions, or federal guidelines requiring specific amounts of state funding per student. As a result, this is one of the budget areas most affected by the availability of state funds. This budget area is also more subject to state-funding adjustments than some others because there is an alternative funding source: individual tuition payments. Colorado has always expected that individuals and families who benefit from higher education will bear at least some portion of the cost. Policymakers differ in the extent to which they believe higher education should be an individual versus a public responsibility. However, limited state funds and the ability to increase tuition have, together, pushed Colorado (and other states) toward a funding model in which the share of higher education costs borne by individuals and families has increased dramatically while state funding has declined.

The chart below shows how statewide General Fund revenues have affected higher education appropriations, as evidenced by the sharp declines in General Fund appropriations for higher education during economic downturns in FY 2002-03 through FY 2004-05, and again in FY 2008-09 through FY 2011-12. The decreases in General Fund appropriations for higher education were disproportionately larger than decreases for other state agencies during the same time frames.

The chart also illustrates how tuition, as well as temporary federal American Recovery and Reinvestment Act (ARRA) funds, have augmented and substituted for General Fund revenues for the higher education institutions. As shown, tuition revenue increases have more-than-compensated for declines in General Fund support since FY 2007-08. Note, however, that this chart does not include adjustments for changes in the number of students served or inflationary factors impacting the cost of providing services.



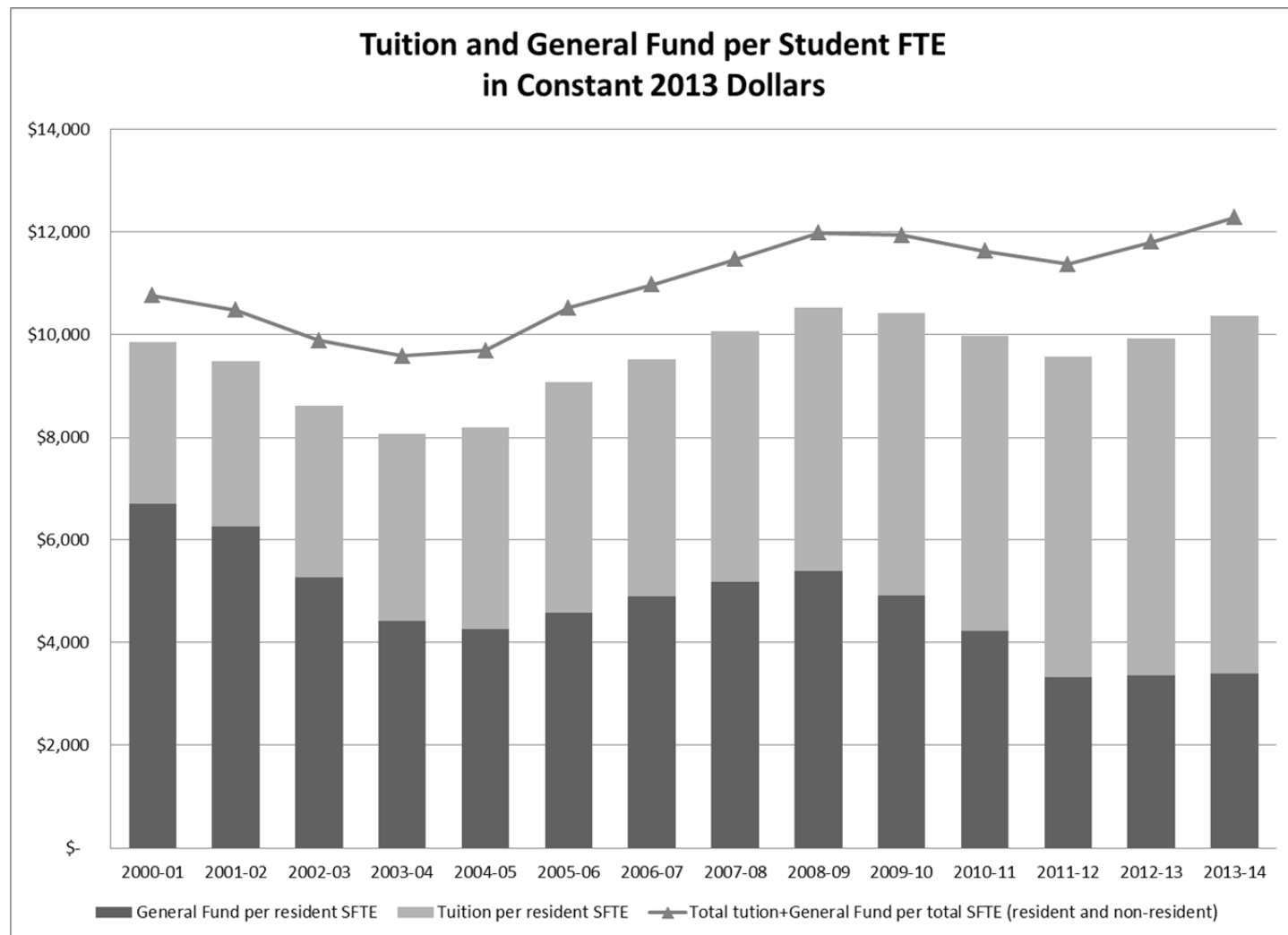
**Tuition and Fees**

As indicated by the chart above, over time, the share of higher education revenue derived from tuition and fees has increased, while the General Fund share has decreased. Overall public access to higher education is significantly influenced by tuition and fee rates: high rates may discourage participation or may result in high debt loads for those who do participate. Nonetheless, Colorado and other states have often used tuition

increases to substitute for higher education General Fund support due to the multiple demands on state General Fund revenue.

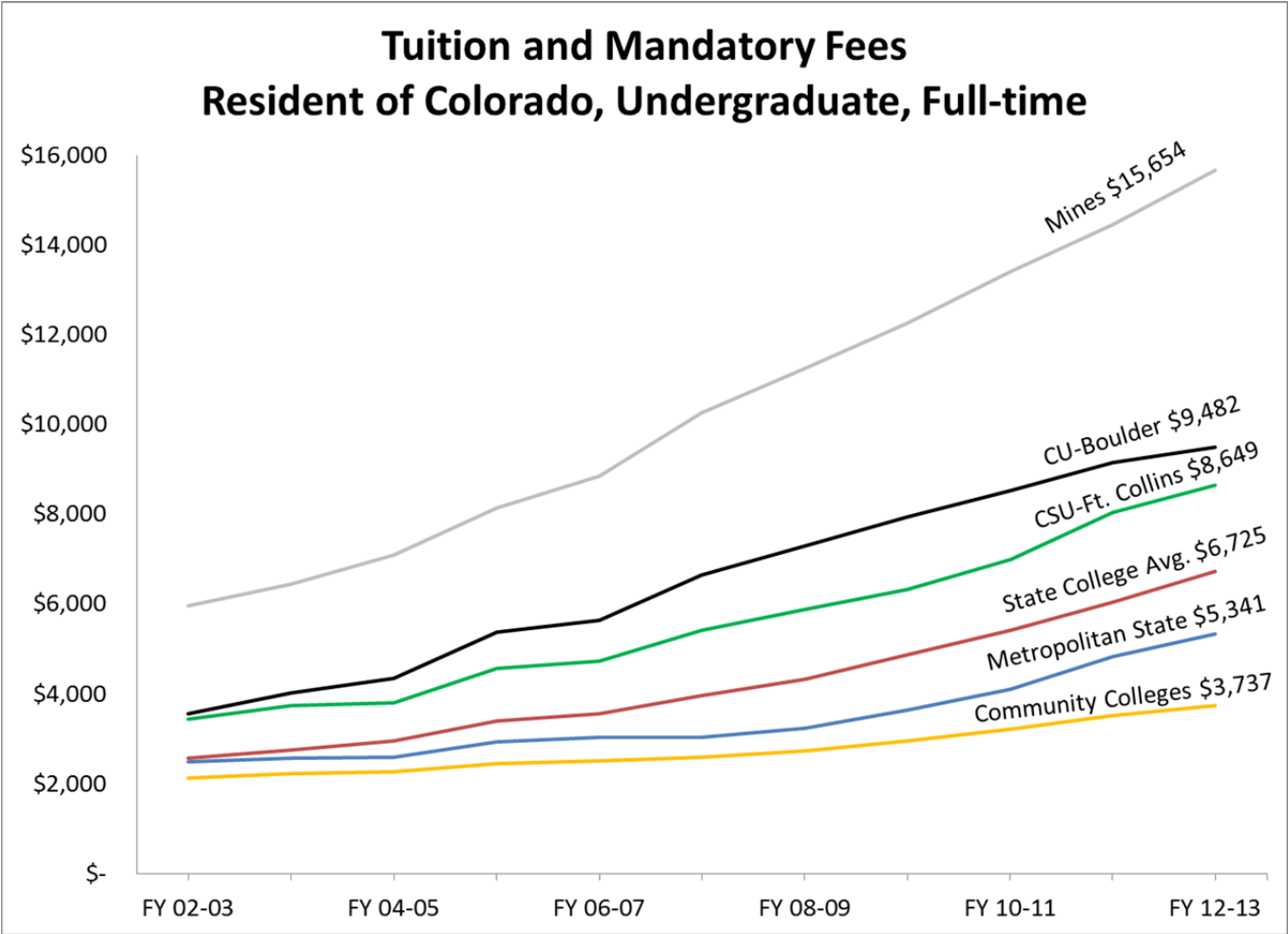
The chart below shows the change in General Fund and tuition revenue to the institutions per student since FY 2000-01 after adjusting for inflation (Denver-Boulder-Greeley consumer price index/CPI). As shown:

- Overall revenue to the institutions per student (the line on the chart) has increased more rapidly than CPI inflation: there was an increase in per-student revenue of about 10 percent from FY 2000-01 to FY 2012-13 after adjusting for inflation. Total revenue per student is greater than resident revenue per student (the bars on the chart) due to the impact of non-resident tuition revenue. The share of non-resident students has increased over time, effectively subsidizing resident tuition at some institutions.
- Projected revenue to the institutions per *resident* student (bars on the chart) is not far different in FY 2012-13 from FY 2000-01, but the share covered by the student—as opposed to the General Fund—has changed substantially. In FY 2000-01, the General Fund provided about two-thirds of the revenue per resident student; in FY 2012-13, it provided about one-third.



Senate Bill 10-003 temporarily delegated tuition authority to higher education governing boards from FY 2011-12 through FY 2015-16 (five years). During this time frame, governing boards may increase resident undergraduate tuition rates up to 9.0 percent per year, and they may submit a plan to ensure access and affordable tuition for low- and middle-income students to the Commission for permission to implement larger rate increases. When the provisions of S.B. 10-003 expire, the responsibility to set tuition spending authority reverts to the General Assembly [Section 23-5-129 (10), C.R.S.], and the tuition increases used to derive the total spending authority for each governing board will be detailed in a footnote to the Long Bill [Section 23-18-202 (3) (b), C.R.S.].

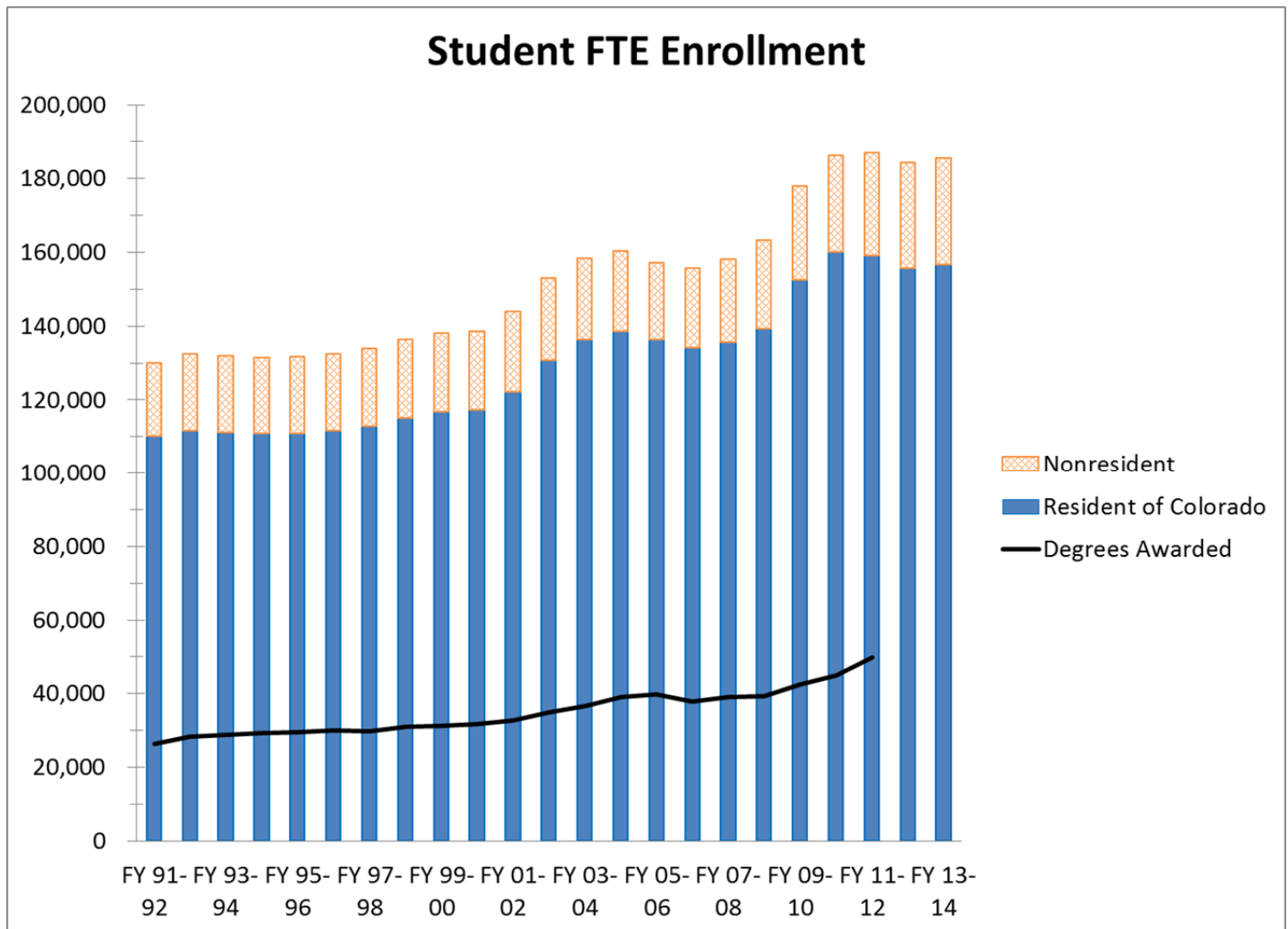
At the time of this publication, rates for the 2013-14 academic year had not yet been set by all governing boards, and so the chart below shows rates through FY 2012-13. All rates are for students who are full-time (30 credit hours per year), beginning their studies, Colorado resident, undergraduate, and taking liberal arts and sciences courses.



**Enrollment**

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

Enrollment tends to be counter-cyclical. In other words, when the economy slows, higher education enrollment grows more rapidly. The following chart reports student FTE since FY 1991-92 (excluding Local District Junior College and Area Vocational School data). Thirty credit hours in a year equals one full-time-equivalent student. The chart also includes a trend line for degrees awarded through the most recent year of data (FY 2011-12). This is an unduplicated count of graduates. The relatively modest enrollment growth in the 1990's and significant growth in the 2000's correlate closely with the economic circumstances of the state during those time frames. As the economy began to improve in FY 2012-13, projected enrollment declined. However, overall enrollment levels are unlikely to decline to pre-recession levels, based on the experience after previous recessions.



## Personnel

Higher education governing boards are allowed by statute to determine the number of employees they need, but the appropriations reflect estimates provided by the governing boards of the number of employees at their institutions, which for FY 2013-14 are estimated at 22,451.7 FTE. This doesn't include employees of self-supporting auxiliary programs such as food services, book stores, or housing.

Of the amount state-operated institutions spend on education, approximately two-thirds is spent on salaries and benefits and most of this is spent on instructional faculty. Some higher education FTE such as administrative

support and maintenance staff are classified staff for whom salaries and benefits are defined by the state personnel system and the policies of the General Assembly. However, the majority of FTE and personal services expenditures are for exempt staff such as faculty for whom governing boards have control of compensation. The market for tenure-track faculty is national. Pressure to offer compensation to professors that is competitive with peer institutions in other states, and for some degree programs competitive with the private sector, is a significant factor in higher education institution expenditures.

### **College Opportunity Fund Program**

Colorado uses a method of distributing higher education funding that is unique from other states. Instead of appropriating General Fund directly to the institutions for their day-to-day operations, the General Assembly appropriates money into a fund that provides stipends to eligible undergraduate students. In addition, the General Assembly appropriates money for differences in the cost of programs at each institution. This second appropriation for cost differentials gets to the institutions through what are called fee-for-service contracts between the Commission and the governing boards. The sum of stipends and fee-for-service contracts is the state General Fund support provided to each institution for their operations.

The bill that authorized stipends and fee-for-service contracts (S.B. 04-189) also provided a mechanism for designating qualifying state higher education institutions as enterprises under Article X, Section 20 of the Colorado Constitution (TABOR). Revenue, such as tuition, that is generated by enterprises is exempt from the limits imposed by TABOR and has no impact on any refund that may be due pursuant to TABOR. To achieve enterprise status under TABOR, a program must: (1) be a government-owned business; (2) have authority to issue revenue bonds; and (3) receive less than 10 percent of annual revenue from state and local grants. Stipends and fee-for-service contracts are defined in statute as different from a state grant. All of the institutions have been designated as TABOR enterprises.

In practice, once stipends and fee-for-service contracts are paid to a higher education institution the institution makes no distinction between them. Furthermore, despite the stipend/fee-for-service funding structure, the Executive request and General Assembly action have typically focused on total institutional funding levels, with the break-down between fee-for-service and stipend funding a secondary consideration. Consistent with this, when enrollment changes drive mid-year adjustments to institutional stipend revenue, the General Assembly usually modifies institutional fee-for-service contracts so as to hold total funding for each institution at the level initially established for that fiscal year.

### **Financial Aid**

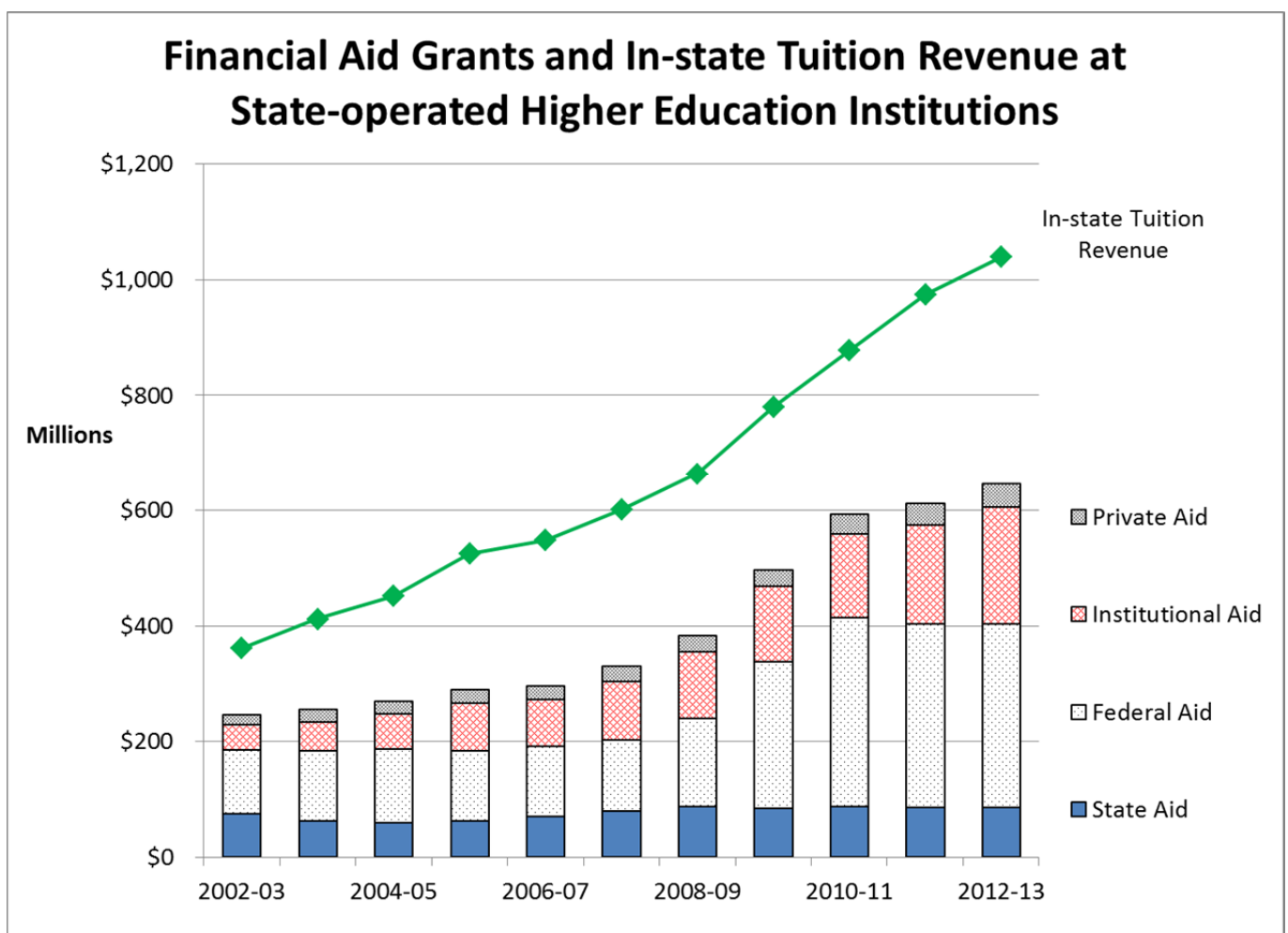
Of the General Fund appropriations for higher education in FY 2013-14, \$111.5 million (16.9 percent) are for financial aid. The majority of the money goes for need based aid and work study. There are also a number of smaller, special purpose financial aid programs. Financial aid funds are appropriated to the CCHE and then allocated to the institutions, including approximately \$6.7 million in FY 2012-13 for private institutions, based on formulas that consider financial need at the schools, total student enrollment, and program eligibility criteria.

The financial aid funding identified in state appropriations is only a fraction of the total financial aid available. The federal government provides a significant amount of financial aid for students, the vast majority of which is not reflected in the state budget. The majority of federal grants come through the Pell program for the neediest students. Federal legislation increased the maximum Pell grant for a full-time student to \$5,550 in FY 2010-11 and expanded Pell eligibility, resulting in a substantial increase in overall federal funding. However, while the maximum award has been flat since FY 2010-11, eligibility was reduced in FY 2011-12, when year-round Pell grants were eliminated, and FY 2012-13 when the total number of semesters of eligibility was reduced from 18

to 12, access for students who had not yet completed a GED or high school diploma was eliminated, and the income cut-off for assuming a \$0 family contribution was reduced. In FY 2011-12, the average adjusted gross income of the families of dependent students was \$18,955, and the average of students receiving any Pell award was \$30,326.

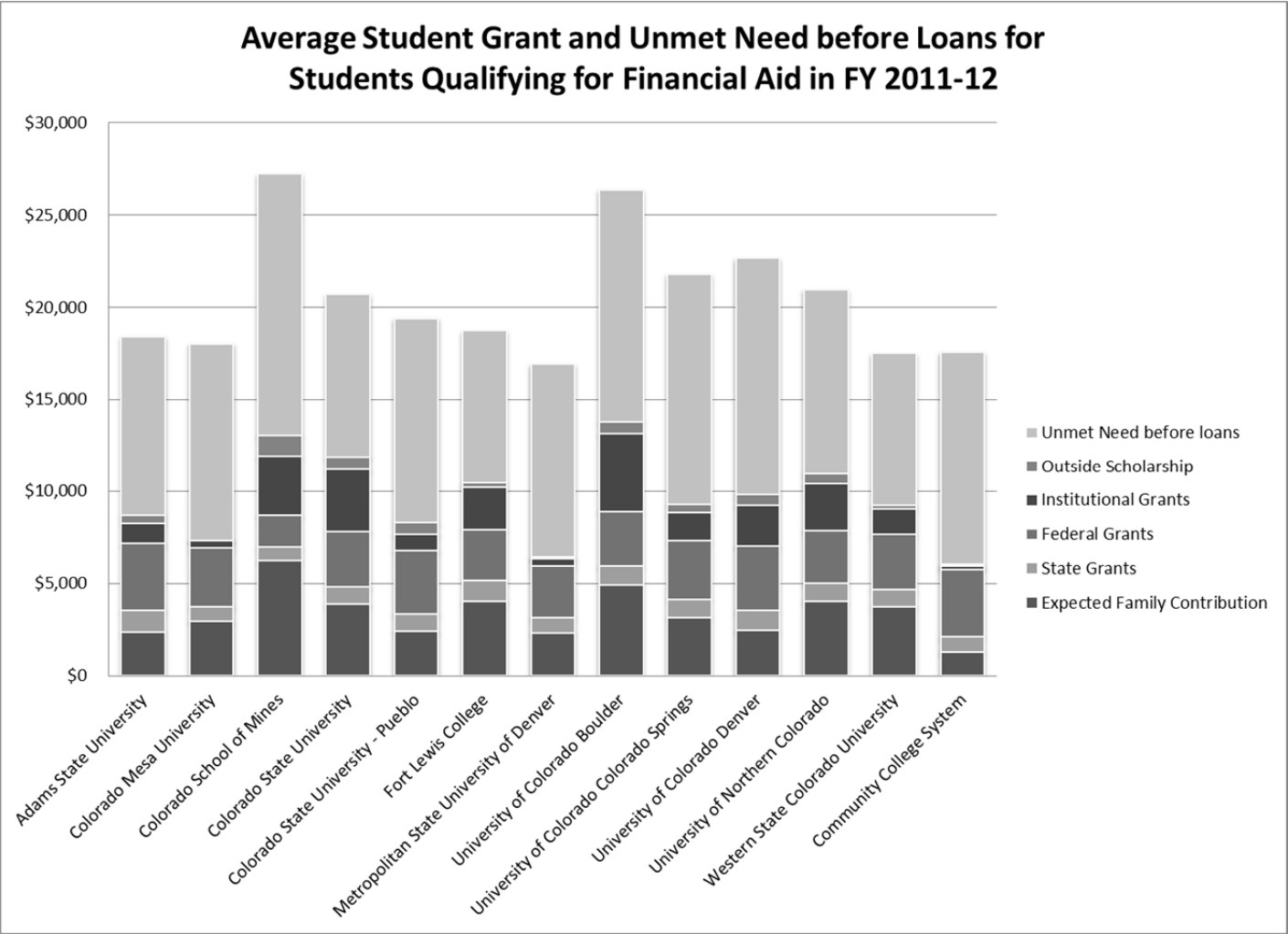
Another source of funding for financial aid is money set aside by the institutions from fundraising and the operating budgets of the schools (largely tuition revenue). There is significant variation in the amount of money available by institution and how students qualify for institutional aid, based on differences in school policies and fundraising. A significant portion of institutional aid at some institutions is directed to merit-based aid.

The following graph shows financial aid grants from various sources awarded to students attending state-operated higher education institutions. As an indication of the buying power of financial aid grants, the chart also provides information on total resident tuition revenues collected.



Financial aid pays for expenses related to room, board, transportation, student fees, and learning materials, in addition to tuition. Depending on the institution, these other costs of attendance may dwarf the price of tuition. The total cost of attendance for a resident student in FY 2011-12, including room and board, ranged from \$16,910 at Metropolitan State University of Denver to \$27,188 at the Colorado School of Mines.

In order to fill the gap between cost of attendance and available grant funds, students typically rely on loans. In addition to grant funds, the federal government provides low-interest guaranteed loans and tax credits and deductions for tuition. The chart below shows the unmet need *before loans* for those students who qualified for financial aid at each institution. Fifty-eight percent of students completing a bachelor’s degree in FY 2011-12 from public institutions graduated with the support of federal student loans, and the average amount of federal loans for people graduating with debt was \$24,850.





# Appropriation Highlights – 2013 Legislative Session

Department of Higher Education						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2012-13 Appropriation:</b>						
HB 12-1335	\$3,034,535,714	\$619,571,953	\$1,850,970,474	\$544,880,058	\$19,113,229	21,494.3
HB 12-1155	75,500	0	75,500	0	0	0.0
HB 12-1283	(620,090)	(310,045)	0	(310,045)	0	(35.4)
SB 13-090	18,282,793	9,307,882	2,415	8,972,496	0	0.0
SB 13-230	<u>(17,130,178)</u>	<u>0</u>	<u>(15,774,458)</u>	<u>(1,355,720)</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$3,035,143,739</b>	<b>\$628,569,790</b>	<b>\$1,835,273,931</b>	<b>\$552,186,789</b>	<b>\$19,113,229</b>	<b>21,458.9</b>
<b>FY 2013-14 Appropriation:</b>						
FY 2012-13 Appropriation	\$3,035,143,739	\$628,569,790	\$1,835,273,931	\$552,186,789	\$19,113,229	21,458.9
Tuition and fees	139,271,759	0	139,271,759	0	0	0.0
Increase for public institutions	58,832,652	30,000,000	0	28,832,652	0	0.0
Increase for need based grants	5,348,748	5,348,748	0	0	0	0.0
S.B. 13-033 fiscal impact	3,553,670	1,071,164	1,522,506	960,000	0	0.0
Colorado Geological Survey	1,863,401	300,000	1,459,401	0	104,000	14.5
Fort Lewis College Native American tuition waiver	1,692,673	1,692,673	0	0	0	0.0
Centrally appropriated line items	926,070	0	754,307	95,834	75,929	0.0
Limited gaming funds	544,000	0	544,000	0	0	0.0
Career and technical education programs	310,286	0	0	310,286	0	0.0
Cumbres and Toltec Railroad	274,500	274,500	0	0	0	0.0
Increase stipends at private institutions	221,040	221,040	0	0	0	0.0
CCHE data and research positions	150,772	0	0	150,772	0	0.0
Dependent Tuition Assistance Program	55,078	55,078	0	0	0	0.0
WICHE dues	6,000	0	0	6,000	0	0.0
Reflect FTE	0	0	0	0	0	1,367.4
Indirect cost adjustments	0	254,037	(40,054)	(213,983)	0	0.0
Annualize supplemental increase	(16,924,658)	(9,307,882)	0	(7,616,776)	0	0.0
Higher Education Competitive Research Authority	(581,000)	0	(581,000)	0	0	0.0

Department of Higher Education						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
IT common policy adjustments	(96,082)	0	(83,423)	(9,801)	(2,858)	0.0
Tobacco settlement revenue	(50,954)	0	(50,954)	0	0	0.0
<b>SB 13-230</b>	<b>\$3,230,541,694</b>	<b>\$658,479,148</b>	<b>\$1,978,070,473</b>	<b>\$574,701,773</b>	<b>\$19,290,300</b>	<b>22,840.8</b>
HB 13-1004	1,500,000	0	0	1,500,000	0	0.0
HB 13-1165	1,033,765	\$559,165	0	474,600	0	1.5
HB 13-1194	110,611	\$22,621	68,790	19,200	0	0.0
HB 13-1230	<u>3,840</u>	<u>\$1,920</u>	<u>0</u>	<u>1,920</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$3,233,189,910</b>	<b>\$659,062,854</b>	<b>\$1,978,139,263</b>	<b>\$576,697,493</b>	<b>\$19,290,300</b>	<b>22,842.3</b>
<b>Increase/(Decrease)</b>	\$198,046,171	\$30,493,064	\$142,865,332	\$24,510,704	\$177,071	1,383.4
Percentage Change	6.5%	4.9%	7.8%	4.4%	0.9%	6.4%

### FY 2012-13 Appropriation - Mid-year Adjustments

Senate Bill 13-090 and S.B. 13-230 modify FY 2012-13 appropriations:

- Senate Bill 13-090 adds \$9.3 million General Fund for increased fee-for-service appropriations for the governing boards; and
- Senate Bill 13-230 redistributes a portion of the S.B. 13-090 increase to financial aid, adjusted the estimated share of total institutional funding coming from student stipends versus fee-for-service contracts based on updated enrollment data (net \$0 impact), and updated estimated cash fund tuition revenue, based on updated enrollment projections.

### FY 2013-14 Appropriation Highlights

**Tuition and fees:** The appropriation adjusts higher education tuition and fee revenue estimates reflected in the Long Bill for informational purposes.

**Increase for public institutions:** The appropriation includes an increase of \$30.0 million General Fund for the operations of public institutions of higher education. This amount is reappropriated to individual institutions based on a formula to which all the institutions have agreed.

**Increase for need based grants:** As required by statute, the appropriation includes a General Fund increase for financial aid (need based grants) proportional to the operational funding increase authorized for public universities and colleges.

**S.B. 13-033 fiscal impact:** The Long Bill appropriation includes an increase for the anticipated costs associated with implementing S.B. 13-033 (Concerning in-state Classification at Institutions of Higher Education for Students who Complete High School in Colorado). This includes stipend and tuition amounts for the 500 additional student FTE anticipated to enroll in higher education institutions due to this bill and a proportionate funding increase for financial aid.

**Colorado Geological Survey:** The appropriation reflects the transfer of the Colorado Geological Survey from the Department of Natural Resources to the Colorado School of Mines and includes Severance Tax and General Fund support intended to maintain core Geological Survey functions.

**Fort Lewis College Native American tuition waiver:** The appropriation includes an increase for the Fort Lewis College Native American tuition waiver mandated by Section 23-52-105 (1) (b) (I), C.R.S., and federal court decisions.

**Centrally appropriated line items:** The appropriation includes adjustments to centrally appropriated line items for the following: state contributions for health, life, and dental benefits; merit pay; salary survey; short-term disability; supplemental state contributions to the Public Employees Retirement Association (PERA) pension fund; salary survey; merit pay; workers compensation; administrative law judges; and payment to risk management and property funds.

**Limited gaming funds:** The appropriation includes an increase for the projected growth in the limited gaming funding distributed to gaming cities.

**Career and technical education programs:** The appropriation includes an increase in funds transferred from the Department of Education for secondary career and technical education programs based on constitutionally-required categorical funding adjustments.

**Cumbres and Toltec Railroad:** The appropriation increases funding for Cumbres and Toltec Scenic Railroad Commission operations and capital costs. The Railroad is jointly owned by the states of Colorado and New Mexico.

**Increase stipends at private institutions:** The appropriation includes an increase to accommodate the growth in the number of students using the College Opportunity Fund (COF) stipend program at participating private non-profit institutions (the University of Denver, Regis University, and Colorado Christian University).

**CCHE data and research positions:** The appropriation adds funding for two FTE, a research analyst and a research communications analyst, at the Colorado Commission on Higher Education.

**Dependent Tuition Assistance Program:** The appropriation adds funding to accommodate an increase in the number of eligible students in this program, which pays tuition, room, and board for Colorado dependents of deceased or permanently disabled members of the national guard, law enforcement, firefighters, prisoners of war, and military personnel missing in action.

**WICHE dues:** The appropriation funds increased state dues for participation in the Western Interstate Commission on Higher Education (WICHE).

**Reflect FTE:** The appropriation adjusts the number of higher education staff FTE reflected in the Long Bill for informational purposes.

**Indirect cost adjustments:** The appropriation reflects reductions in anticipated indirect cost collections, resulting in an increase in General Fund required.

**Annualize supplemental increase:** The appropriation annualizes (eliminates) FY 2012-13 increases for the higher education institutions included in the regular supplemental bill (S.B. 13-090) as amended by the S.B. 13-230 FY 2012-13 add-on supplemental.

**Higher Education Competitive Research Authority:** The appropriation reduces spending authority based on projected revenue and expenditures for the Authority.

**IT common policy adjustments:** This appropriation adjusts funding for information technology line items.

**Tobacco settlement revenue:** The appropriation includes a reduction based on the statutory allocation of revenue anticipated to be available from the Tobacco Master Settlement Agreement for the University of Colorado at Denver and Health Sciences Center.

**Additional legislation:** For information on additional legislation, see the “Recent Legislation” section at the end of Part III of this department.

# DEPARTMENT OF HUMAN SERVICES

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

## Department Budget: Recent Appropriations

Funding Source	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14
General Fund	\$623,196,849	\$619,593,123	\$645,940,781	\$724,844,518
Cash Funds	341,382,102	329,545,321	340,033,047	358,900,608
Reappropriated Funds	469,989,726	455,037,280	485,205,073	519,799,788
Federal Funds	<u>704,693,428</u>	<u>649,001,182</u>	<u>615,983,428</u>	<u>610,833,459</u>
<b>Total Funds</b>	<b>\$2,139,262,105</b>	<b>\$2,053,176,906</b>	<b>\$2,087,162,329</b>	<b>\$2,214,378,373</b>
Full Time Equiv. Staff	5,177.4	4,849.6	4,872.8	4,874.9

## General Factors Driving the Budget

Funding for this department consists of 32.7 percent General Fund, 16.2 percent cash funds, 23.5 percent reappropriated funds, and 27.6 percent federal funds. Some of the major factors driving the Department's budget are discussed below.

### Employee Salaries and Benefits

Consistent with statewide policy, the Department of Human Services receives appropriations for staff salaries, health, life, and dental benefits, and the Public Employees' Retirement Association (PERA) pension fund. Funding for staff salaries and benefits is particularly significant for the Department of Human Services, due to the large number of employees. Many of these employees work in 24-hour institutional facilities such as the mental health institutes, regional centers for people with developmental disabilities, and youth corrections facilities. Employee salaries and benefits typically drive major annual funding increases, although this growth has been limited in recent years by statewide revenue restrictions. Consistent with statewide policy, the Department budget increased in FY 2013-14 due to the following factors:

- An increase of \$6.0 million total funds, including \$3.5 million General Fund, for salary survey increases;
- An increase of \$5.0 million total funds, including \$4.2 million General Fund for increases in the State's contributions to health, life, and dental, short-term disability, PERA, and shift differential pay; and
- An increase of \$3.3 million total funds, including \$1.9 million General Fund, for merit-based pay increases.

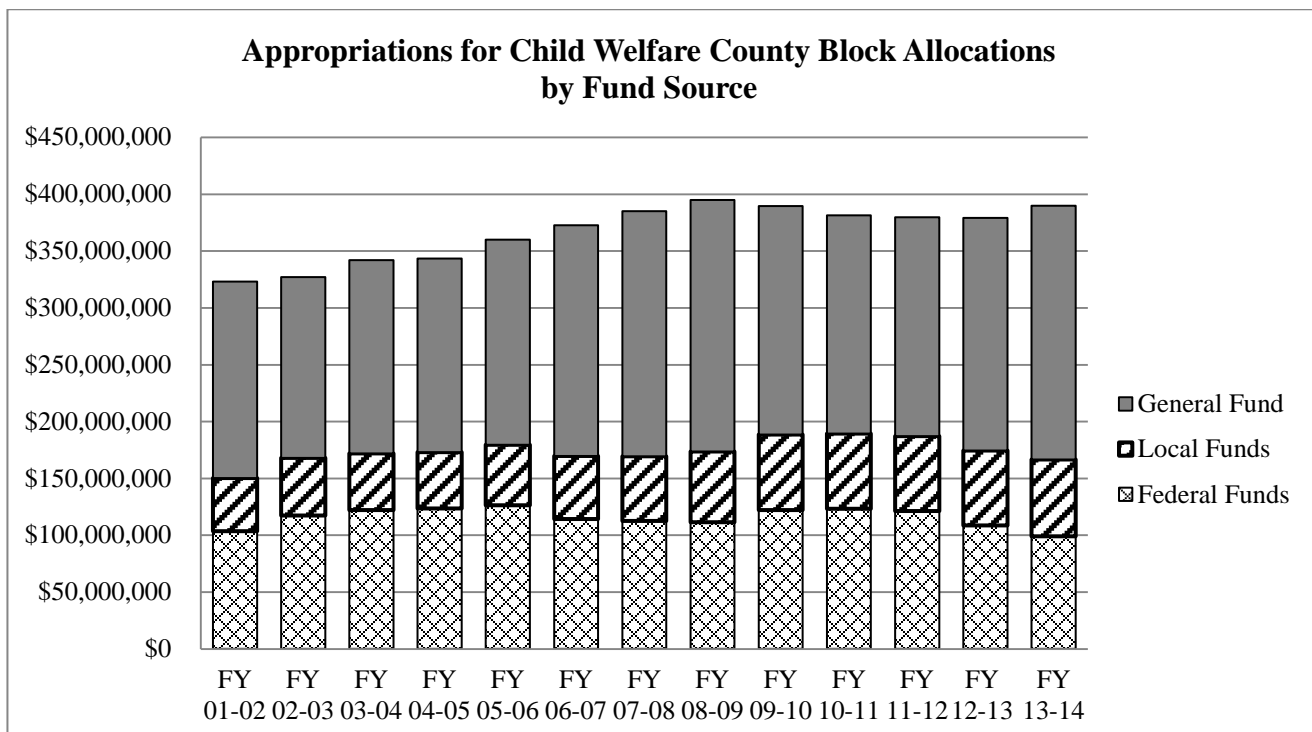
## Community Provider Rates

The Department contracts with community providers to provide services to eligible clients. To ensure that community provider arrangements are viable over the long term, the General Assembly has generally awarded annual inflationary increases, also known as cost of living adjustments (COLAs) for community provider programs. The following Department programs have typically received COLAs: County Administration, Child Welfare, Child Care, Mental Health Community Programs, Developmental Disability Services, Vocational Rehabilitation, and community programs in Youth Corrections. Following a series of fiscal years from FY 2010-11 through FY 2012-13 with no statewide or Department-wide increases or decreases in rates, the agency received a 2.0 percent increase equaling \$28.0 million total funds, including \$8.7 million General Fund for FY 2013-14.

## Child Welfare Services

County departments of social services receive and respond to reports of potential child abuse or neglect under the supervision of the Department. Appropriations for child welfare programs for FY 2013-14 total \$421.2 million, which consists of 55.0 percent General Fund, 24.0 percent federal funds, 17.6 percent county funds and various cash fund sources, and 3.4 percent reappropriated funds. The vast majority of funds appropriated for child welfare (over 95.0 percent) are made available to county departments as "block allocations" for the provision of child welfare services.

The chart below provides the history of appropriations for county block allocations (appropriations for Child Welfare Services and Family and Children's Programs line items) by fund source.



Counties are required to cover 20.0 percent of most child welfare costs, and this share is included in county child welfare allocations. In addition, if counties spend more than the capped allocations, they are responsible for covering any shortfall with other funds, which may include federal Temporary Assistance for Needy Families (TANF) block grant funds or county tax revenue. Historically, total spending by counties exceeded State allocations by three to five percent per year. However, since FY 2008-09, counties have reduced spending more rapidly than the State has reduced child welfare allocations. As a result, net county expenditures for FY 2010-11 and FY 2011-12 fell below allocations. A similar pattern of county under expenditures is expected for FY 2012-13.

At the county level, expenditures for child welfare services are driven by:

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

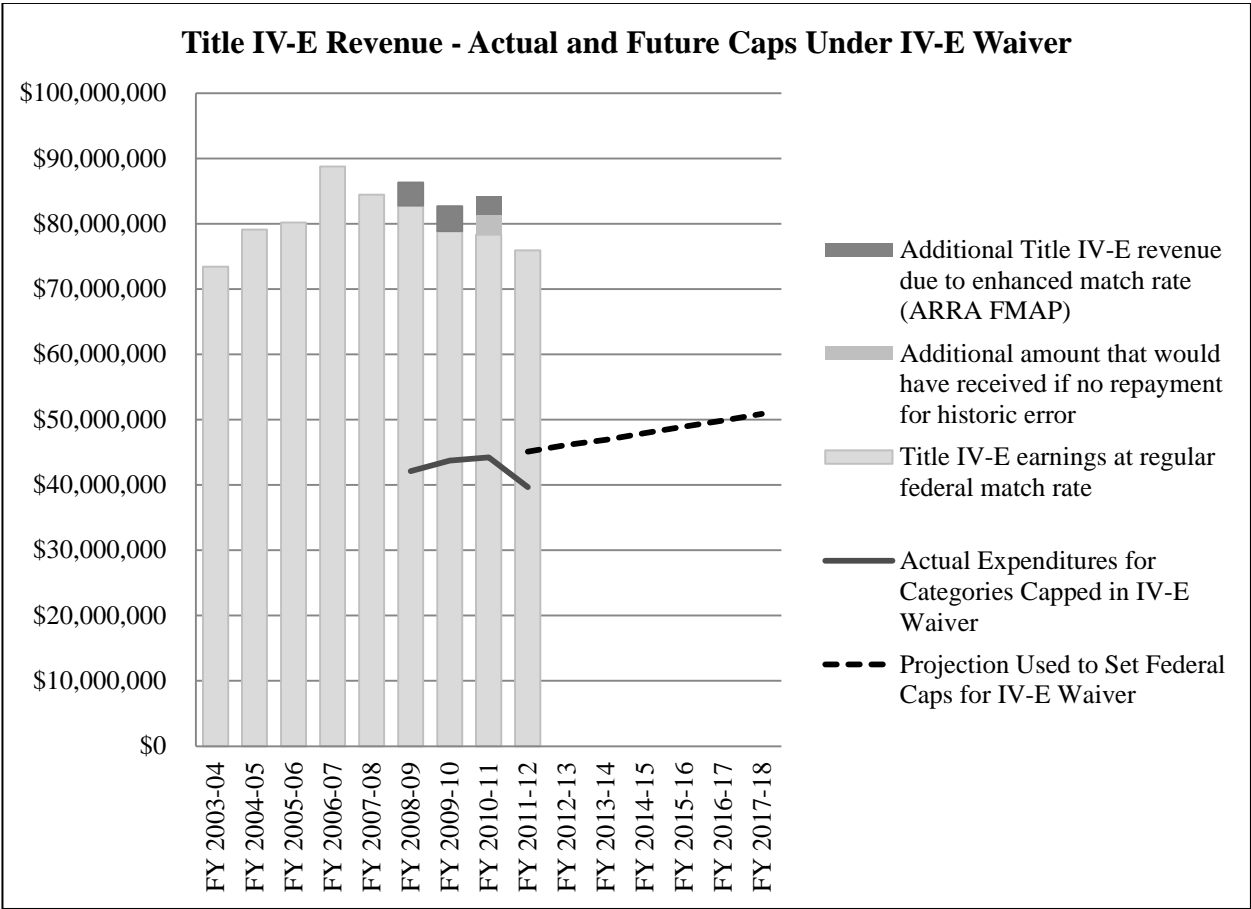
Among these drivers, certain elements are largely beyond county control, such as the number of reports of abuse or neglect, the number of reports that require a child welfare case to be opened based on the severity of an incident and risk to a child, and judicial decisions regarding client placements. Other drivers are within county control, such as the types of services offered and the rates paid for services.

Referrals to child welfare have continued to increase sharply, but the number of open child welfare cases, new child welfare involvements, out-of-home placements, and the number of child welfare assessments (investigations) have all declined. Thus, the percentage of reports of abuse or neglect that result in county intervention through the child welfare system has declined—leading in part to lower county expenditures. There is no evidence that this is affecting outcomes for children, and it appears likely that these workload trends will continue based on new approaches for responding to allegations of abuse and neglect.

Over the last several years, counties have made significant changes in how they respond to allegations of abuse and neglect (e.g., the adoption in several counties of a differential response practice model) and the kinds of services they offer, based on funding constraints and on changes in what is considered to be best practice. The State has taken a variety of steps, ranging from providing funding for additional studies and research through the Child Welfare Action Committee to adding new Division of Child Welfare staff and expanded funding for preventative child abuse initiatives such as SafeCare. These initiatives are detailed in the Division of Child Welfare section overview that follows.

Colorado has also been awarded a waiver from federal Title IV-E spending requirements for fiscal years 2013-14 through 2017-18. Title IV-E is an open-ended federal entitlement through which states are partially reimbursed for the room-and-board and administrative costs associated with foster care and adoption services. Colorado's Title IV-E revenue has been on an overall downward trend for a number of years due to the decline in out-of-home placement, as well as to an income standard that has not changed since 1996. Title IV-E does not provide reimbursement for services provided to keep a child in the family home. Prior to the award of the IV-E waiver, the Department projected that Title IV-E revenue would continue to fall at the rate of 5.0 to 10.0 percent per year due to anticipated ongoing reductions in the use of congregate care placements.

The waiver will provide Colorado with a guaranteed stream of capped federal Title IV-E funds for five years for major portions of its Title IV-E revenue stream: foster care maintenance (room and board) and administrative costs for case planning, management, and eligibility-determination. A portion of the revenue stream, related to adoption assistance, training, some other administration costs, and computer-systems is excluded and will continue to be reimbursed based on expenditures and federal reimbursement formulas. Based on the agreement, capped funding will increase to about \$51.0 million by FY 2017-18—almost \$9.0 million more than is projected without the waiver.



### Services for People with Developmental Disabilities

#### Funding for New Developmental Disabilities Full Program Equivalents

The General Assembly appropriated funding sufficient to enable the Community Center Boards to serve an additional 811 individuals detailed below.

FY 2013-14 Funding for New Developmental Disabilities Full Program Equivalents (FPEs)		
Title	Description	FPE
<b>Youth</b>		
Children's Extensive Support (CES)	FPEs for all children on the current children's waiting list and for children projected to be added to the waiting list by the end of FY 2013-14.	532



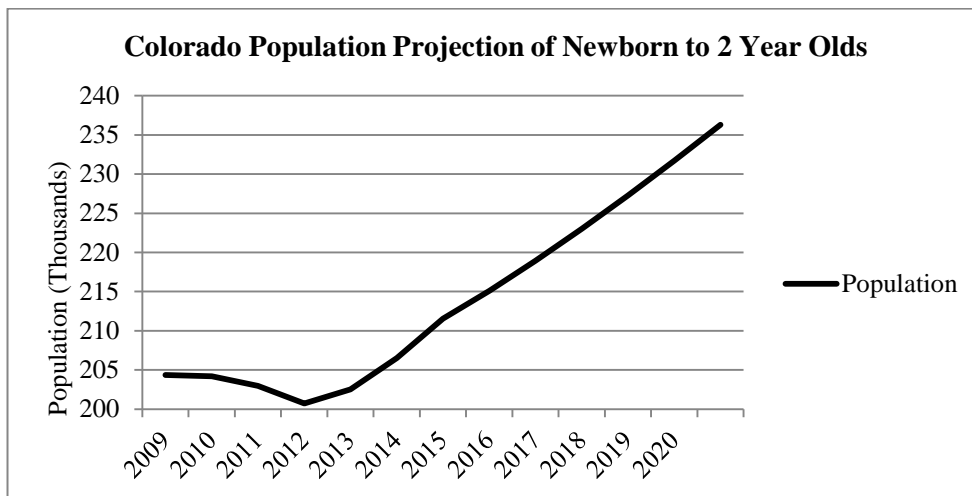
<b>FY 2013-14 Funding for New Developmental Disabilities Full Program Equivalents (FPEs)</b>		
<b>Title</b>	<b>Description</b>	<b>FPE</b>
<b>Adult Non-Residential Full Program Equivalents</b>		
CES Age Outs	FPEs for children turning 18 years old during FY 13-14 who are current receiving services and require supported living services	38
High-risk Waiting List	FPEs for adults requiring non-residential services on the waiting list who are categorized as high risk	7
<i>Subtotal Adult Non-Residential</i>		<i>45</i>
<b>Adult Residential Full Program Equivalents</b>		
Foster Care Transitions	FPEs for youth who turn 21 years of age during FY 2013-14 who require comprehensive waiver services	50
Emergencies	FPEs to be allocated to Community Center Boards who have individuals experiencing unforeseen circumstances which force the individual into needing comprehensive services.	40
High-risk Waiting List	FPEs for individuals who are waiting for services and categorized as high risk.	93
Colorado Choice Transitions	FPEs for individuals transitioning out of Regional Centers into community based settings.	46
Dually Diagnosed Individuals	Five FPEs to transition individuals out of Regional Centers to make room for five dually-diagnosed individuals who have completed treatment at the Mental Health Institutes	5
<i>Subtotal Adult Residential</i>		<i>234</i>
<b>Total FY 2013-14 New FPE</b>		<b>811</b>

### ***Early Intervention Services***

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

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

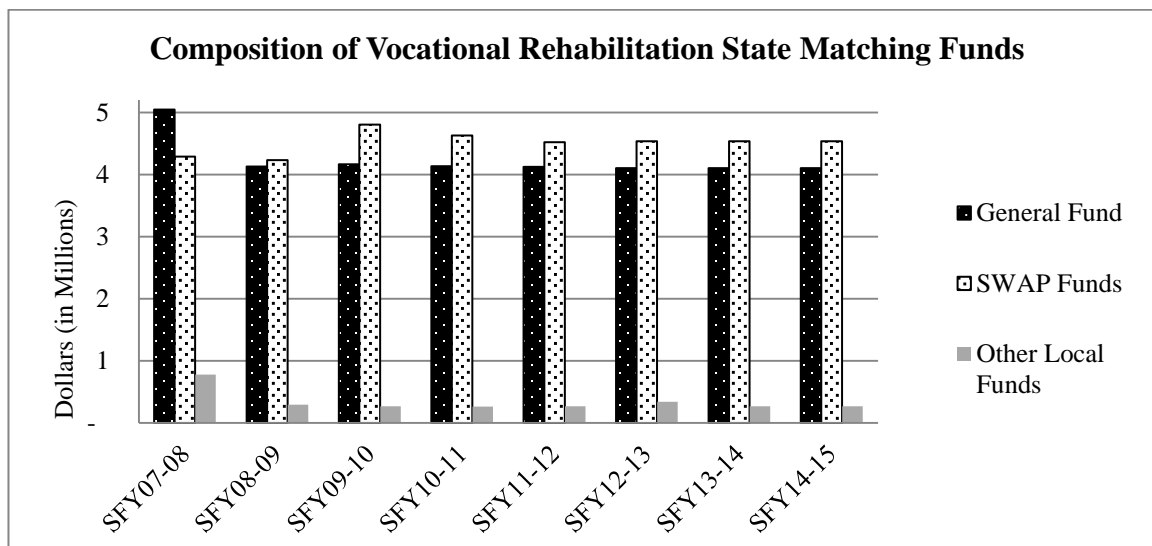
Funding for EI Services for FY 2013-14 consists of 45.8 percent General Fund (\$19,910,756), 25.1 percent cash funds from local funds and the Early Intervention Services Trust Fund (\$10,895,900), 10.6 percent Medicaid reappropriated funds (\$4,582,485), and 18.5 percent federal funds (\$8,041,400). As a condition of receiving federal funds, the State is required to provide EI services to all eligible infants and toddlers. The following graph shows the projected growth of the newborn to 2 year old population in Colorado through 2020 (information provided by the State Demography Office).



Since Colorado is required to provide EI services to all eligible infants and toddlers who seek these services, and as the population of zero to two year olds grows, so does the number of infants and toddlers eligible for EI services. Increases totaling \$3,072,676 were appropriated for Early Intervention Services to account for the growth in caseload. House Bill 13-1117 transferred the funding and administration of EI Services from the Services for People with Disabilities Division to the new Office of Early Childhood in FY 2013-14.

#### ***Vocational Rehabilitation Program Funding***

Vocational rehabilitation programs assist individuals, whose disabilities result in barriers to employment or independent living, with obtaining and maintaining employment and/or independent living. Funding for these programs is a combination of federal funds and State matching funds. For every dollar of state funds, the federal government contributes \$3.69. The state matching funds are from two primary sources, the General Fund, and school districts for the School-to-Work Alliance Program (SWAP). There is a small amount of funding from other local funds and the Mental Health Institutes. The Division has become more reliant on the match drawn down by SWAP funds as shown in the following graph. The amount of SWAP funds fluctuates from year to year depending on the financial status of school districts and heavy reliance on SWAP funds to draw down the federal matching funds is not viewed favorably by the federal government because of the perceived inability of the State to adequately match the federal grant amount with State funds.

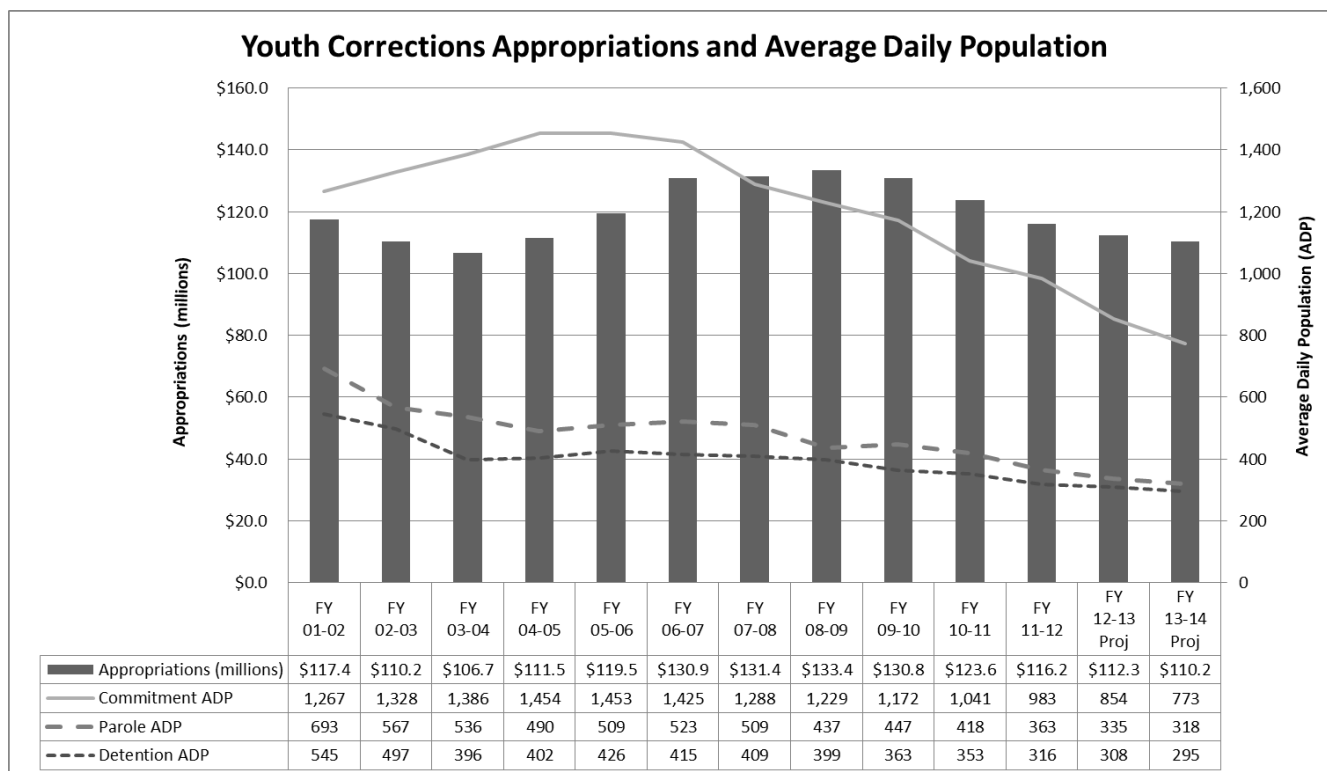


The Department received additional funding in FY 2012-13 to backfill a shortfall due to over-authorization of service units. The Office of the State Auditor is currently conducting a performance audit of the Program to determine why the overexpenditure occurred in FY 2012-13.

## Division of Youth Corrections

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

The size of the population of detained, committed and (to a lesser extent) paroled juveniles is the most important determinant of funding. However, as shown in the chart below, funding does not move in lock step with population. From FY 2000-01 through FY 2005-06 the combined average daily population of committed and detained youth grew approximately one percent per year while appropriations dipped 10 percent and then rose 12 percent, following state revenue during and after a recession. During this recession, parole services and funding for alternatives to secure detention were cut due to the statewide revenue shortfall. In addition, S.B. 03-286 capped the youth detention population at 479. In FY 2005-06, the combined average daily population of committed and detained youth peaked at 1880. Subsequent years have seen a steady decline in both populations: the combined population fell 38 percent to a projected 1162 by FY 2012-13. Appropriations, however, did not peak until FY 2008-09. Funding has dropped in each subsequent year, declining 16 percent by FY 2012-13. Appropriations for FY 2013-14 are lower than for FY 2012-13 in anticipation of further population declines.



## **Behavioral Health Services**

The Department contracts with providers for a variety of community-based behavioral health (mental health and substance use disorders) services to medically indigent individuals. Medically indigent individuals are defined as citizens whose income is less than 300.0 percent of the federal poverty level, are not eligible for Medicaid, and do not receive mental health services from any other system. The General Assembly and the Department have statutory authority to appropriate funds and administer contracts, respectively, for the provision of services to medically indigent individuals seeking behavioral health services. However, these services are not an entitlement. The appropriation made by the General Assembly each year for treatment services is driven by available funding. The FY 2013-14 appropriation for community-based behavioral health services:

- Adds \$19.8 million General Fund via S.B. 13-266 creates a statewide coordinated and seamless behavioral health crisis response system consisting of a 24-hour crisis telephone hotline, walk-in crisis services and crisis stabilization units, mobile crisis services, residential and respite crisis services, and a public information campaign;
- Adds \$4.3 million General Fund for community mental health centers to provide additional assertive community treatment, intensive case management, housing vouchers, and residential options for individuals requiring protective oversight and personal assistance;
- Adds \$1.1 million General Fund to increase community behavioral health resources in schools; and
- Adds \$0.5 million to increase community capacity for treatment for individuals with co-occurring mental health and substance use disorder issues.

Additionally, the Department operates the State's two mental health institutes in Denver (Fort Logan) and Pueblo. The facilities house a combined 545 civil and forensic treatment beds for individuals with serious mental illness. The two facilities play an important role in the continuum of care in the mental health system in Colorado. Over time, the institutes have moved away from housing mentally ill patients to providing active treatment in a secure setting with the goal of reintegrating severely mentally ill individuals back into the community. The majority of the patients are currently referred to the facilities by community mental health centers (CMHCs) when the patient is too unstable for community services to be effective. Therefore, the institutes have become the provider of short-term, secure stabilization services to the State's most severely mentally ill citizens. The budget for the facilities is driven by employee wages and benefits, outside contract medical services, operating costs, and pharmaceuticals. While these costs remained rather constant for FY 2013-14, the FY 2013-14 appropriation for the facilities:

- Adds \$2.1 million General Fund and 0.9 FTE to contract for the creation of a 20 bed, jail-based restoration to competency to stand trial program; and
- Adds \$0.9 million General Fund and 6.4 FTE to implement trauma informed care best practices at the two mental health institutes.

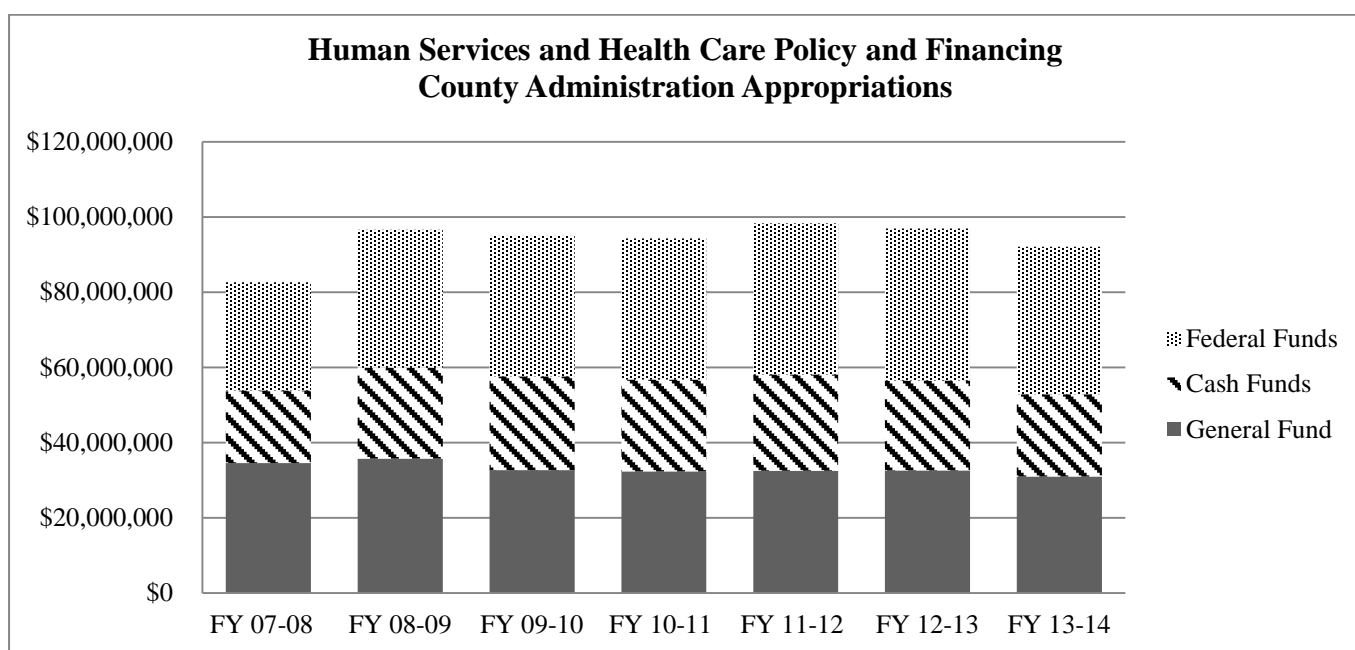
## **Assistance for Low-income Families and Disabled and Elderly Adults**

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

### ***County Administration***

The County Administration Division includes funding for eligibility determination for the Supplemental Nutrition Assistance Program as well as funding to assist some poorer counties in maintaining program operations. Funding provided by the State for county administration is capped, and county costs and caseload only affect appropriations to the extent the General Assembly chooses to make related adjustments. Many counties supplement State appropriations with county tax revenues.

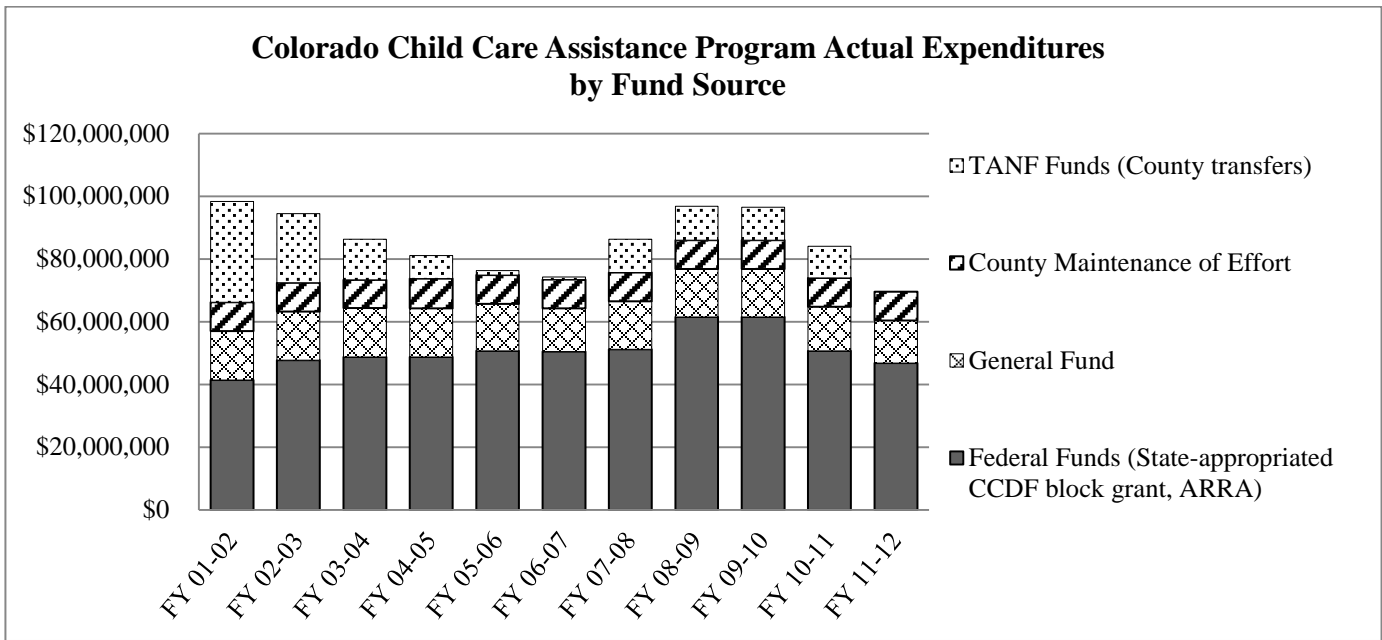
As reflected in the table below, changes to State funding have often transferred funds among line items within the County Administration section, to other Department of Human Services sections, and to the Department of Health Care Policy and Financing to draw down more federal dollars without increasing General Fund support. The table combines appropriations for county administration from the Departments of Human Services and Health Care Policy and Financing, as both departments' appropriations primarily support eligibility determination by county staff using the Colorado Benefits Management System.



### ***Child Care Assistance Program***

The Colorado Child Care Assistance Program (CCCAP) provides subsidized child care for low income families and those transitioning from the Colorado Works program, subject to available appropriations. The majority of appropriations are comprised of federal Child Care Development block grant funds, which are subject to appropriation by the General Assembly under federal law.

Funding for CCCAP is allocated to counties, which are responsible for administering the program. In addition to appropriated amounts, counties may transfer a portion of their Temporary Assistance for Needy Families (TANF) block grant funding to support child care programs. Such transfers are not reflected in the appropriation, but are a major driver of overall program expenditures. As the table below illustrates, county spending began to decline in FY 2010-11, as one-time federal funding exceeding \$10 million per year that was available in FY 2008-09 and FY 2009-10 under the American Recovery and Reinvestment Act (ARRA) was no longer available. Spending continued to decline in FY 2011-12 as counties were under financial pressure to use their TANF funds on basic cash assistance and other recession-related Colorado Works program costs.

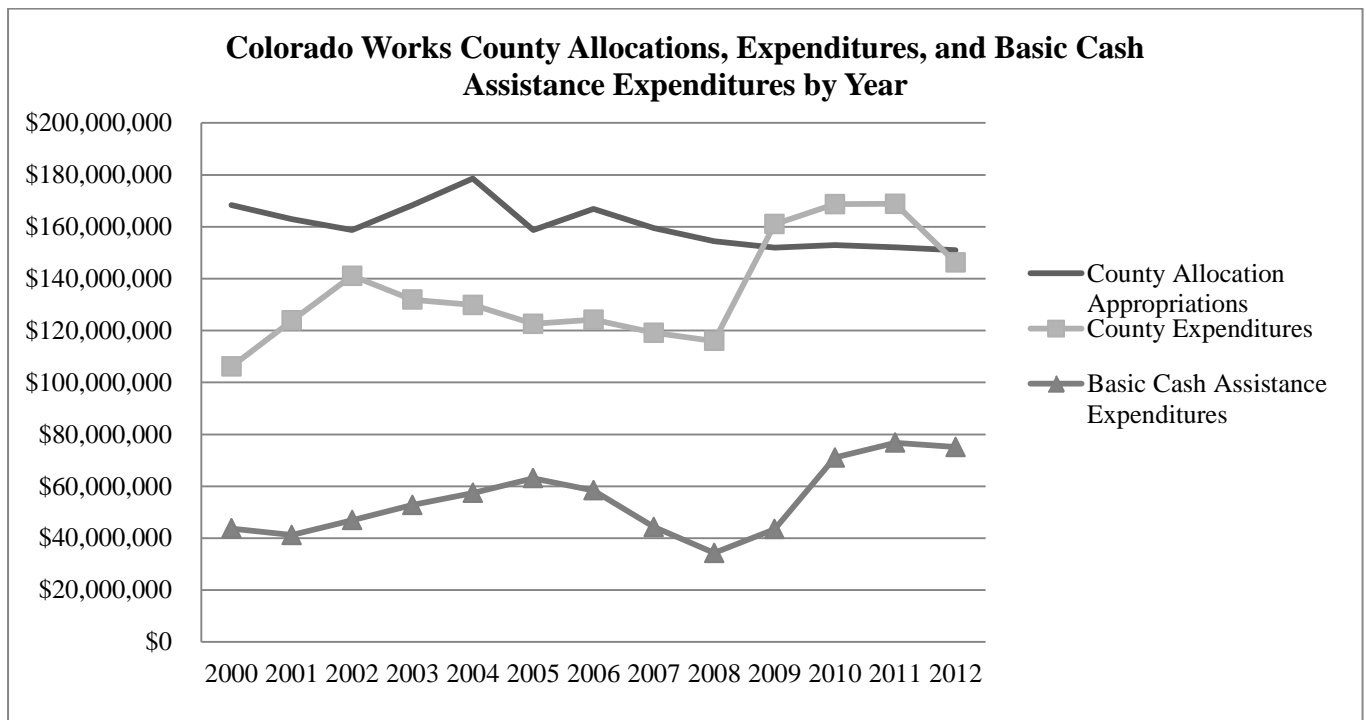


### ***Colorado Works and the Temporary Assistance to Needy Families Block Grant***

The Colorado Works Program implements the federal Temporary Assistance for Needy Families (TANF) block grant program. The program provides financial and other assistance to families to enable children to be cared for in their own homes and to assist needy parents in achieving self-sufficiency. In Colorado, the majority of the TANF funds received each year are appropriated as block allocations to counties for the Colorado Works program. Federal TANF funds are also used by the State and counties to support related programs that assist needy families, including child welfare and child care subsidy programs.

Colorado has experienced a \$13.6 million reduction in federal funding starting in FY 2011-12, due to Congress not reauthorizing the federal TANF Supplemental Grant. This has resulted in budget cuts to various TANF-supported programs starting in FY 2011-12 and FY 2012-13. In addition, temporary FY 2009-10 increases in TANF available under the American Recovery and Reinvestment Act of 2009 (ARRA) were discontinued. Although federal and state funding available for the Colorado Works program has been flat or declined, the demand for Colorado Works basic cash assistance climbed sharply starting in FY 2008-09 due to the effects of the recession.

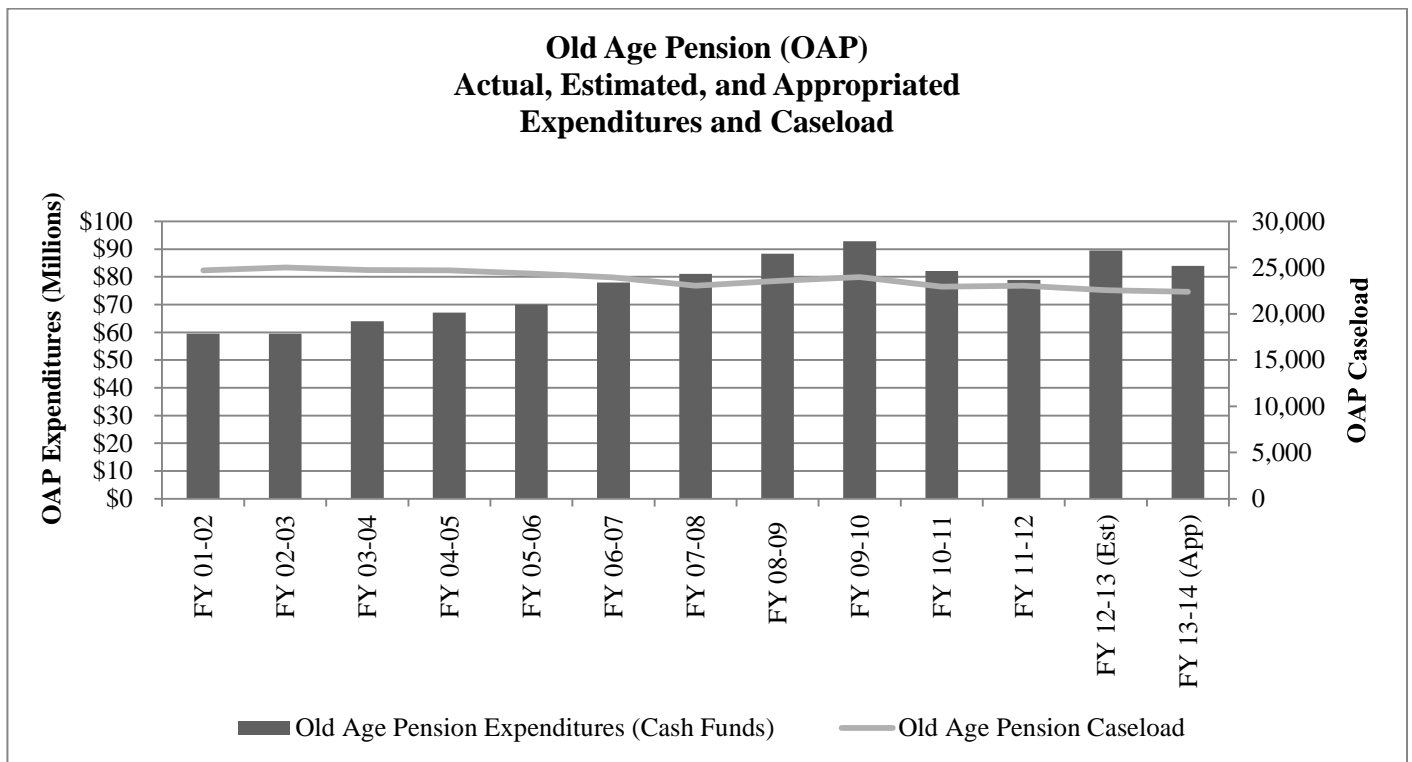
From FY 2008-09 through FY 2010-11, counties increased spending for the Colorado Works program in response to the increased demand, relying on county-controlled TANF reserves to support higher spending levels. In FY 2011-12, county expenditures fell in response to reduced federal funding. Finally, as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



### ***Old Age Pension Program***

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

Increases in expenditures through FY 2008-09 were driven primarily by cost-of-living (COLA) increases approved by the State Board of Human Services, while the caseload remained flat or declined between 24,000 and 23,000. Between January 2009 and June 2012, no cost-of-living increases were approved, and expenditures were significantly reduced starting in FY 2010-11 by S.B. 10-1384, which imposed a five year waiting period for most new legal immigrants to become eligible for OAP benefits. Pursuant to H.B. 12-1326, the General Assembly encouraged the State Board of Human Services to provide a COLA increase of 3.7 percent. The Board approved this adjustment effective July 1, 2012, driving an increase of \$6.7 million for FY 2012-13. In December 2012, the Board approved an additional 1.7 percent COLA for the program, effective January 1, 2013, driving an increase of \$1.8 million for FY 2013-14. However, this increase was eclipsed by H.B. 10-1384, which drove a further reduction of \$7.4 million in FY 2013-14.

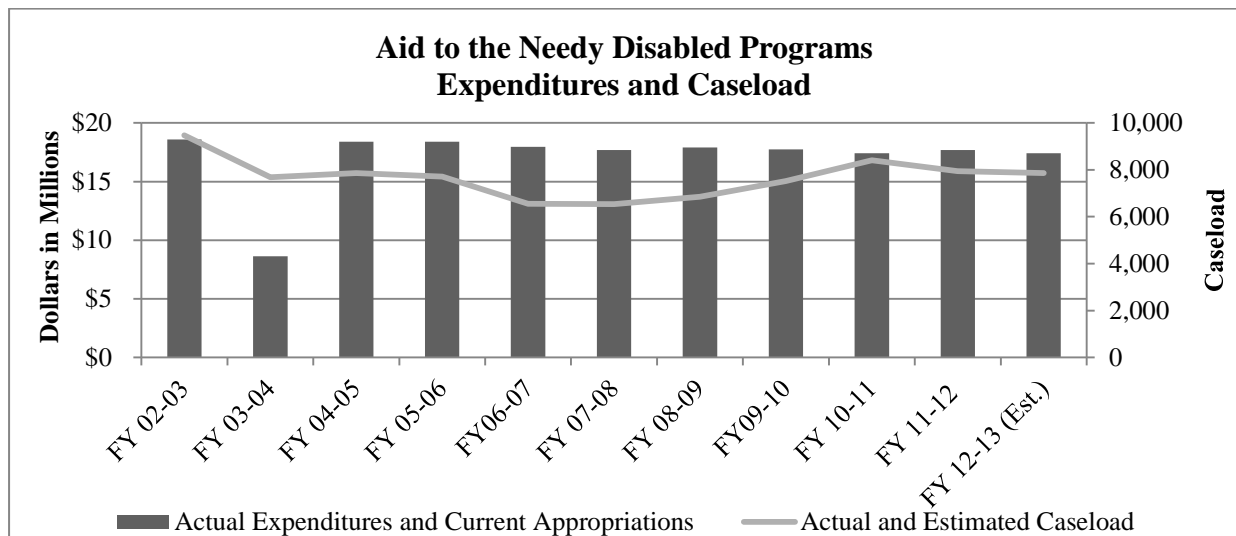


### ***Aid to the Needy Disabled and Home Care Allowance Programs***

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

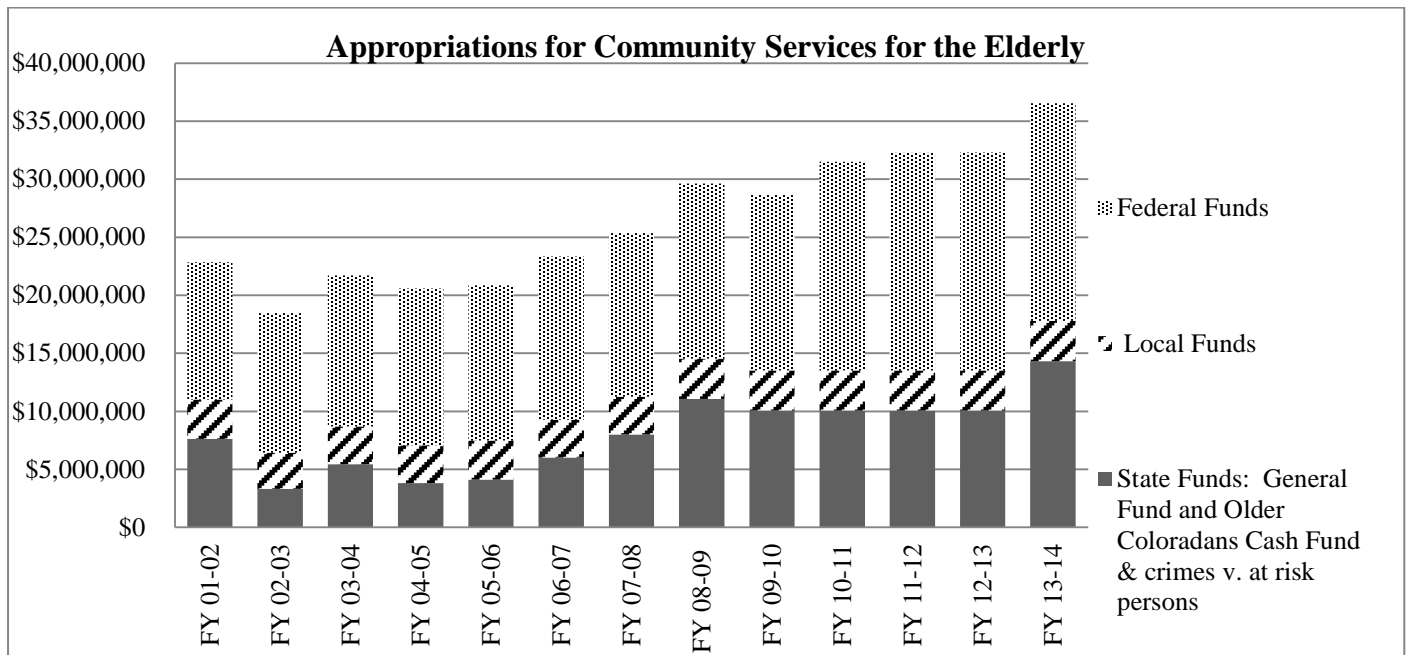
In the last few years, the programs' appropriations have remained relatively flat, and benefits have been adjusted by the Department so that total expenditures remain within appropriated levels. However, some funding adjustments have been required to ensure that the State complies with a federal maintenance-of-effort (MOE) agreement with the Social Security Administration. The MOE applies to State spending for those individuals who receive federal SSI payments. Spending for the population that is not SSI-eligible has been reduced in the past (most notably in FY 2003-04) in response to state revenue shortfalls.





### ***Community Services for the Elderly***

The State distributes state and federal funds to Area Agencies on Aging, which provide a variety of community services for the elderly such as transportation, congregate meals, "meals on wheels", and in-home support services. Funding levels are adjusted based on available federal and state funding. Funding from state sources increased significantly through FY 2008-09 and again in FY 2013-14 based on statutory changes to increase funding from the Older Coloradans Cash Fund, which originates as state sales and excise taxes. For FY 2013-14, reductions in federal funding are likely based on budget sequestration pursuant to the Budget Control Act of 2011. However, related changes are not yet reflected in the Long Bill due to uncertainty about the impacts.



## Information Technology Systems

The Department makes significant expenditures to support the large information technology systems required to manage social services programs in Colorado. These systems include: the County Financial Management System (CFMS), which tracks county expenditures for social services; Colorado Trails, which provides case management and tracking for the Division of Youth Corrections and county and state child welfare services workers; and the Colorado Benefits Management System (CBMS).

CBMS became operational in September 2004, and replaced six different systems used by county staff to determine eligibility for financial, medical, and nutritional benefits. The system is involved in the distribution of over \$2.0 billion in benefits to over 500,000 individual clients annually. Each month, CBMS is used to process approximately 30,000 new client applications and 40,000 client reauthorizations. In addition to these client-side functions, CBMS communicates with over 100 external systems. The external systems with which CBMS communicates include other state systems, systems operated by other states, and federal systems. Major CBMS system improvements authorized by H.B. 12-1339, and begun in FY 2011-12, received \$15.7 million total funds, including \$1.8 million General Fund, for continuation of the project through FY 2013-14.

## Appropriation Highlights – 2013 Legislative Session

Department of Human Services						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2012-13 Appropriation:</b>						
HB 12-1335	\$2,048,892,375	\$637,576,480	\$330,720,504	\$465,712,069	\$614,883,322	4,866.1
HB 12-1063	2,500	0	2,500	0	0	0.0
HB 12-1226	5,650	0	5,650	0	0	0.0
HB 12-1246	984,145	726,924	0	257,221	0	0.0
HB 12-1310	0	0	(1,270,616)	1,270,616	0	0.0
HB 12-1326	6,695,581	0	6,695,581	0	0	0.0
HB 12-1339	14,275,072	3,708,083	251,234	8,630,836	1,684,919	11.0
HB 12-1342	467,116	0	467,116	0	0	1.5
SB 13-091	8,438,958	(278,456)	3,161,078	7,504,184	(1,947,848)	4.8
SB 13-167	1,866,611	0	0	1,866,611	0	0.0
SB 13-177	(1,316,993)	(1,057,098)	0	(36,464)	(223,431)	(11.5)
SB 13-230	6,651,314	5,064,848	0	0	1,586,466	0.9
HB 13-1271	<u>200,000</u>	<u>200,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$2,087,162,329</b>	<b>\$645,940,781</b>	<b>\$340,033,047</b>	<b>\$485,205,073</b>	<b>\$615,983,428</b>	<b>4,872.8</b>
<b>FY 2013-14 Appropriation:</b>						
FY 2012-13 Appropriation	\$2,087,162,329	\$645,940,781	\$340,033,047	\$485,205,073	\$615,983,428	4,872.8
Community provider rate	28,002,417	8,658,216	1,997,597	14,157,080	3,189,524	0.0

Department of Human Services						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
CBMS modernization project continuation	15,721,587	1,778,223	1,355,103	12,105,576	482,685	0.0
Centrally appropriated line items	14,294,536	9,557,094	73,590	2,446,019	2,217,833	0.0
New developmental disabilities FPE	13,521,009	0	0	13,521,009	0	0.0
Food assistance administration	6,796,800	2,039,040	1,359,360	0	3,398,400	0.0
Informational funds adjustment	6,216,277	0	5,400,441	0	815,836	0.0
Prevention core services	6,133,671	6,133,671	0	0	0	0.0
State funding for senior services	5,818,806	4,000,000	1,818,806	0	0	0.0
Colorado Choice Transitions Program	5,436,149	0	0	5,436,149	0	0.0
Additional behavioral health community services	4,348,300	4,348,300	0	0	0	0.0
Waiting list and eligibility determination	3,072,676	3,072,676	0	0	0	0.0
Early intervention services funding	2,892,543	2,191,837	0	700,706	0	0.0
SafeCare	2,201,150	2,201,150	0	0	0	1.0
Jail-based mental health restoration program	2,054,819	2,054,819	0	0	0	0.9
Tax base relief increase	1,697,803	1,697,803	0	0	0	0.0
Increase in utilities	1,652,214	1,652,214	0	0	0	0.0
Nurse family partnerships	1,534,134	1,534,134	0	0	0	0.9
Correctional treatment fund increase	1,193,890	0	0	1,193,890	0	0.0
Additional school-based mental health services	1,163,876	1,163,876	0	0	0	0.0
Community-based abuse prevention	1,144,013	1,144,013	0	0	0	0.9
Case management base adjustment for early intervention services	880,289	0	0	880,289	0	0.0
Mental health institute treatment modernization	856,709	856,709	0	0	0	6.4
Mobile computing technology	723,000	600,090	0	0	122,910	0.0
Independent Living Centers	520,532	520,532	0	0	0	0.0
Enhancing child protection practices	512,262	477,857	0	0	34,405	2.7
Title IV-E waiver and evaluation	500,018	250,009	0	0	250,009	0.0
Additional co-occurring behavioral health services	500,000	500,000	0	0	0	0.0
Behavioral health data system	480,000	288,000	0	0	192,000	0.0
Workload study	468,555	388,901	0	0	79,654	0.0

Department of Human Services						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Enhanced training	309,937	247,950	0	0	61,987	0.0
Transparency enhancements	260,040	260,040	0	0	0	0.0
Adult Protective Services system	250,000	250,000	0	0	0	0.0
Respite care increase	150,000	150,000	0	0	0	0.0
Child care reporting module	131,620	0	0	0	131,620	0.0
State Ombudsman increase	75,000	75,000	0	0	0	0.0
Developmental disabilities and behavioral health services gap analysis	50,000	50,000	0	0	0	0.0
Mental health institute revenue adjustment	0	411,787	505,318	(917,105)	0	0.0
Adult protective services adjustments	0	403,258	(403,258)	0	0	0.0
Developmental disability program technical changes	0	0	0	0	0	0.0
Staff transfer	0	0	0	0	0	0.0
OIT staff transfer	0	0	0	0	0	1.8
Annualize prior year funding	(45,885,522)	(8,384,051)	(11,653,861)	(14,448,768)	(11,398,842)	(1.0)
ICF/IID provider fee	(1,867,655)	0	0	(1,867,655)	0	0.0
Adjust contract placements	(1,686,727)	(1,577,082)	0	(65,499)	(44,146)	0.0
Revenue adjustment	(1,474,669)	0	(1,474,669)	0	0	0.0
Adjust county TANF reserve balances	(1,348,084)	0	0	0	(1,348,084)	0.0
Close living units	(1,054,183)	(1,054,183)	0	0	0	(23.3)
Reductions based on projected expenditures	(1,017,212)	0	0	(600,000)	(417,212)	(4.5)
Consolidate three assessment centers	(566,294)	(566,294)	0	0	0	(11.5)
Statewide IT common policy adjustments	(265,138)	390,648	(2,203)	119,931	(773,514)	0.0
Division of Youth Corrections realignment	(191,042)	(191,042)	0	0	0	0.0
Convert contract workers to state FTE	(112,819)	(112,819)	0	0	0	14.2
CBMS technical correction	(14,040)	0	0	(14,040)	0	0.0
Tobacco settlement revenue adjustment	(13,730)	0	(13,730)	0	0	0.0
Fund source adjustment	0	3,382,505	(382,505)	0	(3,000,000)	0.0
<b>SB 13-230</b>	<b>\$2,163,229,846</b>	<b>\$696,785,662</b>	<b>\$338,613,036</b>	<b>\$517,852,655</b>	<b>\$609,978,493</b>	<b>4,861.3</b>
SB 13-040	99,575	99,575	0	0	0	0.0
SB 13-047	31,100	24,334	0	0	6,766	0.0

<b>Department of Human Services</b>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
SB 13-111	3,171,208	3,171,208	0	0	0	1.0
SB 13-127	0	(2,000,000)	2,000,000	0	0	0.0
SB 13-167	1,867,133	0	0	1,867,133	0	0.0
SB 13-173	70,000	0	0	70,000	0	0.0
SB 13-194	(118,272)	0	(118,272)	0	0	(1.5)
SB 13-200	(651,875)	(651,875)	0	0	0	0.0
SB 13-227	9,000	9,000	0	0	0	0.0
SB 13-255	63,755	63,755	0	0	0	1.0
SB 13-260	43,898	43,898	0	0	0	0.7
SB 13-266	19,792,028	19,792,028	0	0	0	0.9
HB 13-1004	2,400,000	2,400,000	0	0	0	2.0
HB 13-1117	19,904,563	1,453,849	17,602,514	0	848,200	7.5
HB 13-1180	803,330	0	803,330	0	0	0.0
HB 13-1239	133,284	133,284	0	0	0	1.0
HB 13-1241	0	(10,000)	0	10,000	0	0.0
HB 13-1271	529,800	529,800	0	0	0	0.0
HB 13-1291	<u>3,000,000</u>	<u>3,000,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1.0</u>
<b>TOTAL</b>	<b>\$2,214,378,373</b>	<b>\$724,844,518</b>	<b>\$358,900,608</b>	<b>\$519,799,788</b>	<b>\$610,833,459</b>	<b>4,874.9</b>
<b>Increase/(Decrease)</b>	\$127,216,044	\$78,903,737	\$18,867,561	\$34,594,715	(\$5,149,969)	2.1
Percentage Change	6.1%	12.2%	5.5%	7.1%	(0.8%)	0.0%

### **FY 2012-13 Appropriation - Mid-year Adjustments**

Senate Bills 13-091, 13-167, 13-177, 13-230 and H.B. 13-1271 modify FY 2012-13 appropriations to:

- Senate Bill 13-091 provides supplemental appropriations to the Department to modify FY 2012-13 appropriations included in the FY 2012-13 Long Bill (H.B. 12-1335);
- Senate Bill 13-167 adds \$1.9 million reappropriated funds to retroactively restore the Intermediate Care Facility for Individuals with Intellectual and Developmental Disabilities (ICF/IID) provider fee;
- Senate Bill 13-177 decreases \$1.3 million total funds, including \$1.1 million General Fund, and 11.5 FTE by reducing the bed cap for the Division of Youth Corrections from 422 to 382;

- Senate Bill 13-230 adds \$6.7 million total funds, including \$5.1 million General Fund, and 0.9 FTE to modify the system supporting the Department's Division of Child Welfare and Division of Youth Corrections (Colorado Trails) to allow for the tracking of Title IV-E waiver activities and expenditures, for child abuse prevention services, to fully fund county tax base relief for Tier I counties, and to meet an increase in eligible consumers and authorized services in the Vocational Rehabilitation Program during the first half of FY 2012-13; and
- House Bill 13-1271 adds \$0.2 million General Fund for consulting services and expert analysis on how to structure and operate a statewide child abuse reporting hotline.

### **FY 2013-14 Appropriation – S.B. 13-230 (Long Bill) Issue Descriptions**

**Community provider rate:** The appropriation includes an increase of \$28.0 million total funds, including \$8.7 million General Fund, for the 2.0 percent community provider rate increase.

**CBMS modernization project continuation:** The appropriation includes \$15.7 million total funds, including \$1.8 million General Fund, to continue the Colorado Benefits Management System (CBMS) modernization project.

**Centrally appropriated line items:** The appropriation includes adjustments to centrally appropriated line items for the following: state contributions for health, life, and dental benefits; merit pay; salary survey; short-term disability; supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund; shift differential; workers' compensation; legal services; administrative law judges; vehicle lease payments; and payment to risk management and property funds.

**New developmental disabilities FPE:** The appropriation includes \$13.5 million Medicaid reappropriated funds to add 765 new full program equivalents (FPE).

**Food assistance administration:** The appropriation includes an increase of \$6.8 million total funds (including \$2.0 million General Fund) to cover the administrative costs associated with projected increases in the food assistance caseload.

**Informational funds adjustment:** The appropriation includes an increase of \$6.2 million total funds reflected in the Long Bill for informational purposes only.

**Prevention core services:** The appropriation includes an increase of \$6.1 million General Fund for in-home family supports and prevention services provided through the Family and Children's Programs line item.

**State funding for senior services:** The appropriation includes an increase of \$5.8 million total funds, including 4.0 million General Fund, to account for a 1.7 percent cost of living increase approved by the State Board of Human Services in December 2012, and for additional congregate meals, "meals on wheels," and senior transportation services.

**Colorado Choice Transitions Program:** The appropriation includes \$5.4 million Medicaid reappropriated funds to transition 47 individuals out of nursing facilities into community settings and to transition 16 individuals out of Regional Centers into community settings.

**Additional behavioral health community services:** The appropriation includes an increase of \$4.3 million General Fund for community mental health centers to provide additional assertive community treatment, intensive case management, housing vouchers, and residential options for individuals requiring protective oversight and personal services.

**Waiting list and eligibility determination:** The bill includes \$3.1 million General Fund for functions performed by Community Center Boards related to determining waiver eligibility and managing the waiting list.

**Early intervention services funding:** The appropriation includes an increase of \$2.9 million total funds, including \$2.2 million General Fund, for early intervention services and case management based on projected increases in the number of infants and toddlers under the age of three who are eligible for early intervention services.

**SafeCare:** The appropriation includes an increase of \$2.2 million General Fund and 1.0 FTE to fund prevention services for families at risk of entering the child welfare system by expanding the SafeCare program to nine sites throughout the State.

**Jail-based mental health restoration program:** The appropriation includes an increase of \$2.1 million General Fund and 0.9 FTE to contract for the creation of a 20 bed, jail-based restoration to competency to stand trial program.

**Tax base relief increase:** The appropriation includes an increase of \$1.7 million General Fund to fully fund county tax base relief for Tier I and II counties.

**Increase in utilities:** The appropriation includes an increase of \$1.7 million General Fund to meet anticipated utility bills associated with the operation of the Department's facilities

**Nurse family partnerships:** The appropriation includes an increase of \$1.5 million General Fund and 0.9 FTE to augment the existing Nurse Family Partnership program and build a partnership with child welfare agencies and other child abuse prevention programs.

**Correctional treatment fund increase:** The appropriation includes an increase of \$1.2 million reappropriated funds transferred from the Judicial Department for jail-based behavioral health services.

**Additional school-based mental health services:** The appropriation includes an increase of \$1.2 million General Fund to increase community behavioral health resources in schools.

**Community-based abuse prevention:** The appropriation includes an increase of \$1.1 million General Fund and 0.9 FTE for implementation of a community-based child abuse prevention services program in six initial sites.

**Case management base adjustment for early intervention services:** The appropriation includes an increase of \$0.9 million Medicaid reappropriated funds for early intervention case management services performed by Community Center Boards.

**Mental health institute treatment modernization:** The appropriation includes an increase of \$0.9 million General Fund and 6.4 FTE to implement trauma informed care best practices at the State's two mental health institutes.

**Mobile computing technology:** The appropriation includes an increase of \$0.7 million total funds (including \$0.6 million General Fund) to establish a Departmental source of funds that counties may access for technology improvements and wireless data plans.

**Independent Living Centers:** The appropriation includes an increase of \$0.5 million General Fund for Independent Living Centers.

**Enhancing child protection practices:** The appropriation includes an increase of \$0.5 million total funds and 2.7 FTE to fund statewide enhancements of the child welfare screening, assessment, and fatality review practices.

**Title IV-E waiver and evaluation:** The appropriation includes an increase of \$0.5 million total funds (including \$0.3 million General Fund) for the development and evaluation costs related to the implementation of the federal Title IV-E Waiver.

**Additional co-occurring behavioral health services:** The appropriation includes an increase of \$0.5 million General Fund to increase community capacity for treatment for individuals with co-occurring mental health and substance use disorder issues.

**Behavioral health data system:** The appropriation includes an increase of \$0.5 million total funds, including \$0.3 million General Fund, to develop a behavioral health data system to track patient outcomes and provider performance.

**Workload study:** The appropriation includes a one-time appropriation of \$0.5 million total funds (including \$0.4 million General Fund) to evaluate workload for county department child welfare staff.

**Enhanced training:** The appropriation includes an increase of \$0.3 million total funds (including \$0.2 million General Fund) to: (1) improve access to child welfare training by adopting a regional training model; (2) ensure that the Training Academy curriculum meets the current needs of the child welfare community; (3) provide educational stipends to help recruit an educated workforce; and (4) expand the Training Academy course offerings to include training for first responders, mandatory reporters, and child abuse report screening staff.

**Transparency enhancements:** The appropriation includes an increase of \$0.3 million General Fund to contract for a web-based service that makes child welfare and youth corrections data available to the Department, county departments, and the public on an on-going basis.

**Adult Protective Services system:** The appropriation includes an increase of \$0.3 million General Fund to develop a data system to track services provided to at-risk adults.

**Respite care increase:** The appropriation includes an increase of \$0.2 million General Fund to provide additional respite services to family caregivers.

**Child care reporting module:** The appropriation includes \$0.1 million federal funds to add a reporting module to the Colorado Child Care Licensing System.

**State Ombudsman increase:** The appropriation includes an increase of \$0.1 million General Fund for the Colorado State Long-term Care Ombudsman and Legal Assistance Developer contract, which funds training for local ombudsmen and onsite performance evaluations.



**Developmental disabilities and behavioral health services gap analysis:** The appropriation includes an increase of \$0.1 million General Fund to perform a gap analysis in the delivery of services to individuals with developmental disabilities and behavioral health issues.

**Mental health institute revenue adjustment:** The appropriation includes a net zero refinance of prior-year appropriations based on the projected source of payment of patients at the State's two mental health institutes.

**Adult protective services adjustments:** The appropriation includes a net zero adjustment in protective services to ensure that any additional funds provided will be spent on adult protective services.

**Developmental disabilities program technical changes:** The appropriation includes net zero technical funding adjustments to align the Long Bill with the programmatic structure of the Department.

**Staff transfer:** The appropriation includes a transfer of \$0.1 million federal funds and 2.0 FTE from the Office of Operations to the Office of Behavioral Health to correctly reflect FTE usage associated with the federal Substance Abuse Prevention and Treatment Block Grant.

**OIT staff transfer:** The appropriation includes a net zero appropriation change and an increase of 1.8 FTE to make technical changes related to staffing levels and assignment of FTE and associated funding within the Governor's Office of Information Technology.

**Annualize prior year funding:** The appropriation includes adjustments related to prior year legislation and budget actions.

**ICF/IID provider fee:** The appropriation eliminates funding for the Intermediate Care Facilities for Individuals with Intellectual Disabilities (ICF/IID) provider fee based on required statutory changes to the provider fee. Senate Bill 13-167 contains the FY 2013-14 appropriation for the ICF/IID provider fee.

**Adjust contract placements:** The appropriation reduces the number of youth who will be placed in private contract commitment and detention beds, reflecting lower caseloads.

**Revenue adjustment:** The appropriation includes a decrease of \$1.5 million cash funds related to lower revenue projections for Title IV-E spillover revenues and the Performance Incentive Cash Fund.

**Adjust county TANF reserve balances:** The appropriation decreases the amount of federal funds reflected for FY 2013-14 in the County Temporary Assistance for Needy Families (TANF) reserves for Colorado Works, Child Welfare, and Child Care Programs line item by \$1.4 million to reflect the actual balance in county controlled reserves as of September 30, 2012.

**Close living units:** The appropriation closes five pods (living units) at Division of Youth Corrections facilities, reflecting lower caseloads.

**Reductions based on projected expenditures:** The appropriation includes a reduction of \$0.6 million reappropriated funds transferred from the Department of Health Care Policy and Financing based on a decrease in utilization of the substance use disorder Medicaid benefit for high-risk pregnant women and \$0.4 million federal funds and 4.5 FTE based on the projected availability of federal grants for behavioral health.

**Consolidate three assessment centers:** The appropriation consolidates three Front Range juvenile assessment programs for newly committed youth into a single assessment program and establishes a transportation program for incarcerated juvenile offenders and for families of youth who are being assessed. The consolidation reflects lower caseloads.

**Statewide IT common policy adjustments:** The appropriation includes adjustments to line items appropriated for: purchase of services from the computer center; Colorado state network; management and administration of the Governor's Office of Information Technology (OIT); communication services payments; and information technology security.

**Division of Youth Corrections realignment:** The appropriation includes a decrease of \$0.2 million General Fund due to caseload changes in the Department's Division of Youth Corrections.

**Convert contract workers to state FTE:** The appropriation completes the process, begun in FY 2012-13, of converting 19 contract FTE positions to state FTE as required by state personnel rules.

**CBMS technical correction:** The appropriation includes a decrease of reappropriated funds transferred from the Department of Health Care Policy and Financing for the ongoing operating and contract expenses of CBMS.

**Tobacco settlement revenue adjustment:** The appropriation reflects a decrease in the amount of tobacco litigation settlement dollars that the state is anticipated to receive for FY 2013-14.

**Fund source adjustment:** The appropriation includes an increase in General Fund within the Administration subdivision that is offset by a decrease in cash funds (Old Age Pension Cash Fund) within the Old Age Pension Program subdivision.

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

# JUDICIAL DEPARTMENT

The State Constitution vests the judicial power of the State in the Judicial Department, which consists of the Supreme Court, the Court of Appeals, district courts, the Denver probate and juvenile courts, county courts, and municipal courts. All of these courts are funded by the State, with the exception of municipal courts and Denver's county court, which are funded by their respective governments. In addition to funding for the state court system, this department administers funding for probation services. These services, which are provided through each judicial district, include supervising juvenile and adult offenders who are sentenced to probation, preparing presentence investigation reports for the courts, and providing victim notification and assistance.

The justices of the Supreme Court select a Chief Justice to serve as the executive head of the Department and appoint a State Court Administrator to oversee the administration of the Department and provide administrative and technical support to the courts and probation.

The Judicial Department also includes four independent agencies. The *Office of the State Public Defender (OSPD)* and the *Office of Alternate Defense Counsel (OADC)* provide legal representation for indigent criminal defendants. Such cases are first assigned to the OSPD, and cases are referred to the OADC if there is an ethical conflict of interest. The *Office of the Child's Representative* oversees the provision of legal services to children entitled to legal representation at state expense, and is responsible for ensuring quality representation. Finally, the *Independent Ethics Commission* provides advice and guidance on ethics-related matters concerning public officers, members of the General Assembly, local government officials, or government employees.

## Department Budget: Recent Appropriations

Funding Source	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14
General Fund	\$327,054,402	\$338,455,642	\$353,411,788	\$383,079,450
Cash Funds	108,141,846	114,437,763	134,221,003	139,134,949
Reappropriated Funds	8,572,957	15,599,598	19,319,022	25,814,561
Federal Funds	<u>6,814,742</u>	<u>5,210,298</u>	<u>4,425,000</u>	<u>4,425,000</u>
<b>Total Funds</b>	<b>\$450,583,947</b>	<b>\$473,703,301</b>	<b>\$511,376,813</b>	<b>\$552,453,960</b>
Full Time Equiv. Staff	4,047.4	4,174.7	4,269.6	4,358.7

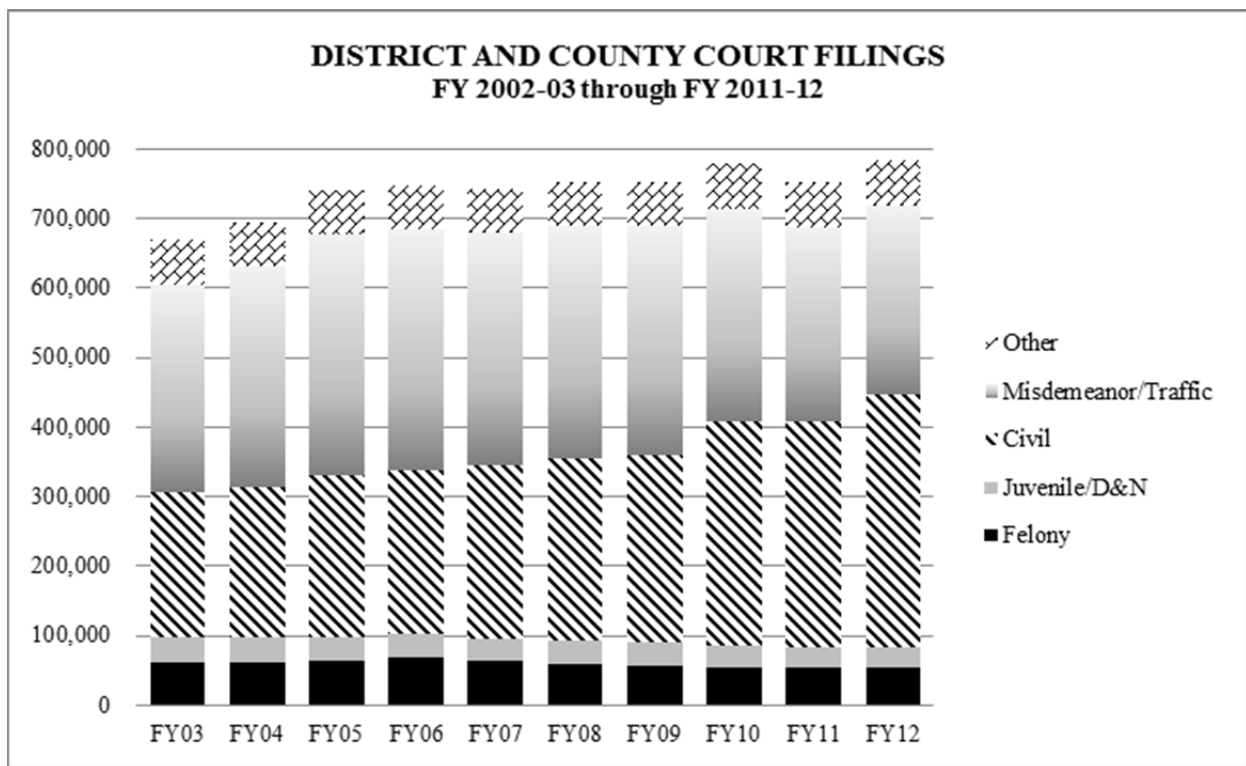
## General Factors Driving the Budget

Funding for this department consists of 69.3 percent General Fund, 25.2 percent cash funds, 4.7 percent reappropriated funds, and 0.8 percent federal funds. Cash funds primarily include: various docket fees and surcharges that support court operations; fees paid by individuals sentenced to probation; and attorney licensing fees that are used by the Supreme Court to regulate the practice of law in Colorado.

The main factor driving the budget for the Judicial Department is caseload. Judges, probation officers, attorneys, and support staff can only manage a certain number of cases each year. As the caseload grows, so does the need for resources if the Branch is to continue fulfilling its constitutional and statutory duties in a timely and professional manner. Caseloads are generally driven by population changes, changes in the state's economic climate (which can affect both the crime rate and the proportion of clients eligible for state-funded legal representation), and changes in state laws and sentencing provisions. Workload is also impacted by the types of cases filed, as some cases require more time and resources than others. The impact of caseload changes on the budgets for the courts, probation, and the Department's independent agencies are discussed below.

### Case Filings and the Need for Court Staff

In FY 2011-12, approximately 788,000 cases were filed in the state court system, including 493,341 (63 percent) in county courts, 289,965 (37 percent) in district courts, 2,711 in the Court of Appeals, and 1,538 in the Supreme Court. The graph below depicts the number of cases filed annually in county and district courts (collectively called "trial courts") since FY 2002-03, by case type.



The total number of trial court case filings has increased by 23.2 percent over the last ten years, with a compound annual growth rate of 2.1 percent. The most significant increase has occurred in civil cases, and particularly in cases concerning tax liens and foreclosures. Civil cases now account for 46 percent of all cases filed in trial courts. While some civil cases can require a significant amount of judge and staff time, the majority do not. Fortunately, filings of some of the case types that do have a significant workload impact – felony criminal, dependency and neglect (D&N), and juvenile delinquency cases – have been declining over the last several years.

In response to these caseload increases, the General Assembly periodically passes legislation to increase the number of judges within the state court system. House Bill 07-1054 added 43 judges for the Court of Appeals,

district courts, and county courts. The addition of 43 judges required funding for the judges, the associated court support staff, and additional staff required by the Office of the State Public Defender and the Department of Law. This legislation was thus estimated to require a total increase of 307.2 FTE over a three-year period. While these additional judgeships were not filled as quickly as anticipated due to the economic downturn, all of the judgeships were filled as of July 1, 2012. Most recently, the General Assembly passed H.B. 13-1035, which adds two district court judges, requiring an increase of \$776,974 cash funds and 8.0 FTE for FY 2013-14.

### **Caseload Impacts Unique to Independent Agencies**

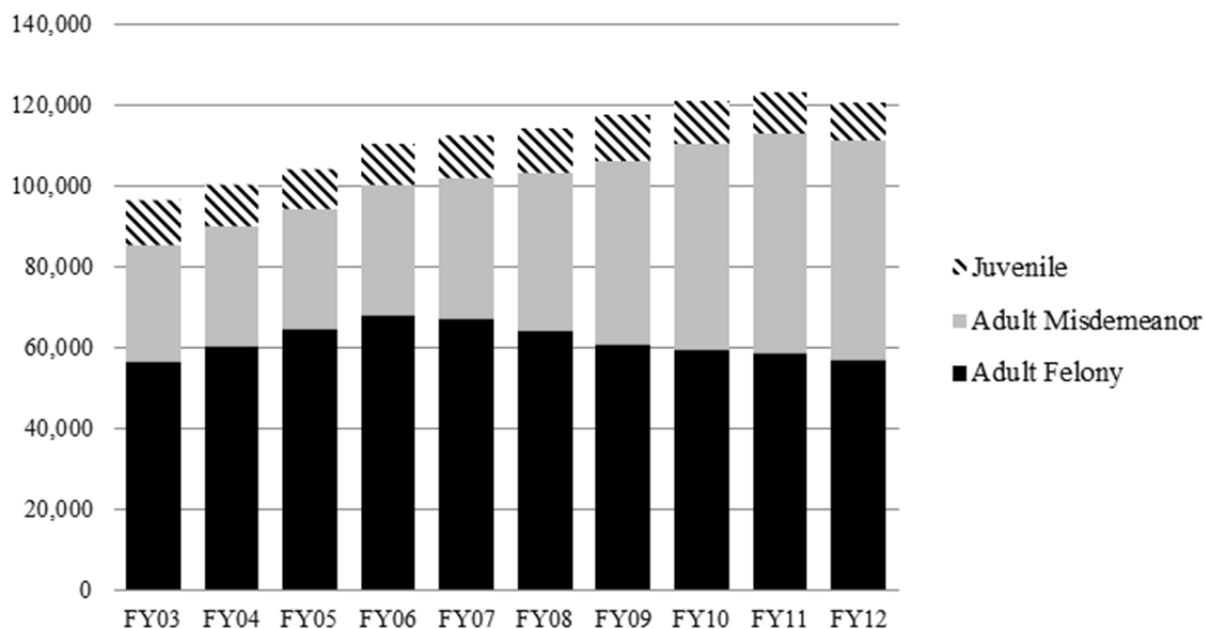
The three independent agencies that provide legal representation are affected in different ways by changes in the number of court cases filed, based on the clients they are charged with representing. Each agency is discussed below.

The *Office of the State Public Defender (OSPD)* represents criminal defendants who have inadequate resources to pay for their own defense. The OSPD's caseload is affected by the number and types of cases filed, as well as the proportion of clients who are eligible for state-funded representation. As in the court system, more complicated cases consume more resources than simpler cases: felonies require more time than misdemeanors, and homicides require more time than assaults or robberies. Thus, the number of felony cases is the primary factor driving OSPD staffing needs. As illustrated in the graph at the top of the following page, the total number of cases requiring public defender involvement has increased since FY 2002-03, reaching 120,498 active cases in FY 2011-12. Fortunately, the number of adult felony cases has declined annually since FY 2005-06, partly mitigating the workload impact of a growing number of misdemeanor cases.

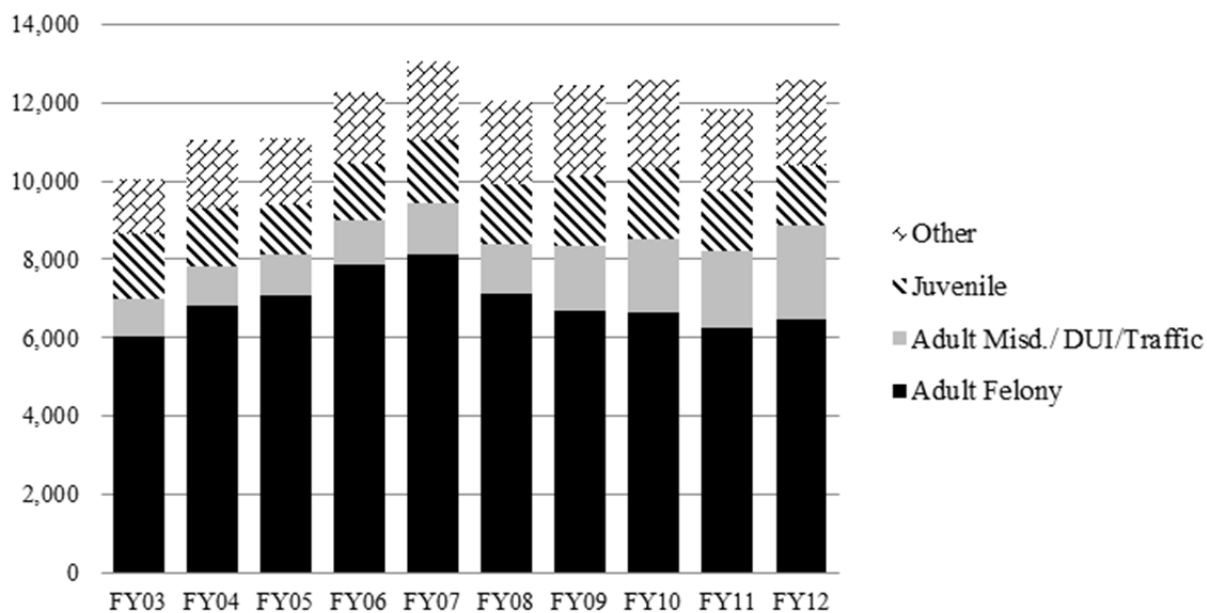
In addition, the OSPD's caseload can be affected by statutory changes. House Bill 13-1210 repeals a statute that requires an indigent person charged with a misdemeanor, petty offense, or motor vehicle or traffic offense to meet with the prosecuting attorney for plea negotiations before legal counsel is appointed. This statutory change is anticipated to require at least \$7.9 million General Fund and 91.1 FTE by FY 2014-15, including 89.1 FTE attorneys, investigators, paralegals, and administrative support staff for the OSPD, as well as 2.0 FTE court staff.

The *Office of the Alternate Defense Counsel (OADC)* contracts with private attorneys to represent indigent defendants in cases where the OSPD has an ethical conflict of interest in providing legal representation. Similar to the OSPD, certain types of cases (*e.g.*, death penalty cases) are more expensive than others; these cases require more hours of attorney time and a higher hourly rate. As illustrated in the graph at the bottom of the following page, the OADC's overall caseload is more variable than that of the OSPD. The OADC paid for legal representation in 12,585 cases in FY 2011-12. Similar to the OSPD, the number of felony cases has declined in recent years, mitigating OADC expenditures.

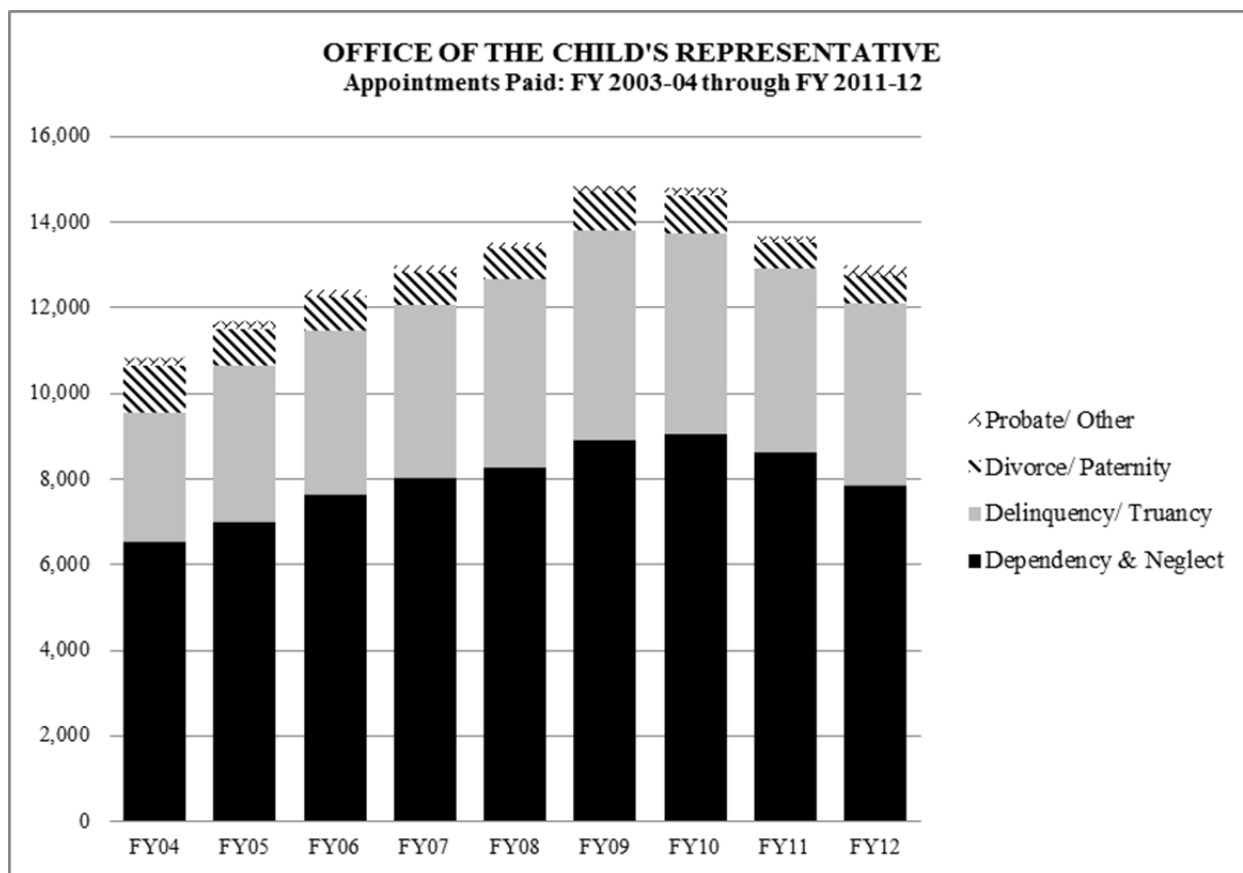
**OFFICE OF THE STATE PUBLIC DEFENDER**  
**Active Cases: FY 2002-03 through FY 2011-12**



**OFFICE OF THE ALTERNATE DEFENSE COUNSEL**  
**Cases Paid: FY 2002-03 through FY 2011-12**



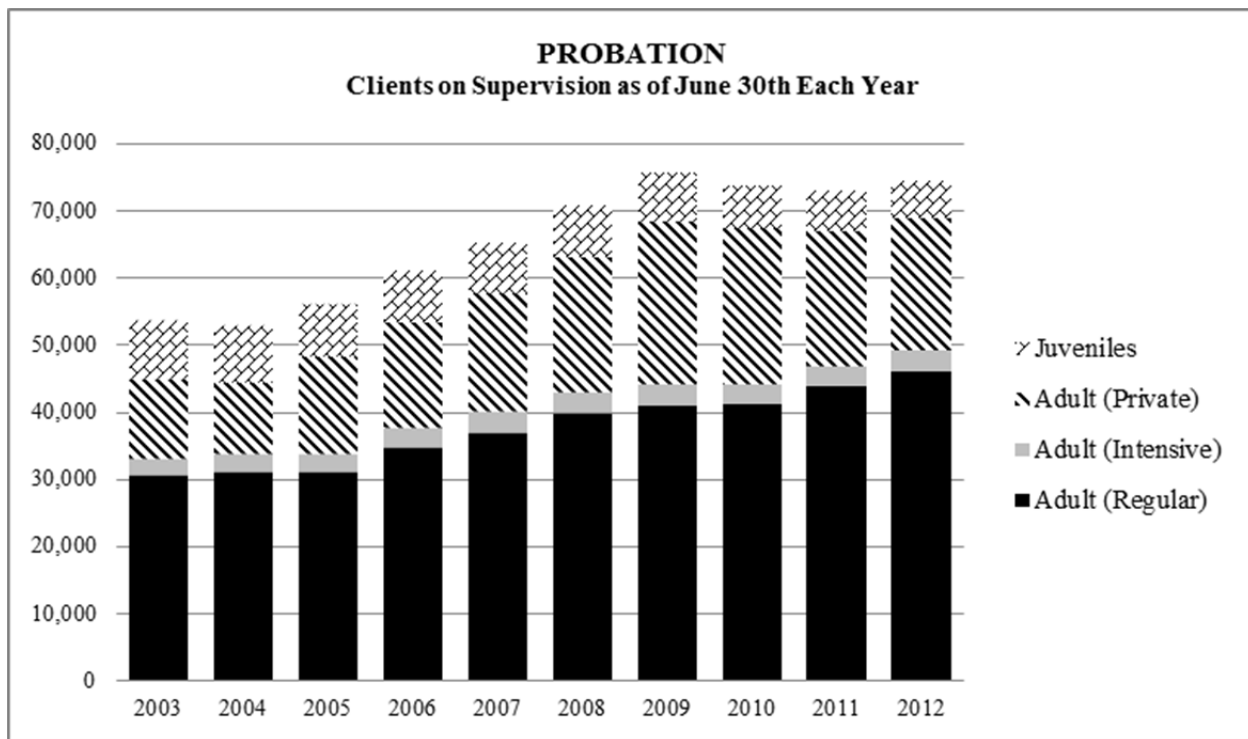
The *Office of the Child's Representative (OCR)* is responsible for providing legal representation for children involved in the court system due to abuse or neglect, delinquency, truancy, high conflict divorce, alcohol or drug abuse, mental health issues, and probate matters. The OCR paid for legal representation in 12,987 court appointments in FY 2011-12. The OCR's expenditures are primarily driven by the number of cases involving abuse or neglect, as these account for the most court appointments and require the most attorney time (other than probate cases). As illustrated in the graph below, the overall number of appointments paid has declined in each of the last three years.



## Probation and Related Services Caseload

Individuals sentenced to probation, as an alternative to incarceration, remain under the supervision of the court. Failure to meet the terms of probation set forth in the court's sentencing order may result in incarceration. Managed by the Chief Probation Officer in each judicial district, approximately 1,200 employees prepare assessments, provide pre-sentence investigation services to the courts, and supervise offenders sentenced to probation. Supervision services are provided based on each offender's risk of re-offending.

Funding for probation services is primarily driven by the number and types of offenders sentenced to probation and statutory requirements concerning the length of required supervision. The number of offenders sentenced to probation increased significantly from 2004 to 2009, and has since stabilized. However, the number of adult offenders who are supervised by state staff (rather than private probation providers) has increased steadily since 2005. The graph on the following page depicts changes in the numbers of adults and juveniles on supervision since 2003. Overall, the number of juvenile and adult offenders who are supervised by state staff increased from 41,728 in June 2003 to 54,615 in June 2012 (nearly 31 percent). As this number grows, so does the need for probation officers and support staff to adequately supervise offenders.



## Appropriation Highlights – 2013 Legislative Session

Judicial Department						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2012-13 Appropriation:</b>						
HB 12-1335	\$502,529,529	\$352,071,327	\$129,120,172	\$16,913,030	\$4,425,000	4,266.6
HB 12-1246	16,115	16,115	0	0	0	0.0
HB 12-1310	5,907,509	0	3,707,509	2,200,000	0	1.0
SB 13-092	<u>2,923,660</u>	<u>1,324,346</u>	<u>1,393,322</u>	<u>205,992</u>	<u>0</u>	<u>2.0</u>
<b>TOTAL</b>	<b>\$511,376,813</b>	<b>\$353,411,788</b>	<b>\$134,221,003</b>	<b>\$19,319,022</b>	<b>\$4,425,000</b>	<b>4,269.6</b>
<b>FY 2013-14 Appropriation:</b>						
FY 2012-13 Appropriation	\$511,376,813	\$353,411,788	\$134,221,003	\$19,319,022	\$4,425,000	4,269.6
Centrally appropriated line items	15,681,366	13,068,023	2,613,343	0	0	0.0
Attorney pay parity	5,293,924	5,293,924	0	0	0	0.0
Courthouse capital and infrastructure maintenance	3,848,500	0	3,848,500	0	0	0.0
Relocation to Carr Center	3,599,982	438,771	(1,828,470)	4,989,681	0	0.0
ICCES E-file project	1,569,264	0	1,569,264	0	0	0.0



Judicial Department						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Annualize prior year funding	1,153,585	2,038,156	(2,728,371)	1,843,800	0	6.2
Statewide IT common policy adjustments	1,053,881	1,053,881	0	0	0	0.0
Increase in grant funding	1,041,570	1,041,570	0	0	0	0.0
Problem-solving court coordinators	750,951	0	750,951	0	0	8.8
Self-represented litigant coordinators	670,883	0	670,883	0	0	10.0
Operating shortfalls	600,613	600,613	0	0	0	0.0
Procedural fairness and leadership education	517,500	0	517,500	0	0	0.0
Conflict of interest contracts	334,489	334,489	0	0	0	0.0
Implementation of evidence-based practices	255,236	255,236	0	0	0	3.0
Legal FTE	151,339	151,339	0	0	0	1.6
DA mandated costs	122,367	102,367	20,000	0	0	0.0
Court appointed professionals coordinator	78,695	78,695	0	0	0	1.0
Restoration of FTE	72,048	72,048	0	0	0	1.0
Mediation services	40,000	40,000	0	0	0	0.0
Legal resource and technology coordinator	0	0	0	0	0	0.9
Law library operations	(143,288)	0	0	(143,288)	0	0.0
Reduction to Senior Judge Program	(100,000)	0	(100,000)	0	0	0.0
Other	(1,489,603)	189,341	(1,484,290)	(194,654)	0	0.0
<b>SB 13-230</b>	<b>\$546,480,115</b>	<b>\$378,170,241</b>	<b>\$138,070,313</b>	<b>\$25,814,561</b>	<b>\$4,425,000</b>	<b>4,302.1</b>
SB 13-123	533,199	533,199	0	0	0	6.9
SB 13-197	45,742	45,742	0	0	0	0.8
SB 13-250	339,764	339,764	0	0	0	4.8
HB 13-1035	776,974	0	776,974	0	0	8.0
HB 13-1156	425,000	425,000	0	0	0	0.5
HB 13-1160	(362,525)	(362,525)	0	0	0	(6.0)
HB 13-1210	3,795,400	3,795,400	0	0	0	37.9
HB 13-1230	100,000	100,000	0	0	0	0.0
HB 13-1254	32,892	20,629	12,263	0	0	0.5
HB 13-1259	275,399	0	275,399	0	0	3.2
HB 13-1325	<u>12,000</u>	<u>12,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$552,453,960</b>	<b>\$383,079,450</b>	<b>\$139,134,949</b>	<b>\$25,814,561</b>	<b>\$4,425,000</b>	<b>4,358.7</b>

<b>Judicial Department</b>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>Increase/(Decrease)</b>	\$41,077,147	\$29,667,662	\$4,913,946	\$6,495,539	\$0	89.1
Percentage Change	8.0%	8.4%	3.7%	33.6%	0.0%	2.1%

## **FY 2012-13 Appropriation - Mid-year Adjustments**

Senate Bill 13-092 adds:

- \$1,374,339 cash funds to cover vendor payments related to the new in-house e-filing system called the "Integrated Colorado Courts E-filing System" (ICCES);
- \$560,080 General Fund for the Office of the State Public Defender (OSPD) to address several operational funding shortfalls;
- \$391,340 General Fund for a growing number of court appointments of state-paid counsel in mental health and probate cases;
- \$265,100 General Fund to cover unanticipated prosecution expenditures associated with two specific criminal cases; and
- \$205,992 reappropriated funds and 2.0 FTE to allow the Supreme Court Law Library to receive moneys from other state agencies for library staff support and for a joint contract for online legal resources.

The bill makes several other minor and technical changes.

## **FY 2013-14 Appropriation Highlights**

**Centrally appropriated line items:** The appropriation includes adjustments to centrally appropriated line items for the following: state contributions for health, life, and dental benefits; merit pay; salary survey; short-term disability; supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund; vehicle lease payments; workers' compensation; legal services; and payment to risk management and property funds.

**Attorney pay parity:** The appropriation includes funding to increase OSPD attorney salaries to a level competitive with Colorado public sector attorney compensation practices.

**Courthouse capital and infrastructure maintenance:** The appropriation includes funding from the Judicial Stabilization Cash Fund to address required infrastructure and courthouse furnishing needs, including: \$3,020,000 to furnish new courthouse and probation facilities in Pueblo County; \$280,000 to replace a critical phone system in Larimer County; and \$548,500 for a variety of projects in 12 other judicial districts.

**Relocation to Carr Center:** The appropriation includes a total increase of \$3,599,982 related to various state agencies' relocation to the Ralph L. Carr Colorado Judicial Center, including:

- \$2,136,211 cash and reappropriated funds to reflect the first full year of Carr Center operations;
- \$1,025,000 cash and reappropriated funds for future controlled maintenance expenses; and
- \$438,771 General Fund to cover the increased cost of leased space for Judicial Branch agencies.

Appropriations for the Carr Center for FY 2013-14 include a fund source adjustment to reflect \$4,989,681 reappropriated funds that will be transferred from leased space appropriations to the Judicial Branch and the Department of Law for the space each agency occupies in the office tower. The cash funds appropriation from leased space payments received from other tenants, parking fee revenues, and docket fee revenues is reduced accordingly.

**ICCES E-file project:** The appropriation includes an increase to provide a full year of funding for credit card processing and mailing expenses related to ICCES.

**Annualize prior year funding:** The appropriation includes adjustments related to prior year legislation and budget actions, including the following significant changes:

- An increase of \$1,843,800 General Fund (and a corresponding amount from reappropriated funds) for offender treatment as required by H.B. 12-1310;
- An increase of \$339,785 cash funds and 4.0 FTE consistent with a budget initiative that was approved in FY 2010-11 to allow the Department to develop and implement in-house public access and e-filing systems;
- An increase of \$194,356 General Fund and 2.2 FTE for OSPD;
- A reduction of \$454,260 cash funds that were used to purchase hardware and software required for the development and implementation of the e-filing system;
- The elimination of \$1,654,386 in one-time cash funds for capital outlay expenditures related to prior year legislation and budget actions; and
- The elimination of \$860,000 cash funds that was provided in FY 2012-13 for the purchase of hardware necessary to maintain the reliability and efficiency of the Department's IT infrastructure (*i.e.*, replacing four servers and three data storage controller units).

**Statewide IT common policy adjustments:** The appropriation includes adjustments to line items appropriated for: purchase of services from the computer center; Colorado state network; communication services payments, and information technology security.

**Increase in grant funding:** The appropriation includes an increase of \$541,570 to provide a full \$1.0 million General Fund for grants to organizations that provide legal advice, representation, and advocacy for indigent clients who are victims of family violence (typically assistance with restraining orders, divorce proceedings, and custody matters). The appropriation also includes an increase of \$500,000 General Fund to provide a total of \$1,020,000 General Fund to support for court-appointed special advocate (CASA) programs.

**Problem-solving court coordinators:** The appropriation includes funding to add Problem-solving Court Coordinators, including 6.8 FTE for existing family dependency treatment courts and 2.0 FTE for veterans treatment courts that do not have permanent funding for a coordinator.

**Self-represented litigant coordinators:** The appropriation includes funding to expand a statewide network of services to assist self-represented parties in court cases. This funding will expand the number of staff in judicial districts that coordinate and provide these services from 12.0 FTE to 22.0 FTE.

**Operating shortfalls:** The appropriation includes \$600,613 General Fund to address ongoing funding shortfalls for OSPD information technology asset maintenance and mandated costs.

**Procedural fairness and leadership education:** The appropriation includes funding to provide training and technical assistance on procedural fairness to judges, district administrators, chief probation officers, and senior staff in the Office of the State Court Administrator.

**Conflict of interest contracts:** The appropriation includes an increase to cover a projected increase in OADC contract counsel expenses.

**Implementation of evidence-based practices:** The appropriation includes funding to add 3.0 FTE to support probation staff throughout the state in implementing several evidence-based or promising programs and practices.

**Legal FTE:** The appropriation includes funding to add 1.6 FTE legal staff within the State Court Administrator's Office to address increased demands for legal services related to contracts, grants, forms, and policies.

**DA mandated costs:** The appropriation includes an increase to reimburse district attorneys for costs incurred for prosecution of state matters.

**Court appointed professionals coordinator:** The appropriation includes funding to add a staff position dedicated to administering the Respondent Parents' Counsel Program and to improve the quality of advocacy for respondent parents in dependency and neglect cases.

**Restoration of FTE:** The appropriation includes funding and 1.0 FTE to restore Independent Ethics Commission staffing levels to 2.0 FTE.

**Mediation services:** The appropriation increases annual funding for the provision of mediation services for indigent parties from \$160,000 to \$200,000.

**Legal resource and technology coordinator:** The appropriation includes \$101,321 General Fund to add a full-time Legal Resource and Technology Coordinator to maintain and administer the OADC's centralized system of legal resources and technology for contractors. The funding for this position is offset by a reduction of an equal amount in the "Conflict of Interest Contracts" line item.

**Law library operations:** The appropriation eliminates a one-time appropriation to allow the Supreme Court Law Library to receive funds from the Department of Law and the Legislature to initiate a joint contract for online legal resources.

**Reduction to Senior Judge Program:** The appropriation reduces funding for the Senior Judge program.

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

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

# DEPARTMENT OF LABOR AND EMPLOYMENT

The Department is divided into six divisions:

1. The Executive Director's Office is responsible for providing common services to all divisions including human resources and accounting.
2. The Division of Unemployment Insurance is responsible for administration and integrity of Colorado's unemployment insurance programs.
3. The Division of Employment and Training is responsible for the administration and monitoring the integrity of Colorado's unemployment insurance programs, administration of the workforce development programs and state run one-stop centers, and research and analysis on Colorado's employment trends.
4. The Division of Labor is responsible for ensuring employer compliance with state and federal employment laws.
5. The Division of Oil and Public Safety is responsible for the inspection of: boilers, conveyances, amusement park and carnival rides, distribution centers of petroleum products, storage sites for explosive materials, and monitoring the clean-up of leaking underground storage tanks.
6. The Division of Workers' Compensation is responsible for enforcing workers' compensation laws and for the administration of the Major Medical Insurance and Subsequent Injury Funds.

## Department Budget: Recent Appropriations

Funding Source	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14
General Fund	\$0	\$0	\$0	\$98,519
Cash Funds	59,639,210	60,912,916	60,492,110	65,399,832
Reappropriated Funds	1,695,272	752,426	651,881	650,740
Federal Funds	<u>95,589,102</u>	<u>96,532,825</u>	<u>96,982,910</u>	<u>97,192,944</u>
<b>Total Funds</b>	<b>\$156,923,584</b>	<b>\$158,198,167</b>	<b>\$158,126,901</b>	<b>\$163,342,035</b>
Full Time Equiv. Staff	1,047.0	1,046.8	1,006.3	1,012.5

## General Factors Driving the Budget

Funding for this department consists of 0.1 percent General Fund, 40.0 percent cash funds, 0.4 percent reappropriated funds, and 59.5 percent federal funds. Some of the major factors driving the Department's budget are discussed below.

## Unemployment Insurance Programs

Unemployment Insurance Programs (UI Programs) provide temporary compensation to individuals who are laid off through no fault of their own. Claimants are eligible for weekly benefits, and are paid on a bi-weekly basis. Benefit payments are based on a variety of factors and range from \$25 to a maximum of \$529 per week. The UI Programs appropriation in the Long Bill reflects the cost of administering the UI Programs. Pursuant to Section 8-77-104 (1), C.R.S., the funds used to pay benefits are not subject to appropriation by the General Assembly, and do not appear in the Long Bill.

The appropriation for UI Programs accounts for 23.7 percent of the Department's total FY 2013-14 appropriation. Approximately 70.8 percent of the UI Programs appropriation is federal funds. The overall administrative costs of Colorado's UI Programs have increased from FY 2005-06 to FY 2013-14. An increase of \$3.8 million cash funds in FY 2013-14 reflects investments in technology. Decreased availability of federal funds has resulted in state cash funds funding a larger percentage of the administrative costs, as outlined in the following table:

<b>Comparison of UI Program Administrative Expenses FY 2005-06 to FY 2013-14</b>			
Fiscal Year	Total Appropriation	Cash Funds	Federal Funds
FY 2005-06*	\$33,746,054	\$6,316,112	\$27,429,942
FY 2013-14	38,634,594	11,300,114	27,334,480
Dollar Change	\$4,888,540	\$4,984,002	(\$95,462)
Percent Change	14.5%	78.9%	(0.3)%

Unemployment Insurance claims are paid from the Unemployment Insurance Trust Fund (UITF), which resides in the federal treasury and is maintained by the federal Unemployment Insurance Program. In a healthy economy the number of claims is lower resulting in less benefits being paid and a reserve fund balance. During challenging economic times, the number of claims and benefits paid increases, resulting in a related decrease in the balance of the UITF. The following table outlines annual benefit payment amounts and the associated UITF balance from FY 2009-10 to FY 2013-14:

<b>UI Benefit Payments for FY 2009-10 to FY 2013-14</b>				
Fiscal Year	Benefit Payments	Change from Previous Year	Ending Trust Fund Balance	Change from Previous Year
FY 2009-10 Actual	\$1,086,726,558	\$32,933,269	(\$182,904,013)	(\$551,674,727)
FY 2010-11 Actual	\$718,876,245	(\$367,850,313)	(\$691,406,458)	(\$508,502,445)
FY 2011-12 Actual	\$606,531,633	(\$112,344,612)	(\$67,983,041)	\$623,423,417
FY 2012-13 Estimated	\$582,920,404	(\$23,611,229)	\$603,063,680	(\$20,359,737)
FY 2013-14 Projected	\$568,807,525	(\$14,112,879)	\$662,685,000	\$59,621,320

During FY 2009-10 the UITF became insolvent which resulted in Colorado borrowing funds from the federal Unemployment Trust Fund. In June 2012, two bonds totalling \$625 million were issued to repay the outstanding federal debt and avoid a temporary federal tax credit reduction. Employers are assessed two premiums to repay bond principal and bond interest debt. The Bond Principal Surcharge has increased employer premiums by 19.39 percent for 2013 for all experience rated employers. In addition, employers rated

with a score below +7, and some unrated employers, are subject to a bond interest assessment. The first interest assessment was collected in October 2012 and averaged \$300 per employer.

## Federal Funding Levels for Workforce Development Programs

Workforce development programs are funded primarily with pass-through federal funds. These programs provide employment services for businesses and job training and placement services for job seekers through a network of state and county one-stop workforce centers. Workforce Development programs account for 35.7 percent of the total funding for the Department.

## Workers' Compensation

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

## Appropriation Highlights – 2013 Legislative Session

Department of Labor and Employment						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2012-13 Appropriation:</b>						
<b>HB 12-1335</b>	<b>\$158,069,463</b>	<b>\$0</b>	<b>\$60,441,580</b>	<b>\$651,881</b>	<b>\$96,976,002</b>	<b>1,006.3</b>
HB 12-1272	47,198	0	47,198	0	0	0.0
SB 13-093	<u>10,240</u>	<u>0</u>	<u>3,332</u>	<u>0</u>	<u>6,908</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$158,126,901</b>	<b>\$0</b>	<b>\$60,492,110</b>	<b>\$651,881</b>	<b>\$96,982,910</b>	<b>1,006.3</b>
<b>FY 2013-14 Appropriation:</b>						
FY 2012-13 Appropriation	\$158,126,901	\$0	\$60,492,110	\$651,881	\$96,982,910	1,006.3
Unemployment insurance technology and automation	3,838,746	0	3,838,746	0	0	12.0
Centrally appropriated line items	2,595,960	0	1,306,422	0	1,289,538	0.0
Technical adjustment	(1,244,991)	0	(110,780)	(1,141)	(1,133,070)	(7.1)
Statewide IT common policy adjustments	(183,290)	0	(243,764)	0	60,474	0.0
Annualize prior year funding	(57,438)	0	(50,530)	0	(6,908)	0.0
<b>SB 13-230</b>	<b>\$163,075,888</b>	<b>\$0</b>	<b>\$65,232,204</b>	<b>\$650,740</b>	<b>\$97,192,944</b>	<b>1,011.2</b>
HB 13-1046	23,064	0	23,064	0	0	0.3
HB 13-1124	144,564	0	144,564	0	0	0.0
HB 13-1292	<u>98,519</u>	<u>98,519</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1.0</u>
<b>TOTAL</b>	<b>\$163,342,035</b>	<b>\$98,519</b>	<b>\$65,399,832</b>	<b>\$650,740</b>	<b>\$97,192,944</b>	<b>1,012.5</b>

### Department of Labor and Employment

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Increase/(Decrease)	\$5,215,134	\$98,519	\$4,907,722	(\$1,141)	\$210,034	6.2
Percentage Change	3.3%	n/a	8.1%	(0.2%)	0.2%	0.6%

#### FY 2012-13 Appropriation - Mid-year Adjustments

Senate Bill 13-093 increased the FY 2012-13 appropriation by \$10,240 total funds for adjustments to common policy line items.

#### FY 2013-14 Appropriation Highlights

**Unemployment insurance technology and automation:** The bill reflects an increase of \$3,838,746 cash funds and 12.0 FTE related to Colorado's role in a multi-state consortium tasked with developing a new unemployment insurance software program.

**Centrally appropriated line items:** The bill includes adjustments to centrally appropriated line items for the following: state contributions for health, life, and dental benefits; merit pay, salary survey; short-term disability; supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund; vehicle lease payments; workers' compensation; legal services; payment to risk management and property funds; Capitol complex leased space; administrative law judges; legal services and statewide indirect cost assessments.

**Technical adjustment:** The appropriation includes reductions to FTE and cash funds for operating expenses to reflect actual expenditures.

**Statewide IT common policy adjustments:** The bill includes adjustments to line items appropriated for: purchase of services from the computer center; Colorado state network payments; management and administration of the Governor's Office of Information Technology (OIT); communication services payments; COFRS modernization; and information technology security.

**Annualize prior year funding:** The bill includes adjustments related to prior year funding including S.B. 13-093 (Supplemental Appropriation) and H.B. 12-1272 (Enhanced UI Benefits).

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



# DEPARTMENT OF LAW

The Attorney General is one of five independently elected constitutional officers of the State, whose powers and duties are prescribed by the General Assembly. As the chief executive officer of the Department of Law, the Attorney General represents and defends the legal interests of the people of the State of Colorado, and serves as the legal counsel and advisor to all state agencies. The Department works concurrently with Colorado's 22 district attorneys and with other local, state, and federal law enforcement authorities to carry out its criminal justice responsibilities, and it represents the State in criminal appeals. In addition, the Department investigates and prosecutes Medicaid provider fraud and patient abuse, as well as securities, insurance, and workers' compensation fraud. Finally, the Department has primary authority for enforcement of consumer protection laws, antitrust laws; and certain natural resource and environmental laws.

## Department Budget: Recent Appropriations

Funding Source	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14
General Fund	\$9,510,373	\$9,422,208	\$10,452,022	\$12,168,714
Cash Funds	10,185,661	10,389,960	10,979,963	12,330,132
Reappropriated Funds	32,774,465	33,059,968	35,476,528	41,294,862
Federal Funds	<u>1,469,226</u>	<u>1,500,064</u>	<u>1,576,165</u>	<u>1,770,364</u>
<b>Total Funds</b>	<b>\$53,939,725</b>	<b>\$54,372,200</b>	<b>\$58,484,678</b>	<b>\$67,564,072</b>
Full Time Equiv. Staff	420.7	419.0	432.7	446.5

## General Factors Driving the Budget

Funding for this department consists of 18.0 percent General Fund, 18.3 percent cash funds, 61.1 percent reappropriated funds, and 2.6 percent federal funds. Cash funds include: fees and fines paid by regulated entities; funds awarded to the Department; a statewide vehicle registration fee that supports peace officer training programs; tobacco settlement moneys; fees paid by applicants seeking peace officer certification; and the Colorado Water Conservation Board's Litigation Fund. Reappropriated funds primarily include: moneys transferred from other state agencies for the purchase of legal services, for the prosecution and enforcement of the federal Comprehensive Environmental Response, Compensation and Liability Act (CERCLA), and for the prosecution of securities fraud cases; indirect cost recoveries; and grants from other state agencies. Some of the major factors driving the Department's budget are discussed below.

### Legal Services to State Agencies

Prior to 1973, most state agencies were represented by "assistant solicitors" who were housed within and paid by the agencies they represented. The system became problematic as there were serious differences in legal policy between agencies, resulting in an inconsistent legal policy for the State in the courts. In 1973, the General Assembly passed legislation that moved all the assistant solicitors into the Department of Law, and

prohibited any state agency from employing a person to perform legal services. As a trade-off, the Department of Law became subject to the "Oregon Plan", whereby the General Assembly appropriates moneys for legal services to the various state agencies, who in turn purchase services from the Department of Law at hourly rates (one rate for attorneys and one rate for legal assistants). The Department of Law's budget includes appropriations authorizing the receipt and expenditure of moneys received from other state agencies.

For FY 2013-14, the General Assembly has authorized the Department of Law to spend up to \$35.1 million providing legal services to state agencies (including associated central appropriations). This amount represents more than half of the Department's total appropriation. As shown in the following table, eight state agencies account for more than 80 percent of these services. The table also details the total number of hours of legal services provided and the average hourly rate charged by the Department of Law.

Fluctuations in legal services expenditures are due to: (1) changes in the Department of Law's hourly rates; and (2) changes in the number of hours of legal services provided to state agencies by attorneys and legal assistants. The Department's hourly rates fluctuate based on the costs of employee salaries and benefits, and operating expenses. The FY 2013-14 billing rate represents an annual increase of 17.9 percent, primarily due to increased costs for employee salaries and benefits and increased costs associated with the Department's relocation to the Ralph L. Carr Colorado Judicial Center.

<b>Legal Services to State Agencies: FY 2009-10 to FY 2013-14</b>						
<b>State Department</b>	<b>FY 09-10 Actual</b>	<b>FY 10-11 Actual</b>	<b>FY 11-12 Actual</b>	<b>FY 12-13 Approp./ Estim.</b>	<b>FY 13-14 Approp./ Estim.</b>	<b>% of Total</b>
Regulatory Agencies	\$7,546,070	\$7,485,354	\$7,359,709	\$8,102,284	\$9,767,656	27.8%
Natural Resources	3,260,139	3,283,382	3,323,637	3,789,051	4,607,919	13.1%
Revenue	974,158	1,738,069	2,864,901	3,000,545	3,616,138	10.3%
Personnel	2,363,953	2,555,590	2,550,581	2,684,670	3,340,835	9.5%
Public Health and Environment	2,146,754	2,021,921	2,275,229	2,610,896	3,093,772	8.8%
Human Services	1,550,136	1,409,467	1,394,458	1,424,413	1,679,424	4.8%
Transportation	1,187,488	1,081,661	1,132,068	1,269,372	1,496,626	4.3%
Corrections	1,401,307	1,075,919	1,010,582	1,181,771	1,393,342	4.0%
Other agencies 1/ <b>Total Expenditures/ Appropriation</b>	<u>4,456,698</u> <b>\$24,886,703</b>	<u>5,158,978</u> <b>\$25,810,341</b>	<u>5,198,384</u> <b>\$27,109,549</b>	<u>5,279,385</u> <b>\$29,342,387</b>	<u>6,107,524</u> <b>\$35,103,236</b>	<u>17.4%</u> <b>100.0%</b>
<i>% change of total from prior year</i>	(2.4%)	3.7%	5.0%	8.2%	19.6%	
<i>% of total Department of Law appropriations</i>	50.4%	47.9%	49.9%	50.2%	52.0%	
<i>% of total state operating appropriations</i>	0.1%	0.1%	0.1%	0.1%	0.2%	
<b>Blended Legal Rate</b>	<b>\$75.38</b>	<b>\$73.37</b>	<b>\$75.71</b>	<b>\$77.25</b>	<b>\$91.08</b>	
<i>% change from prior year</i>	0.4%	(2.7%)	3.2%	2.0%	17.9%	
<b>Total Hours</b>	329,907	349,029	357,139	380,679	386,096	
<i>% change from prior year</i>	1.0%	5.8%	2.3%	6.6%	1.4%	

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

## Criminal Justice and Appellate

The largest allocation of General Fund in the Department is for the Criminal Justice and Appellate section, which accounts for nearly 40 percent of General Fund appropriations to the Department for FY 2013-14. More than half of the General Fund in this section is devoted to the Appellate Unit, which represents the State in criminal appeals, and about one-third is devoted to the Special Prosecutions Unit, which investigates and prosecutes a variety of crimes. The following table provides expenditure and workload data for the Appellate Unit. For FY 2013-14, funding for the Appellate Unit was increased to add 5.5 FTE Assistant Attorneys General to address the growing backlog of criminal appeals cases.

<b>Appellate Unit Data: FY 2007-08 to FY 2013-14</b>							
	<b>FY 07-08 Actual</b>	<b>FY 08-09 Actual</b>	<b>FY 09-10 Actual</b>	<b>FY 10-11 Actual</b>	<b>FY 11-12 Actual</b>	<b>FY 12-13 Approp.</b>	<b>FY 13-14 Approp.</b>
Actual Expenditures/ Appropriations (excluding central appropriations)	\$2,133,564	\$2,360,972	\$2,555,197	\$2,646,858	\$2,603,619	\$2,709,335	\$3,240,771
FTE	26.4	28.3	30.7	31.6	30.9	32.0	37.5
Opening Briefs Received	979	1,240	1,152	1,050	1,171	n/a	n/a
Answer Briefs Filed	865	1,029	1,054	1,021	894	n/a	n/a
Case Backlog	270	395	434	398	608	n/a	n/a

## District Attorneys' Salaries

The Colorado Constitution requires each judicial district to elect a district attorney (DA). Similar to the Attorney General, DAs are part of the executive branch of government and their powers and duties are prescribed by the General Assembly<sup>1</sup>. Each DA is responsible for representing the legal interests of the people of the State of Colorado, and prosecuting on behalf of the people criminal cases for crimes committed within his or her judicial district. Upon request, DAs provide legal advice and legal representation to county officers and employees, and render legal advice to peace officers pertaining to affidavits and warrants for arrests, searches, seizures, and court orders for the production of records.

While funding for each DA's office is primarily set and provided by the board(s) of county commissioners within the respective judicial district, the State provides direct funding for DAs, via state agencies, for certain purposes. The Department of Law's budget includes an annual appropriation for each DA's salary. Pursuant to Section 20-1-306, C.R.S., the State contributes 80 percent of the funding for a minimum DA salary that is established in statute (including the associated costs of employer Public Employees' Retirement Association contributions). In 2007 (H.B. 07-1170), the General Assembly raised the statutory minimum annual DA salary over a four-year period, from \$67,000 in 2008 to \$130,000 as of January 1, 2012. A judicial district may choose to pay a salary that exceeds the statutory minimum using local funds.

The appropriation to the Department of Law for the State's contribution for DA salaries currently accounts for more than one-fourth of total General Fund appropriations to the Department. The following table details recent expenditures and appropriations for this purpose.

<sup>1</sup> See Article VI, Section 13 of the Colorado Constitution and Article 1 of Title 20, C.R.S

<b>State Expenditures for District Attorney Salaries: FY 2007-08 to FY 2013-14</b>			
<b>Fiscal Year</b>	<b>Expenditures</b>	<b>Annual Increase</b>	<b>Cumulative Increase</b>
2007-08	\$1,315,985	n/a	n/a
2008-09	1,654,605	\$338,620	\$338,620
2009-10	2,096,027	441,422	780,042
2010-11	2,263,229	167,202	947,244
2011-12	2,479,847	216,567	1,163,811
2012-13 (approp.)	2,656,368	176,572	1,340,383
2013-14 (approp.)	2,676,960	20,592	1,360,975

## Appropriation Highlights – 2013 Legislative Session

	Department of Law					FTE
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	
FY 2012-13 Appropriation:						
HB 12-1335	\$57,000,607	\$9,887,386	\$10,583,286	\$34,953,770	\$1,576,165	427.1
SB 12-110	196,677	0	196,677	0	0	2.0
HB 12-1246	8,799	8,799	0	0	0	0.0
HB 12-1300	2,271	0	0	2,271	0	0.0
HB 12-1303	16,656	0	0	16,656	0	0.1
HB 12-1311	23,092	0	0	23,092	0	0.0
HB 12-1330	3,028	0	0	3,028	0	0.0
SB 13-094	517,918	40,207	0	477,711	0	3.5
SB 13-230	<u>715,630</u>	<u>515,630</u>	<u>200,000</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$58,484,678	\$10,452,022	\$10,979,963	\$35,476,528	\$1,576,165	432.7
FY 2013-14 Appropriation:						
FY 2012-13 Appropriation	\$58,484,678	\$10,452,022	\$10,979,963	\$35,476,528	\$1,576,165	432.7
Attorney pay parity	3,644,082	739,975	107,749	2,747,260	49,098	0.0
Centrally appropriated line items	2,183,668	421,120	166,480	1,506,948	89,120	0.0
Relocation to Carr Center	1,463,294	380,891	219,603	818,468	44,332	0.0
Add appellate FTE	531,436	531,436	0	0	0	5.5
Indirect cost assessment	292,409	0	25,754	258,215	8,440	0.0
Additional P.O.S.T. grant spending authority	282,700	0	282,700	0	0	0.0

Department of Law						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Add special prosecution FTE	238,552	155,160	41,696	41,696	0	1.9
Provision of legal services	179,526	0	568,369	(388,843)	0	2.5
Statewide IT common policy adjustments	115,195	(167)	(849)	116,599	(388)	0.0
Fund source adjustment	89,277	(118,027)	(94,742)	298,449	3,597	0.0
Change in anticipated grant funding	43,159	0	0	43,159	0	0.5
Tobacco litigation	(345,630)	910,993	(1,256,623)	0	0	0.0
Annualize prior year funding	(211,231)	0	(239,319)	28,088	0	0.5
<b>SB 13-230</b>	<b>\$66,991,115</b>	<b>\$13,473,403</b>	<b>\$10,800,781</b>	<b>\$40,946,567</b>	<b>\$1,770,364</b>	<b>443.6</b>
SB 13-014	2,318	0	0	2,318	0	0.0
SB 13-026	7,725	0	0	7,725	0	0.0
SB 13-039	11,294	0	0	11,294	0	0.0
SB 13-083	4,635	0	0	4,635	0	0.0
SB 13-151	21,244	0	0	21,244	0	0.0
SB 13-162	5,794	0	0	5,794	0	0.0
SB 13-172	5,021	0	0	5,021	0	0.0
SB 13-180	12,746	0	0	12,746	0	0.0
SB 13-200	24,910	0	0	24,910	0	0.0
SB 13-207	6,180	0	0	6,180	0	0.0
SB 13-219	15,450	0	0	15,450	0	0.1
SB 13-221	69,525	0	0	69,525	0	0.5
SB 13-238	5,794	0	0	5,794	0	0.0
SB 13-241	13,905	0	0	13,905	0	0.0
SB 13-251	7,725	0	0	7,725	0	0.1
SB 13-283	20,000	0	20,000	0	0	0.0
HB 13-1111	16,995	0	0	16,995	0	0.0
HB 13-1180	0	(1,433,351)	1,433,351	0	0	0.0
HB 13-1230	128,662	128,662	0	0	0	1.4
HB 13-1292	46,350	0	0	46,350	0	0.3
HB 13-1317	<u>146,684</u>	<u>0</u>	<u>76,000</u>	<u>70,684</u>	<u>0</u>	<u>0.5</u>
<b>TOTAL</b>	<b>\$67,564,072</b>	<b>\$12,168,714</b>	<b>\$12,330,132</b>	<b>\$41,294,862</b>	<b>\$1,770,364</b>	<b>446.5</b>

Department of Law						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>Increase/(Decrease)</b>	\$9,079,394	\$1,716,692	\$1,350,169	\$5,818,334	\$194,199	13.8
Percentage Change	15.5%	16.4%	12.3%	16.4%	12.3%	3.2%

### **FY 2012-13 Appropriation - Mid-year Adjustments**

Senate Bill 13-094 adds \$477,711 reappropriated funds and 3.5 FTE for the provision of legal services to the Department of Public Health and Environment and the Department of Public Safety, and to make a technical correction related to H.B. 12-1110. The bill also adds \$40,207 General Fund for the Payment to Risk Management and Property Funds to fix a fund balance shortfall. Senate Bill 13-230 increases support for the Department's tobacco litigation efforts to challenge a settlement proposed by 19 other states involved in ongoing arbitration concerning the State's diligent enforcement of tobacco master settlement agreement provisions related to nonparticipating tobacco manufacturers.

### **FY 2013-14 Appropriation Highlights**

**Attorney pay parity:** The appropriation includes funding to increase Department of Law's attorney salaries to a level competitive with Colorado public sector attorney compensation practices.

**Centrally appropriated line items:** The appropriation includes adjustments to centrally appropriated line items for the following: state contributions for health, life, and dental benefits; merit pay; salary survey; short-term disability; supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund; vehicle lease payments; workers' compensation; administrative law judges; and payment to risk management and property funds.

**Relocation to Carr Center:** The appropriation adds \$1,512,678, including \$380,891 General Fund, to cover the increased leased space expenses related to the Department's relocation to the Ralph L. Carr Colorado Judicial Center. This increase is mitigated by a \$49,384 decrease in reappropriated funds to reflect savings that will be experienced by the Department due to the library consolidation project with the Supreme Court Law Library.

**Add appellate FTE:** The appropriation includes funding to add Assistant Attorneys General to address the growing backlog of criminal appeals cases.

**Indirect cost assessment:** The appropriation includes a net increase in indirect cost assessments.

**Additional P.O.S.T. grant spending authority:** The appropriation includes an increase from the Peace Officers Standards and Training (P.O.S.T.) Board Cash Fund to allow the P.O.S.T. Board to develop and provide additional peace officer training, expand the availability of online training, and improve the functionality of its website.

**Add special prosecution FTE:** The appropriation includes funding to: (1) add a First Assistant Attorney General to assist in the supervision and management of the Special Prosecution Unit; (2) fill a vacant Criminal Investigator position; and (3) add a Program Assistant to provide clerical support to the Unit.

**Provision of legal services:** The appropriation reflects an increase to meet state agencies' anticipated demand for legal services in FY 2013-14.

**Statewide IT common policy adjustments:** The appropriation includes adjustments to line items appropriated for: purchase of services from the computer center; Colorado state network; communication services payments, and information technology security.

**Fund source adjustment:** The appropriation includes fund source adjustments to move funding for the Department's Public Information Officer from the Consumer Protection section of the budget to the Administration section and to support the position with indirect cost recoveries, rather than custodial funds.

**Change in anticipated grant funding:** The appropriation reflects an increase in anticipated funding available from the Colorado Automobile Theft Prevention Authority.

**Tobacco litigation:** The appropriation reflects a projected decrease in the cost of outside counsel and other expenses related to the Department's litigation efforts to challenge a settlement proposed by 19 other states involved in ongoing arbitration concerning the State's diligent enforcement of tobacco master settlement agreement provisions related to nonparticipating tobacco manufacturers. The appropriation reflects an increase in General Fund and a decrease in cash funds as the balance in the Tobacco Litigation Settlement Cash Fund is anticipated to be exhausted before the end of FY 2012-13. [Please note that H.B. 13-1180 replenishes the Tobacco Litigation Settlement Cash Fund and replaces the General Fund appropriation that is included in S.B. 13-230 with an appropriation from this cash fund.]

**Annualize prior year funding:** The appropriation includes adjustments related to prior year legislation and budget actions.

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

# LEGISLATIVE BRANCH

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

## Department Budget: Recent Appropriations

Funding Source	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14
General Fund	\$34,796,446	\$34,684,832	\$35,963,244	\$38,592,648
Cash Funds	202,831	184,587	179,065	179,000
Reappropriated Funds	1,000,316	1,103,816	903,816	1,627,371
Federal Funds	0	0	0	0
Total Funds	\$35,999,593	\$35,973,235	\$37,046,125	\$40,399,019
Full Time Equiv. Staff	277.1	271.0	271.0	272.6

## General Factors Driving the Budget

Funding for this department consists of 95.5 percent General Fund, 0.4 percent cash funds, and 4.0 percent reappropriated funds. Some of the major factors driving the Department's budget are discussed below.

### Special Studies or Functions

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

Special Studies	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Estimate	FY 2013-14 Estimate
Property Tax Study	\$550,667	\$540,000	\$580,000	\$600,000
Ballot Analysis	\$1,992,219	\$474,858	\$1,026,467	\$904,000



## Appropriation Highlights – 2013 Legislative Session

	Legislative Department					
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2012-13 Appropriation:</b>						
HB 12-1301 (Legislative Appropriation)	\$34,335,208	\$33,245,827	\$179,065	\$910,316	\$0	271.0
HB 12-1335 (Long Bill)	2,644,911	2,644,911	0	0	0	0.0
HB 12-1246	69,278	69,278	0	0	0	0.0
SB 13-095	3,228	3,228	0	0	0	0.0
SB 13-129	<u>(6,500)</u>	<u>0</u>	<u>0</u>	<u>(6,500)</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$37,046,125</b>	<b>\$35,963,244</b>	<b>\$179,065</b>	<b>\$903,816</b>	<b>\$0</b>	<b>271.0</b>
<b>FY 2013-14 Appropriation:</b>						
FY 2012-13 Appropriation	\$37,046,125	\$35,963,244	\$179,065	\$903,816	\$0	271.0
Salary/benefits/operating adjustments	1,336,814	1,343,379	(65)	(6,500)	0	0.0
Expansion to 1525 Sherman	482,037	482,037	0	0	0	0.0
Child welfare study	468,555	0	0	468,555	0	0.0
Operating adjustments	379,458	379,458	0	0	0	0.0
Cost of living study	250,000	0	0	250,000	0	0.0
PERA amortization disbursement	248,251	248,251	0	0	0	0.0
Annualize prior year funding	6,500	0	0	6,500	0	0.0
<b>SB 13-187 (Legislative Appropriation)<sup>/1</sup></b>	<b>\$35,989,551</b>	<b>\$34,906,735</b>	<b>\$179,000</b>	<b>\$903,816</b>	<b>\$0</b>	<b>271.0</b>
<b>SB 13-230 (Long Bill)<sup>/1</sup></b>	<b>\$4,228,189</b>	<b>\$3,509,634</b>	<b>\$0</b>	<b>\$718,555</b>	<b>\$0</b>	<b>0.0</b>
SB 13-007	6,061	6,061	0	0	0	0.1
HB 13-1079	75,247	75,247	0	0	0	1.2
HB 13-1296	5,000	0	0	5,000	0	0.0
HB 13-1299	89,971	89,971	0	0	0	0.3
HB 13-1301	<u>5,000</u>	<u>5,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$40,399,019</b>	<b>\$38,592,648</b>	<b>\$179,000</b>	<b>\$1,627,371</b>	<b>\$0</b>	<b>272.6</b>
<b>Increase/(Decrease)</b>	<b>\$3,352,894</b>	<b>\$2,629,404</b>	<b>(\$65)</b>	<b>\$723,555</b>	<b>\$0</b>	<b>1.6</b>
Percentage Change	9.1%	7.3%	(0.0%)	80.1%	n/a	0.6%

<sup>/1</sup>The FY 2012-13 Appropriation plus the sum of the appropriation highlights equals the combination of S.B. 13-187 (Legislative Appropriation) and S.B. 13-230 (Long Bill).

## **FY 2012-13 Appropriation - Mid-year Adjustments**

Senate Bill 13-095 provides \$3,228 General Fund in FY 2012-13 for supplemental appropriations and Senate Bill 13-129 reduced the FY 2012-13 appropriations by \$6,500 reappropriated funds due to the reduced number of audits expected on the Colorado Auto Theft Prevention Fund.

## **FY 2013-14 Appropriation Highlights – S.B. 13-187 (Legislative Appropriation) and S.B. 13-230 (Long Bill) Issue Descriptions**

**Salary/benefits/operating adjustments:** The increase in appropriation is primarily the result of increases for health, life, and dental insurance benefits; increases for a 3.6 percent base salary adjustment; increases for ongoing investment in information technology; increases for the legislative aides program, increases for State Patrol Capitol security; and, an increase for specific agencies' operating and travel budgets.

**Expansion to 1525 Sherman:** The increase in appropriation is for additional legislative space in the Capitol complex at 1525 Sherman Street pursuant to H.B. 12-1348.

**Child welfare study:** The appropriation to the Office of the State Auditor is to perform a child welfare workload study. This appropriation is one time spending authority for this specific purpose.

**Operating adjustments:** The increase in appropriation is for centrally 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, maintenance of legislative space, and COFRS modernization. Operating adjustments are a function of recoverable costs in the Department of Personnel, the Governor's Office of Information Technology, or the Department of Law that are allocated to other departments based on a proportionate share of risk or utilization.

**Cost of living study:** The appropriation is for a cost of living study. Legislative Council staff, pursuant to Section 22-54-104 (5) (c) (III) (A), C.R.S., is required to certify the cost of living factor for each school district every two years based on a cost of living analysis that is typically conducted through a contract. This is the additional appropriation required to perform the analysis.

**PERA amortization disbursement:** The increase in appropriation reflects the amount necessary to contribute an additional 0.9 percent of base salaries to the Public Employees' Retirement Association (0.4 percent pursuant to S.B. 04-257 and 0.5 percent pursuant to S.B. 06-235).

**Annualize prior year funding:** The appropriation includes adjustments related to prior year legislation and budget actions.

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

# DEPARTMENT OF LOCAL AFFAIRS

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

## Department Budget: Recent Appropriations

Funding Source	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14
General Fund <sup>/1</sup>	\$10,530,849	\$10,379,500	\$11,074,259	\$17,698,568
Cash Funds	203,509,756	228,629,982	206,386,363	208,920,557
Reappropriated Funds	7,243,477	7,102,736	7,129,597	8,629,582
Federal Funds	<u>96,977,419</u>	<u>117,319,185</u>	<u>102,623,672</u>	<u>69,956,340</u>
<b>Total Funds</b>	<b>\$318,261,501</b>	<b>\$363,431,403</b>	<b>\$327,213,891</b>	<b>\$305,205,047</b>
Full Time Equiv. Staff	176.0	191.1	163.2	164.3

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

## General Factors Driving the Budget

Funding for this department consists of 5.8 percent General Fund, 68.5 percent cash funds, 2.8 percent reappropriated funds, and 22.9 percent federal funds. Some of the major factors driving the Department's budget are discussed below.

### Dedicated Cash Fund Sources

The Department of Local Affairs is responsible for a number of programs with dedicated cash revenue sources. The largest of these include: local government mineral and energy impact assistance (a portion of state severance tax and federal mineral lease revenue distributed to local governments affected by mineral extraction activities); disbursements from the Conservation Trust Fund (a portion of state lottery proceeds distributed to local entities on a formula basis for parks, recreation, and open space purposes); and limited gaming impact grants (a portion of limited gaming tax revenue distributed to communities impacted by gaming activities). Program expenditures fluctuate with changes in the revenue available from these various dedicated funding sources. The following table summarizes recent actual and estimated revenues for these cash funds.

Constitutionally or Statutorily Dedicated Cash Revenues Administered by the Department of Local Affairs (\$ millions)					
Revenues	FY 2009-10 Actual	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Estimated	FY 2013-14 Estimated
Severance Tax <sup>/1</sup>	\$22.1	\$74.5	\$103.1	\$54.3	\$93.2
Federal Mineral Lease <sup>/1</sup>	50.8	62.8	68.9	51.3	61.6
Conservation Trust Fund	45.3	45.3	49.3	50.0	50.0
Limited Gaming Fund <sup>/1</sup>	6.0	3.7	3.3	5.0	5.0
Waste Tire Fees <sup>/2</sup>	<u>3.6</u>	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>
<b>Total Dedicated Cash Revenues</b>	<b>\$127.8</b>	<b>\$186.3</b>	<b>\$224.6</b>	<b>\$160.6</b>	<b>\$209.8</b>

<sup>/1</sup> Estimates reflect projected revenues of the March 2013 Office of State Planning and Budgeting revenue forecast.

<sup>/2</sup> House Bill 10-1018 consolidated authority over waste tire fees within the Department of Public Health and Environment and transferred administration of the Waste Tire Program from the Department of Local Affairs to the Department of Public Health and Environment beginning in FY 2010-11.

## Federal Funds

Federal funds comprise nearly one-quarter (\$69.96 million) of the Department of Local Affairs' FY 2013-14 total appropriation. The Department's federally-funded programs generally do not require state matching funds, and funding is provided at the discretion of the United States Department of Housing and Urban Development (HUD). The major ongoing federal grants that are administered by the Department are:

- HUD Section 8 Rental Assistance (helps low-income families afford rental housing);
- HUD Affordable Housing Development (construction and/or rehabilitation of housing for low to moderate-income persons);
- HUD Community Development Block Grants (provide funding for community infrastructure, housing, and economic development);
- Health and Human Services Community Services Block Grants (provide funding for services to persons at or below 125.0 percent of the federal poverty level); and
- HUD Emergency Shelter Program (supports homelessness prevention activities).

The Department used to administer significant emergency preparedness and training grants provided by the United States Department of Homeland Security, but H.B. 12-1283 transferred the Division of Emergency Management to the Department of Public Safety beginning in FY 2012-13.

## Appropriation Highlights – 2013 Legislative Session

	Department of Local Affairs					
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2012-13 Appropriation:</b>						
HB 12-1335	\$347,313,310	\$11,478,263	\$210,897,351	\$7,479,574	\$117,458,122	191.1
HB 12-1246	793	793	0	0	0	0.0
HB 12-1283	(20,075,990)	(380,575)	(4,510,988)	(349,977)	(14,834,450)	(27.9)

Department of Local Affairs						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
SB 13-096	(24,222)	(24,222)	0	0	0	0.0
<b>TOTAL</b>	<b>\$327,213,891</b>	<b>\$11,074,259</b>	<b>\$206,386,363</b>	<b>\$7,129,597</b>	<b>\$102,623,672</b>	<b>163.2</b>
<b>FY 2013-14 Appropriation:</b>						
FY 2012-13 Appropriation	\$327,213,891	\$11,074,259	\$206,386,363	\$7,129,597	\$102,623,672	163.2
Assistance to rural communities	3,000,000	3,000,000	0	0	0	1.0
Additional affordable housing units	2,000,000	2,000,000	0	0	0	0.0
Limited gaming funds adjustment	1,102,573	(1,000,000)	2,102,573	0	0	0.0
Centrally appropriated line items	770,595	97,321	93,737	540,295	39,242	0.0
Housing for behavioral health clients	445,524	445,524	0	0	0	0.0
Statewide IT common policy adjustments	259,311	(113,222)	5,674	364,487	2,372	0.0
Indirect cost assessment	199,302	(444,165)	57,210	595,203	(8,946)	0.0
Annualize prior year funding	125,000	0	125,000	0	0	0.1
Federal funds adjustment	(32,700,000)	0	0	0	(32,700,000)	0.0
<b>SB 13-230</b>	<b>\$302,416,196</b>	<b>\$15,059,717</b>	<b>\$208,770,557</b>	<b>\$8,629,582</b>	<b>\$69,956,340</b>	<b>164.3</b>
SB 13-146	0	(150,000)	150,000	0	0	0.0
SB 13-210	2,788,851	2,788,851	0	0	0	0.0
<b>TOTAL</b>	<b>\$305,205,047</b>	<b>\$17,698,568</b>	<b>\$208,920,557</b>	<b>\$8,629,582</b>	<b>\$69,956,340</b>	<b>164.3</b>
<b>Increase/(Decrease)</b>	<b>(\$22,008,844)</b>	<b>\$6,624,309</b>	<b>\$2,534,194</b>	<b>\$1,499,985</b>	<b>(\$32,667,332)</b>	<b>1.1</b>
Percentage Change	(6.7%)	59.8%	1.2%	21.0%	(31.8%)	0.7%

### FY 2012-13 Appropriation - Mid-year Adjustments

Senate Bill 13-096 modifies FY 2012-13 appropriations included in H.B. 13-1335 to reduce \$24,222 General Fund for mid-year vehicle lease billing adjustments and a liability premiums technical true-up.

### FY 2013-14 Appropriation Highlights

**Assistance to rural communities:** The appropriation provides \$3.0 million General Fund and 1.0 FTE for the administration of a new grant program to grow and diversify the economies of rural communities that depend on a single large employer such as a state prison.

**Additional affordable housing units:** The appropriation provides \$2.0 million General Fund for additional affordable housing units for workforce needs and lower income families.

**Limited gaming funds adjustment:** The appropriation adds \$1.1 million in total funds, including a reduction of \$1.0 million General Fund and an increase of \$2.1 million cash funds, to the Local Government Limited Gaming Impact Grants line item, pursuant to Senate Bill 13-133.

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

**Housing for behavioral health clients:** The appropriation includes \$445,524 for housing voucher administrative costs associated with housing subsidies for 107 individuals needing behavioral health services who are on the waitlist for federally funded vouchers or do not qualify for federal vouchers.

**Statewide IT common policy adjustments:** The appropriation includes adjustments to line items appropriated for: purchase of services from the computer center; Colorado state network; management and administration of the Governor's Office of Information Technology (OIT); communication services payments; and information technology security.

**Indirect cost assessment:** The appropriation includes a net increase in the Department's indirect cost assessment.

**Annualize prior year funding:** The appropriation includes adjustments related to prior year legislation and budget actions.

**Federal funds adjustment:** The appropriation reduces federal spending authority across the Department by \$32.7 million to better reflect federal funds anticipated to be available in FY 2013-14.

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

# DEPARTMENT OF MILITARY AND VETERANS AFFAIRS

The Department of Military and Veterans Affairs has approximately 5,500 Army and Air National Guard members trained and ready for federal active duty abroad, and for preserving life and property during natural disasters and civil emergencies at home in Colorado.

The Department maintains the equipment and facilities for the state military forces; provides for safekeeping of the public arms, military records, relics and banners of the state; assists veterans and National Guard members with benefits claims; maintains the Western Slope Veterans' Cemetery; supports the Civil Air Patrol, Colorado Wing; and assists in fighting the spread of drug trafficking and abuse.

Approximately 95.8 percent of the Department's budget is provided by the federal government, which fully funds the training of National Guard troops and provides the majority of the funding for the construction of armories and other military buildings in the State. Under the cooperative agreements with the federal government, the Department provides varying levels of maintenance and utilities costs for the military facilities in the State.

## Department Budget: Recent Appropriations

Funding Source	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14
General Fund	\$5,286,233	\$5,429,298	\$6,692,607	\$7,378,715
Cash Funds	1,408,881	1,209,140	1,332,993	1,239,695
Reappropriated Funds	803,509	803,509	803,662	800,000
Federal Funds	<u>213,758,894</u>	<u>213,775,024</u>	<u>214,128,024</u>	<u>214,439,842</u>
<b>Total Funds</b>	<b>\$221,257,517</b>	<b>\$221,216,971</b>	<b>\$222,957,286</b>	<b>\$223,858,252</b>
Full Time Equiv. Staff	1,384.9	1,384.9	1,384.9	1,389.6

## General Factors Driving the Budget

The primary factors driving the budget are National Guard operations and services provided for veterans. Funding for this department consists of 3.3 percent General Fund, 0.6 percent cash funds, 0.4 percent reappropriated funds, and 95.8 percent federal funds. Some of the major factors driving the Department's budget are discussed below.

### Colorado National Guard

The major factor driving the budget for the Colorado National Guard is the "federal force structure" (the number of Guard personnel authorized by the U.S. National Guard Bureau) and the State's ability to fill the force

structure. The federal force structure and associated facilities maintenance and utilities costs determine the amount of federal funds received by the Department. The table below shows the authorized strength and active membership of the Colorado National Guard.

<b>Colorado National Guard Authorized Strength and Membership</b>				
	<b>FY 2009-10</b>	<b>FY 2010-11</b>	<b>FY 2011-12</b>	<b>FY 2012-13</b>
<b>Authorized Strength</b>				
Army National Guard	4,009	3,878	4,053	3,988
Air National Guard	<u>1,531</u>	<u>1,531</u>	<u>1,534</u>	<u>1,534</u>
Total	5,540	5,409	5,587	5,522
<b>Members</b>				
Army National Guard	3,629	3,776	3,988	4,024
Air National Guard	<u>1,435</u>	<u>1,498</u>	<u>1,468</u>	<u>1,518</u>
Total	5,064	5,274	5,456	5,542
Percentage of Slots Filled	91.4%	97.5%	97.7%	100.4%

## Division of Veterans Affairs

The primary factors driving the budget for the Division of Veterans Affairs are the number of veterans who need assistance with federal benefits claims and the amount of Master Tobacco Settlement funds received and disbursed from the Colorado State Veterans Trust Fund. The primary uses of General Fund in the Division are Veterans Service Operations, which assists veterans with claims before the U.S. Department of Veterans Affairs, and funding for training and other support and grant programs benefiting veterans.

The table below shows the number of veterans in Colorado registered with the U.S. Department of Veterans Affairs and the number of veterans' claims that the Department has processed from FY 2006-07 through FY 2011-12.

<b>Division of Veterans Affairs Veterans Living in Colorado and Clams Processed by Department</b>						
	<b>FY 2006-07</b>	<b>FY 2007-08</b>	<b>FY 2008-09</b>	<b>FY 2009-10</b>	<b>FY 2010-11</b>	<b>FY 2011-12</b>
Colorado Veteran Population (U.S. Dept. of Veterans Affairs)	427,706	426,162	424,228	421,342	417,834	395,613
Claims filed with the State of Colorado	5,110	5,163	5,201	5,420	5,406	5,937



## Appropriation Highlights – 2013 Legislative Session

Department of Military and Veterans Affairs						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2012-13 Appropriation:</b>						
HB 12-1335	\$222,946,109	\$6,681,430	\$1,332,993	\$803,662	\$214,128,024	1,384.9
SB 13-097	<u>11,177</u>	<u>11,177</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$222,957,286</b>	<b>\$6,692,607</b>	<b>\$1,332,993</b>	<b>\$803,662</b>	<b>\$214,128,024</b>	<b>1,384.9</b>
<b>FY 2013-14 Appropriation:</b>						
FY 2012-13 Appropriation	\$222,957,286	\$6,692,607	\$1,332,993	\$803,662	\$214,128,024	1,384.9
Veterans grants funding	1,000,000	1,000,000	0	0	0	0.0
Centrally appropriated line items	419,834	129,381	3,755	0	286,698	0.0
Colorado National Guard tuition fund	250,000	250,000	0	0	0	0.0
Veterans affairs FTE	189,264	189,264	0	0	0	3.8
Federal funds adjustment	65,900	0	0	0	65,900	0.0
Statewide IT common policy adjustments	50,811	91,975	(231)	(153)	(40,780)	0.0
Human resources FTE	36,665	36,665	0	0	0	0.9
Annualize prior year legislation	(1,011,177)	(1,011,177)	0	0	0	0.0
Technical adjustment	(100,331)	0	(96,822)	(3,509)	0	0.0
<b>SB 13-230</b>	<b><u>\$223,858,252</u></b>	<b><u>\$7,378,715</u></b>	<b><u>\$1,239,695</u></b>	<b><u>\$800,000</u></b>	<b><u>\$214,439,842</u></b>	<b><u>1,389.6</u></b>
<b>TOTAL</b>	<b>\$223,858,252</b>	<b>\$7,378,715</b>	<b>\$1,239,695</b>	<b>\$800,000</b>	<b>\$214,439,842</b>	<b>1,389.6</b>
<b>Increase/(Decrease)</b>	<b>\$900,966</b>	<b>\$686,108</b>	<b>(\$93,298)</b>	<b>(\$3,662)</b>	<b>\$311,818</b>	<b>4.7</b>
Percentage Change	0.4%	10.3%	(7.0%)	(0.5%)	0.1%	0.3%

### FY 2012-13 Appropriation - Mid-year Adjustments

Senate Bill 13-097 increases the FY 2012-13 appropriation by \$11,177 for adjustments to common policy line items.

### FY 2013-14 Appropriation Highlights

**Veterans grants funding:** The appropriation includes an increase of \$1.0 million General Fund to provide grants for agencies providing services to veterans including: homeless outreach, mental health, family counseling, job training, employment, and housing.

**Centrally appropriated line items:** The appropriation reflects adjustments to centrally appropriated line items for the following: state contributions for health, life, and dental benefits; merit pay; salary survey; short-term disability; supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund; vehicle lease payments; workers' compensation; legal services; payment to risk management and property funds; Capitol complex leased space; and statewide indirect cost assessments.

**Colorado National Guard tuition fund:** The appropriation includes an increase of \$250,000 General Fund to fund tuition assistance for Colorado National Guard members.

**Veterans affairs FTE:** The appropriation includes an increase of \$189,264 General Fund and 3.8 FTE for FY 2013-14 to address the growing caseload of the Division of Veterans Affairs.

**Federal funds adjustment:** The appropriation includes an increase of federal funds related to the administration of the Western Slope Veterans Cemetery.

**Statewide IT common policy adjustments:** The appropriation reflects adjustments to line items appropriated for: purchase of services from the computer center; multiuse network payments; communication services payments; COFRS modernization; and information technology security.

**Human resources FTE:** The appropriation includes an increase of \$36,665 General Fund to add 0.9 FTE in the Executive Director's Office for Human Resources due to increased workload.

**Annualize prior year legislation:** The appropriation includes adjustments related to prior year legislation including S.B. 13-097 (Supplemental Appropriation).

**Technical adjustment:** The appropriation includes an adjustment based on revenue projected to be available from the tobacco master settlement agreement.

# DEPARTMENT OF NATURAL RESOURCES

The Department is responsible for developing, protecting and enhancing Colorado's natural resources for the use and enjoyment of the State's present and future residents and visitors. The Department is comprised of the following divisions:

- Executive Director's Office
- Division of Reclamation, Mining, and Safety
- Geological Survey
- Oil and Gas Conservation Commission
- State Board of Land Commissioners
- Division of Parks and Wildlife
- Colorado Water Conservation Board
- Water Resources Division (State Engineer's Office)
- Division of Forestry

## Department Budget: Recent Appropriations

Funding Source	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14
General Fund	\$26,201,062	\$23,429,407	\$23,768,283	\$24,978,508
Cash Funds	191,792,929	190,187,713	209,619,862	215,177,148
Reappropriated Funds	7,972,361	8,480,565	8,641,534	8,774,311
Federal Funds	<u>19,729,069</u>	<u>19,884,955</u>	<u>20,748,282</u>	<u>28,579,274</u>
<b>Total Funds</b>	<b>\$245,695,421</b>	<b>\$241,982,640</b>	<b>\$262,777,961</b>	<b>\$277,509,241</b>
Full Time Equiv. Staff	1,474.8	1,466.1	1,464.1	1,438.8

## General Factors Driving the Budget

Funding for this department consists of 9.0 percent General Fund, 77.5 percent cash funds, 3.2 percent reappropriated funds, and 10.3 percent federal funds. Some of the major factors driving the Department's budget are discussed below.

### Severance Tax Operational Fund Revenues

The availability of severance tax revenues to the Severance Tax Operational Fund<sup>1</sup> (Operational Fund) influences the funding levels for many programs in the Department. Section 39-29-108 (2), C.R.S., provides that 50.0 percent of total severance tax revenues are credited to the Severance Tax Trust Fund and 50.0 percent

<sup>1</sup> Senate Bill 13-181 changed the name of the Operational Account of the Severance Tax Trust Fund to the Severance Tax Operational Fund.

of the revenues are credited to the Local Government Severance Tax Fund, administered by the Department of Local Affairs, for grants and distributions to local governments impacted by mining activities. Of the revenues credited to the Severance Tax Trust Fund, 50.0 percent (or 25.0 percent of total severance tax revenues) are allocated to the Severance Tax Perpetual Base Fund, which is used by the Colorado Water Conservation Board for water construction projects. The other 50.0 percent of Severance Tax Trust Fund revenues (or 25.0 percent of total severance tax revenues) are allocated to the Severance Tax Operational Fund to fund programs that "promote and encourage sound natural resource planning, management, and development related to minerals, energy, geology, and water".

Severance tax revenues are highly variable. To manage this variability, H.B. 08-1398 divided programs funded from the Operational Fund into two tiers. The tier 1 programs primarily support the day-to-day operations of the Department of Natural Resources, including paying salaries for employees. The tier 2 programs primarily support grants, loans, research, and construction. The required reserve for tier 1 programs is equal to total appropriations for tier 1 programs in a given fiscal year. The required reserve for tier 2 programs is equal to 15.0 percent of the authorized expenditures for tier 2 programs for that year. The distribution of funding for tier 2 programs is staggered, with 40.0 percent released July 1, 30.0 percent released January 4, and the final 30.0 percent released April 1 of a given fiscal year.

Tier 2 programs are subject to proportional reductions if revenue projections indicate there are insufficient funds available to support authorized expenditures within a fiscal year. In FY 2012-13, Tier 2 programs absorbed \$10.1 million (28.4 percent) in proportional reductions from authorized levels. Anticipated revenues under the March 2013 Legislative Council Revenue Forecast will not support current appropriations and authorized expenditures in FY 2013-14 and would require a proportional reduction of \$2.2 million (6.2 percent) to Tier 2 programs, in addition to the use of the entire statutory tier 2 reserve.

<b>Operational Fund Summary</b>						
	<b>FY 08-09 Actual</b>	<b>FY 09-10 Actual</b>	<b>FY 10-11 Actual</b>	<b>FY 2011-12 Actual</b>	<b>FY 2012-13 Estimate*</b>	<b>FY 2013-14 Estimate*</b>
Beginning balance	\$46,588,101	\$68,073,848	\$31,181,533	\$18,439,558	\$24,676,873	\$12,846,821
Revenues	<u>81,052,610</u>	<u>10,119,342</u>	<u>35,446,371</u>	<u>50,041,905</u>	<u>27,627,502</u>	<u>46,956,830</u>
<b>Total available</b>	<b>\$127,640,711</b>	<b>\$78,193,190</b>	<b>\$66,627,904</b>	<b>\$68,481,463</b>	<b>\$52,304,375</b>	<b>\$59,803,651</b>
Tier 1 Programs	12,701,274	15,910,585	16,513,233	13,565,154	13,846,821	13,135,456
Tier 2 Programs <sup>/1</sup>	46,865,589	20,101,072	31,675,113	25,301,072	25,610,733	33,532,739
Transfer to GF	<u>0</u>	<u>11,000,000</u>	<u>0</u>	<u>3,950,000</u>	<u>0</u>	<u>0</u>
<b>Ending balance</b>	<b>\$68,073,848</b>	<b>\$31,181,533</b>	<b>\$18,439,558</b>	<b>\$25,665,237</b>	<b>\$12,846,821</b>	<b>\$13,135,456</b>
Reserve	19,731,112	18,925,746	21,268,394	17,360,315	18,209,482	18,498,117
Unobligated <sup>/2</sup>	48,342,736	12,255,787	(2,828,836)	8,304,922	(5,362,661)	(5,362,661)

<sup>/1</sup> Tier 2 spending in FY 2012-13 and FY 2013-14 is based on March 2013 Legislative Council Staff Revenue Forecast, and assumes the following proportional reductions to Tier 2 Programs: \$10.1 million in FY 2012-13 and \$2.2 million in FY 2013-14.

<sup>/2</sup> Negative "unobligated" fund balances indicate insufficient funds to support expenditures and required reserves.

## State Board of Land Commissioners

The State Board of Land Commissioners (State Land Board) manages properties in the Public School Trust to raise money for the benefit of K-12 education. The State Land Board also manages seven smaller trusts set up

in the Colorado Constitution or in statute. Approximately 98.0 percent of State Land Board revenue is attributable to the Public School Trust.

House Bill 08-1335 (known as the Building Excellent Schools Today or BEST act; see Section 22-43.7-104, C.R.S.) significantly changed the distribution of state public school land revenue. Fifty percent of the gross amount of income received during the fiscal year from state public school lands is deposited in the Public School Capital Construction Assistance (PSCCA) Fund for the BEST program. Of the remaining 50.0 percent, roughly \$10.0 million will support State Land Board operations and the Investment and Development Fund in FY 2013-14 and the remainder will be deposited into the Public School (Permanent) Fund.

<b>School Trust Revenue</b>					
	<b>FY07-08 Actual</b>	<b>FY08-09 Actual</b>	<b>FY09-10 Actual</b>	<b>FY10-11 Actual</b>	<b>FY11-12 Actual</b>
School Trust-Total Revenues	<u>\$69,495,847</u>	<u>\$74,023,629</u>	<u>\$66,361,923</u>	<u>\$120,557,802</u>	<u>\$144,738,002</u>
Mineral Rental	2,023,401	1,739,678	1,729,683	2,049,480	2,655,179
Mineral Royalties	47,130,818	54,521,085	34,169,303	42,210,215	48,815,542
Mineral Bonuses	5,974,830	3,806,001	14,880,486	62,649,071	78,406,236
Surface Rental	8,819,293	8,305,534	9,157,949	8,222,629	11,390,961
Commercial/Other	5,172,228	5,210,122	6,210,687	5,133,310	3,212,209
Land Sales	4,085	3,250	4,095	53,824	22,552
Interest and Penalties	315,960	381,501	209,720	239,273	235,323
Timber Sales	55,232	56,458	0	0	0

## Oil and Gas Activity

The Colorado Oil and Gas Conservation Commission (OGCC) is responsible for promoting the exploration, development, and conservation of Colorado's oil and natural gas resources. The level of oil and gas drilling activity impacts the OGCC's workload and necessary expenditures.

<b>Oil and Gas Conservation Commission Workload Measures</b>						
	<b>FY08-09 Actual</b>	<b>FY09-10 Actual</b>	<b>FY10-11 Actual</b>	<b>FY11-12 Actual</b>	<b>FY12-13 Estimate</b>	<b>FY13-14 Estimate</b>
<u>Workload Activity</u>						
Drilling Permits Received	6,923	5,278	4,883	4,542	4,300	4,300
Location Assessments (Form 2A) Received	67	2,119	2,302	1,884	1,850	1,850
Number of Active Wells	39,944	42,324	45,401	47,860	50,350	52,840
Active Drilling Rigs	87	46	67	72	65	65
OGCC Expenditures <sup>1</sup>	\$8,226,522	\$7,238,243	\$7,092,505	\$7,401,858	\$9,045,502	\$11,132,051
Total FTE	54.6	62.1	65.2	65.4	76.0	95.4

<sup>1</sup>Division-only expenditures include all fund sources; does not include centrally appropriated items funded in the Executive Director's Office. Expenditures for FY 2012-13 and FY 2013-14 reflect the appropriated amounts.

## Division of Parks and Wildlife

Senate Bill 11-208 merged the Division of Parks and Outdoor Recreation and the Division of Wildlife into a new division titled Division of Parks and Wildlife, effective July 1, 2011.

### State Parks

The State Parks sub-division manages 42 parks and several special purpose programs including the snowmobile program, the off-highway vehicle program, river outfitters regulation, federal grants, aquatic nuisance species control and prevention, and the distribution of trails grants.

The level of services at existing state parks as well as the acquisition and development of new parks' properties is driven by available funding sources. Workload, and some revenue, is driven by visitation. State Parks are estimated to have approximately 12.4 million visitors in FY 2013-14.

<b>State Parks Visitation</b>	<b>FY 2010-11 Actual</b>	<b>FY 2011-12 Actual</b>	<b>FY 2012-13 Estimate</b>	<b>FY 2013-14 Estimate</b>
State Parks Visitation	12,338,520	12,233,271	11,556,388	11,602,614
<i>Percent Change</i>	<i>n/a</i>	<i>-0.9%</i>	<i>(5.5%)</i>	<i>0.4%</i>

Revenues for State Parks include fees, lottery funds, and other state and federal funds. For FY 2012-13, State Parks is estimated to receive \$59.3 million in total revenue. Of this amount, a total of \$26.1 million is estimated to come from park passes and entry fees, permits and user fees, and various other fees; \$21.3 million from Lottery and Great Outdoors Colorado (GOCO) funds; \$4.4 million from severance tax funding; \$4.2 million from federal funds; and \$3.3 million from interest income and other revenues.

<b>State Park Revenues</b>				
	<b>FY 2010-11 Actual</b>	<b>FY 2011-12 Actual</b>	<b>FY 2012-13 Estimate</b>	<b>FY 2013-14 Estimate</b>
Lottery 10 % Distribution	\$11,336,100	\$12,354,087	\$12,500,000	\$13,000,000
GOCO Parks Grants	11,272,557	10,000,000	11,948,198	13,572,679
Parks Passes and Entry Fees	11,421,860	11,397,646	12,000,000	12,100,000
Permits and User Fees	8,330,543	8,628,471	8,319,960	8,407,988
State Funds (Severance Tax and Species Conservation Trust Fund)	7,795,775	5,386,180	5,529,057	5,452,229
Federal Funds	6,127,566	3,814,383	4,995,488	4,746,366
Registration Fees - Other	5,058,151	5,115,783	5,122,199	5,129,368
Registration Fees - Boats	3,400,940	3,441,330	3,441,330	3,441,330
General Fund	2,286,833	0	0	0
Other <sup>1</sup>	<u>3,284,526</u>	<u>2,921,463</u>	<u>3,300,000</u>	<u>3,300,000</u>
<b>Total State Parks Revenues</b>	<b>\$70,314,851</b>	<b>\$63,059,343</b>	<b>\$67,156,232</b>	<b>\$69,149,960</b>

<sup>1</sup> Includes sales of goods, services, and assets; interest income; donations; and other various revenues.

### Great Outdoors Colorado (GOCO) Board Grants

This section provides information on grants awarded by GOCO to the Division of Parks and Wildlife. GOCO also makes grants to local governments and for open space that are not reflected in the state budget. Pursuant to Article XXVII of the Colorado Constitution, GOCO grants are not subject to legislative appropriation authority

and thus are reflected for information only. The GOCO grants to State Parks are used for developing new parks (capital) as well as enhancing and maintaining existing parks (operating). The GOCO grants to Wildlife are used for species protection, habitat development, watchable wildlife, and wildlife education.

<b>Great Outdoors Colorado (GOCO) Board Grants</b>				
	<b>FY 2010-11 Award</b>	<b>FY 2011-12 Award</b>	<b>FY 2012-13 Award</b>	<b>FY 2013-14 Estimate</b>
Parks Capital Budget	\$4,399,360	\$2,047,548	\$17,480,503	\$12,387,381
Parks Operating Budget	<u>4,998,382</u>	<u>4,459,207</u>	<u>4,710,000</u>	<u>4,710,000</u>
Total GOCO Grants to State Parks	\$9,397,742	\$6,506,755	\$22,190,503	\$17,097,381
Wildlife Base Capital Budget	\$2,494,966	\$2,528,173	\$2,327,000	\$2,327,000
Wildlife Additional Capital Budget	10,000,000	8,300,000	7,300,000	3,200,000
Wildlife Operating Budget	<u>6,300,000</u>	<u>6,273,000</u>	<u>6,273,000</u>	<u>6,273,000</u>
Total Grants to Wildlife	\$18,794,966	\$17,101,173	\$15,900,000	\$11,800,000

### **Wildlife**

The Wildlife sub-division manages the state's 960 game and non-game wildlife species by issuing fishing and hunting licenses, enforcing wildlife regulations, protecting habitat and native wildlife populations, and managing approximately 1,500,000 acres including 352 state wildlife areas. Funding for the Wildlife sub-division is a mixture of cash funds from license fees, federal funds, Great Outdoors Colorado funds, and various other sources. Hunting and fishing license sales, approximately 2.3 million in FY 2012-13, provide more than half of the funding for wildlife. Approximately 68.8 percent of total hunting and fishing license sales are from big game species (mainly elk and deer), and about half of all revenues from hunting and fishing license sales come from the sale of non-resident big game hunting licenses. The table below shows Wildlife revenues by category.

<b>Wildlife Revenues</b>				
	<b>FY 2010-11 Actual</b>	<b>FY 2011-12 Actual</b>	<b>FY 2012-13 Estimate</b>	<b>FY 2013-14 Estimate</b>
Big Game Hunting <sup>1</sup>	\$50,805,076	\$48,939,062	\$50,102,911	\$51,299,570
Small Game Hunting	1,681,489	1,389,963	1,389,963	1,389,963
Fishing	13,419,193	12,196,964	12,196,964	12,196,964
Habitat Stamp	5,465,205	6,563,936	6,563,936	6,563,936
Other Licenses <sup>2</sup>	<u>3,674,460</u>	<u>3,529,326</u>	<u>3,529,326</u>	<u>3,529,326</u>
<b>Subtotal: License Revenues by Species</b>	<b>\$75,045,423</b>	<b>\$72,619,251</b>	<b>\$73,783,100</b>	<b>\$74,979,759</b>
Federal Funds	21,739,604	25,327,035	24,120,415	24,638,515
Great Outdoors Colorado Grants	22,053,229	13,651,460	18,000,000	11,800,000
State Funds (Severance Tax and Species Conservation Trust Fund)	3,613,570	2,907,019	2,887,451	2,868,177
Other License Revenues <sup>3</sup>	1,525,284	3,337,366	3,337,366	3,337,366

<b>Wildlife Revenues</b>				
	<b>FY 2010-11 Actual</b>	<b>FY 2011-12 Actual</b>	<b>FY 2012-13 Estimate</b>	<b>FY 2013-14 Estimate</b>
Wildlife Management Surcharge	865,302	905,935	905,935	905,935
Other <sup>/4</sup>	<u>3,865,276</u>	<u>3,708,483</u>	<u>3,832,276</u>	<u>3,832,276</u>
<b>Total Wildlife Revenues</b>	<b>\$128,707,688</b>	<b>\$122,456,549</b>	<b>\$126,866,543</b>	<b>\$122,362,028</b>

<sup>/1</sup> Big Game Hunting includes Elk, Deer, Pronghorn, Bear, Sheep, Goat, Lion, Moose, and Desert Sheep.

<sup>/2</sup> Other Licenses includes combination, turkey, and miscellaneous (include non-resident off-highway vehicle permits and hunter education card replacements).

<sup>/3</sup> Limited license application fees, hunter education cards, and landowner and preference point fees.

<sup>/4</sup> Includes goods sold, rent, fines, interest, donations, and other grants.

## **Division of Water Resources (State Engineer's Office)**

The Division of Water Resources (DWR) is responsible for the supervision and control of water resources in the state of Colorado (Section 37-80-102 (1) (h), C.R.S.), which includes administration and operation of over 157,000 surface and ground water rights. This includes daily oversight of water allocation to farmers, industries, municipalities, and all other water users within the state. This allocation system is performed in accordance with the Doctrine of Prior Appropriation (i.e., those that put the water to use first are entitled to get their water first during periods of water shortage), Colorado Supreme Court decisions, water court decrees, and rules and regulations issued by the State Engineer. The DWR has contractual water delivery obligations for each of its nine compacts, two United States Supreme Court decrees, and interstate water allocation agreements.

The DWR also safeguards the public health of the people of Colorado and protects the ground water in Colorado by setting and enforcing minimum standards through permit applications and inspections for the construction and repair of wells. The DWR oversees approximately 319,000 permitted and decreed wells. Additionally, the dam safety program protects public safety through the regulation of approximately 1,850 dams, including 538 dam inspections annually. The DWR staff also maintains 552 stream flow, ditch and reservoir gages used for administration of water rights and reservoir operations. In order to accomplish these and other work duties, the DWR staff drives approximately 1.7 million miles annually.

## **Colorado Water Conservation Board Construction Fund**

The Colorado Water Conservation Board (CWCB) Construction Fund, created in Section 37-60-121 (1) (a), C.R.S., provides loans and grants for projects that will increase the beneficial consumptive use of Colorado's undeveloped compact entitled waters. Section 37-60-121 (1) (b) (IV), C.R.S., instructs the Colorado Water Conservation Board (CWCB) to participate in only those projects that can repay the CWCB's investment, unless specifically authorized by the legislature through a bill. Section 37-60-122 (1) (b), C.R.S., authorizes the CWCB to make loans without General Assembly approval in amounts not to exceed ten million dollars, and the unappropriated balance of moneys in the CWCB Construction Fund and the Severance Tax Perpetual Base Fund are continuously appropriated for this purpose. The CWCB Construction Fund receives revenues from the return of principal and interest on outstanding loans, interest earned on the cash balance of the Fund through investments by the State Treasurer, transfers from the Severance Tax Perpetual Base Fund, and federal mineral lease (FML) fund distributions (10.0 percent of non-bonus FML revenue, up to a statutory cap that grows by four percent). For FY 2013-14, S.B. 13-181 appropriates \$32,340,000 cash funds from the Colorado Water Conservation Board (CWCB) Construction Fund to the Department of Natural Resources in FY 2013-14 for various water-related projects. S.B. 13-181 also increases the transfers from the Severance Tax Perpetual Base Fund to the CWCB Construction Fund for the Chatfield Reservoir Reallocation Project from thirteen million to sixty-two million over four fiscal years (FY 2012-13, FY 2013-14, and FY 2015-16); transfers \$2.0 million in



FY 2013-14 from the Severance Tax Perpetual Base Fund to the CWCB Construction Fund for the Windy Gap Reservoir Bypass project; and transfers \$300,000 in FY 2013-14 from the CWCB Construction Fund to the Flood and Drought Response Fund. The CWCB Construction Fund also pays for the administrative expenses of the CWCB.

<b>Colorado Water Conservation Board Construction Fund</b> <b>Cash Flow Summary Report Based on March 2013 Legislative Council Staff Revenue Estimate</b>				
	<b>FY 2010-11</b>	<b>FY 2011-12</b>	<b>FY 2012-13</b>	<b>FY 2013-14</b>
	<b>Actual</b>	<b>Actual</b>	<b>Estimate</b>	<b>Estimate</b>
Interest (Loans, Treasury, Miscellaneous)	\$12,331,782	\$10,093,843	\$9,164,580	\$8,996,681
Federal Mineral Lease (FML) Revenues	14,722,345	15,748,096	13,462,040	15,776,342
Other Revenues (including pass-through)	9,622,128	9,880,027	3,904,615	4,594,238
Animas-La Plata Project	12,000,000	12,000,000	12,000,000	0
Rio Grande Cooperative Project	0	0	15,000,000	15,000,000
Chatfield Reservoir Reallocation Project	0	0	5,000,000	28,000,000
<b>Total Revenues</b>	<b>\$48,676,255</b>	<b>\$47,721,966</b>	<b>\$58,531,235</b>	<b>\$72,367,261</b>
CWCB Operating Costs	10,523,242	8,477,462	7,301,572	7,629,493
Non-Reimbursable Expenditures	3,314,720	6,001,119	4,359,546	3,965,000
Transfer to Other CWCB Funds	2,480,277	841,882	278,039	900,000
Water Supply Reserve Account and Other Pass-Through	4,883,119	3,473,078	0	0
Windy Gap Reservoir Bypass Channel	0	0	0	2,000,000
Animas-La Plata Project Expenditure	0	12,000,000	23,899,210	30,790
Rio Grande Cooperative Project Expense	0	0	5,000,000	0
<b>Total Expenditures</b>	<b>\$21,201,358</b>	<b>\$30,793,541</b>	<b>\$40,838,367</b>	<b>\$14,525,283</b>
<b>Net Cash Flow</b>	<b>\$27,474,897</b>	<b>\$16,928,425</b>	<b>\$17,692,868</b>	<b>\$57,841,978</b>

<b>Colorado Water Conservation Board Construction Fund</b> <b>Fund Balance Report Based on March 2013 Legislative Council Staff Revenue Estimate</b>				
	<b>FY 2010-11</b>	<b>FY 2011-12</b>	<b>FY 2012-13</b>	<b>FY 2013-14</b>
	<b>Actual</b>	<b>Actual</b>	<b>Estimate</b>	<b>Estimate</b>
Net Cash Assets <u>Less</u> Loan and Non-Reimbursable Obligations	\$41,202,668	\$66,076,312	\$70,933,539	\$44,213,993
Estimated New Project Loans	n/a	n/a	\$36,707,671	\$52,578,550

### Perpetual Base Account of the Severance Tax Trust Fund

The Severance Tax Trust Fund Perpetual Base Account, authorized in Section 39-29-109 (2) (a), C.R.S., is used for purposes similar to the CWCB Construction Fund. Specifically, this account is used to fund directly or provide loans for construction, rehabilitation, enlargement, or improvement of water projects. The Perpetual Base Account receives half of receipts to the Severance Tax Trust Fund (one fourth of all severance tax income). This fund is a revolving loan account, and as such no permanent programs depend on this fund.

<b>Perpetual Base Account of the Severance Tax Trust Fund</b> <b>Cash Flow Summary Report Based on March 2013 Legislative Council Staff Revenue Estimate</b>				
	<b>FY 2010-11 Actual</b>	<b>FY 2011-12 Actual</b>	<b>FY 2012-13 Estimate</b>	<b>FY 2013-14 Estimate</b>
Severance Tax Revenues	\$35,005,279	\$49,859,296	\$27,837,575	\$47,189,665
Interest (Loans and Treasury)	<u>6,538,389</u>	<u>6,738,136</u>	<u>7,594,698</u>	<u>6,718,067</u>
<b>Total Revenues</b>	<b>\$41,543,668</b>	<b>\$56,597,432</b>	<b>\$35,432,273</b>	<b>\$53,907,732</b>
Animas-La Plata Project Transfer	12,000,000	12,000,000	12,000,000	0
General Fund Transfers	16,000,000	48,100,000	0	0
Agriculture Emergency Drought Grants	0	0	1,000,000	1,000,000
Rio Grande Cooperative Project	0	0	15,000,000	15,000,000
Chatfield Reservoir Reallocation Project	0	0	5,000,000	28,000,000
Windy Gap Reservoir Bypass Channel	0	0	0	2,000,000
Governor's Energy Office	<u>0</u>	<u>67,843</u>	<u>0</u>	<u>0</u>
<b>Total Expenditures</b>	<b>\$28,000,000</b>	<b>\$60,167,843</b>	<b>\$33,000,000</b>	<b>\$46,000,000</b>
<b>Net Cash Flow</b>	<b>\$13,543,668</b>	<b>(\$3,570,411)</b>	<b>\$2,432,273</b>	<b>\$7,907,732</b>

<b>Perpetual Base Account of the Severance Tax Trust Fund</b> <b>Fund Balance Report</b>				
	<b>FY 2010-11 Actual</b>	<b>FY 2011-12 Actual</b>	<b>FY 2012-13 Estimate</b>	<b>FY 2013-14 Estimate</b>
Net Cash Assets <u>Less</u> Loan and Non-Reimbursable Obligations	\$22,321,041	\$48,423,975	\$48,856,248	\$11,763,979
New Project Loans	n/a	n/a	\$2,000,000	\$45,000,000

## Appropriation Highlights – 2013 Legislative Session

<b>Department of Natural Resources</b>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2012-13 Appropriation:</b>						
HB 12-1335	\$229,122,404	\$23,512,116	\$176,229,214	\$8,636,648	\$20,744,426	1,464.1
SB 12-009	0	0	0	0	0	0.0
HB 12-1246	228,047	228,047	0	0	0	0.0
HB 12-1278	910,900	0	910,900	0	0	0.0
HB 12-1317	(18,055)	0	(18,055)	0	0	0.0
HB 12-1330	23,419	0	23,419	0	0	0.0
HB 12-1349	4,000,000	0	4,000,000	0	0	0.0
SB 12S-002	28,350,857	0	28,350,857	0	0	0.0
SB 13-098	<u>160,389</u>	<u>28,120</u>	<u>123,527</u>	<u>4,886</u>	<u>3,856</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$262,777,961</b>	<b>\$23,768,283</b>	<b>\$209,619,862</b>	<b>\$8,641,534</b>	<b>\$20,748,282</b>	<b>1,464.1</b>

<b>Department of Natural Resources</b>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2013-14 Appropriation:</b>						
FY 2012-13 Appropriation	\$262,777,961	\$23,768,283	\$209,619,862	\$8,641,534	\$20,748,282	1,464.1
Centrally appropriated line items	7,709,600	1,967,161	6,168,724	(566,582)	140,297	0.0
Wildlife refinance	5,626,760	0	(3,000,000)	0	8,626,760	0.0
OGCC compliance staff	1,991,453	0	1,991,453	0	0	19.4
Statewide IT common policy adjustments	871,146	476,861	639,794	(198,025)	(47,484)	0.0
Indirect cost assessment	678,605	0	633,184	0	45,421	0.0
Wildlife youth hunting and fishing	500,000	500,000	0	0	0	0.0
Land Board business initiatives	287,317	0	287,317	0	0	2.0
Legal services	123,600	0	123,600	0	0	0.0
Satellite monitoring system	100,000	0	100,000	0	0	0.0
Land Board minerals coordinator	62,419	0	62,419	0	0	1.0
Leased space	58,844	985	54,286	0	3,573	0.0
Fund source adjustment	27,000	(1,478,615)	0	1,478,615	27,000	0.0
Annualize prior year funding	(33,698,177)	(256,167)	(33,433,268)	(4,886)	(3,856)	0.0
Transfer Geological Survey	(4,537,544)	0	(3,000,480)	(576,345)	(960,719)	(25.7)
Parks and Wildlife merger cost savings	(1,571,960)	0	(1,571,960)	0	0	(22.0)
<b>SB 13-230</b>	<b>\$241,007,024</b>	<b>\$24,978,508</b>	<b>\$178,674,931</b>	<b>\$8,774,311</b>	<b>\$28,579,274</b>	<b>1,438.8</b>
SB 13-181	32,340,000	0	32,340,000	0	0	0.0
SB 13-188	51,800	0	51,800	0	0	0.0
SB 13-202	100,000	0	100,000	0	0	0.0
HB 13-1278	10,417	0	10,417	0	0	0.0
HB 13-1283	<u>4,000,000</u>	<u>0</u>	<u>4,000,000</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$277,509,241</b>	<b>\$24,978,508</b>	<b>\$215,177,148</b>	<b>\$8,774,311</b>	<b>\$28,579,274</b>	<b>1,438.8</b>
<b>Increase/(Decrease)</b>	\$14,731,280	\$1,210,225	\$5,557,286	\$132,777	\$7,830,992	(25.3)
Percentage Change	5.6%	5.1%	2.7%	1.5%	37.7%	(1.7%)

### **FY 2012-13 Appropriation - Mid-year Adjustments**

Senate Bill 13-098 modifies the FY 2012-13 appropriations for the purchase of services from the computer center and payments to risk management and property funds, and makes funding adjustments in the Division of Parks and Wildlife and the Water Resources Division for services provided by the Governor's Office of Information Technology.

## **FY 2013-14 Appropriation Highlights**

**Centrally appropriated line items:** The appropriation includes adjustments to centrally appropriated line items for the following: state contributions for health, life, and dental benefits; short-term disability; supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund; salary survey; merit pay; workers' compensation; legal services; payment to risk management and property funds; vehicle lease payments; and Capitol complex leased space.

**Wildlife refinance:** The appropriation provides an increase of \$5.6 total funds mainly for transparency purposes to show actual expenditures of federal funds.

**OGCC compliance staff:** The appropriation includes an increase of \$2.0 million cash funds from the Oil and Gas Conservation and Environmental Response Fund and 19.4 FTE to improve the Oil and Gas Conservation Commission's compliance operations, including the following estimated increases in FTE: 11.0 field inspectors, 5.0 environmental protection specialists, 3.0 engineers, and 0.4 information technology staff.

**Statewide IT common policy adjustments:** The appropriation includes adjustments to line items appropriated for: purchase of services from the computer center; Colorado state network; management and administration of the Governor's Office of Information Technology (OIT); communication services payments; information technology security; and COFRS modernization.

**Indirect cost assessment:** The appropriation includes a net increase in the division's indirect cost assessment.

**Wildlife youth hunting and fishing:** The appropriation provides \$500,000 General Fund for wildlife youth hunting and fishing programs.

**Land Board business initiatives:** The appropriation includes a total of \$287,317 cash funds from State Land Board Trust Administration Fund and 2.0 FTE to support the State Land Board's efforts to diversify trust revenue sources by creating or expanding new lines of business on State Land Board lands, including an additional emphasis on recreation, solid minerals, renewable energy, and ecosystem services.

**Legal services:** The appropriation provides \$123,600 cash funds for additional legal services hours associated with increased workload in the Division of Parks and Wildlife and the Oil and Gas Conservation Commission.

**Satellite monitoring system:** The appropriation includes \$100,000 cash funds from the Satellite Monitoring System Cash Fund for satellite monitoring system maintenance and improvements.

**Land Board minerals coordinator:** The appropriation includes a total of \$62,419 cash funds from State Land Board Trust Administration Fund and 1.0 FTE to address an increasing workload associated with oil and gas development on State Land Board lands.

**Leased space:** The appropriation provides \$58,844 total funds for leased space adjustments.

**Fund source adjustment:** The appropriation includes various funding source adjustments.

**Annualize prior year funding:** The appropriation includes adjustments related to prior year legislation and budget actions. In particular, the bill: (a) eliminates \$28,350,857 cash funds from the CWCB Construction Fund for one-time funding through S.B. 12S-002 (Colorado Water Conservation Board Projects), (b) eliminates \$4,000,000 cash funds from the Species Conservation Trust Fund for one-time funding provided through H.B. 12-1349 (Species Conservation Trust Fund); (c) eliminates \$910,900 cash funds from the CWCB Construction Fund for one-time funding through H.B. 12-1278 (South Platte Groundwater Study); and (d) reduces \$436,420 total funds to annualize various other budget actions.

**Transfer Geological Survey:** Pursuant to H.B. 12-1355 and H.B. 13-1057, the appropriation eliminates the Colorado Geological Survey as a division within the Department of Natural Resources. House Bill 12-1355 transferred the functions of the Colorado Geological Survey to the Colorado School of Mines, effective January 31, 2013. House Bill 13-1057 retains the Colorado Avalanche Information Center (CAIC, formerly a part of the Colorado Geological Survey) within the Department of Natural Resources, but moves the CAIC to the Executive Director's Office.

**Parks and Wildlife merger cost savings:** The appropriation reduces \$1.6 million cash funds and 22.0 FTE to capture savings identified by the Department as a result of the merger of the Division of Parks and Wildlife. The reductions are in the Executive Director's Office for centrally appropriated line items and in the Division of Parks and Wildlife.

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

# DEPARTMENT OF PERSONNEL

The Department of Personnel is responsible for administering the state personnel system, which includes approximately 30,800 full-time-equivalent (FTE) employees, excluding the Department of Higher Education. The Department's responsibilities pertaining to the personnel system include developing the annual employee compensation plan, administering personnel policies for classified employees, administering the state's employee group benefit plans such as health, life, and dental insurance, as well as short-term disability insurance, and providing support to the State Personnel Board, which is responsible for ensuring compliance with the state personnel system as authorized in Sections 13 through 15 of Article XII of the Colorado Constitution. The Department also provides general support services for state agencies such as administering the state's procurement policies, maintaining the state archives and public records, maintaining the buildings in the capitol complex, providing mail services for state agencies, providing document handling services such as printing and copying, administering the state's motor vehicle fleet, and providing administrative law judge services.

## Department Budget: Recent Appropriations

Funding Source	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14
General Fund	\$5,104,155	\$4,118,272	\$6,603,153	\$9,131,974
Cash Funds	10,654,935	11,790,909	12,565,917	13,628,813
Reappropriated Funds	145,004,592	141,948,754	145,017,102	151,445,199
Federal Funds	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Total Funds</b>	<b>\$160,763,682</b>	<b>\$157,857,935</b>	<b>\$164,186,172</b>	<b>\$174,205,986</b>
Full Time Equiv. Staff	391.3	394.3	396.9	392.6

## General Factors Driving the Budget

Funding for this department consists of 5.2 percent General Fund, 7.8 percent cash funds, and 86.9 percent reappropriated funds. The primary source of reappropriated funds is user fees transferred from other agencies for the provision of statewide services. Some of the major factors driving the Department's budget are discussed below.

### Number of State Employees

The Department administers the state's programs related to employee compensation and benefits. Statewide expenditures for these programs are driven by the number of employees, the percentage of employees who choose to participate in optional benefit plans, and the Department's contracts with the benefit providers. The following table shows the number of FTE appropriated statewide, excluding all employees in the Department of Higher Education.

<b>State Employees (excluding Department of Higher Education Employees)</b>								
	FY 06-07	FY 07-08	FY 08-09	FY 09-10	FY 10-11	FY 11-12	FY 12-13	FY 13-14
Total FTE	29,106.7	30,211.0	31,142.5	31,070.5	31,466.9	30,657.3	30,559.8	30,787.2

The Department's Executive Director serves as the State Personnel Director, and pursuant to Section 24-50-104 (4) (c), C.R.S., submits to the Governor and the Joint Budget Committee of the General Assembly, annual recommendations and estimated costs for salaries and group benefit plans for state employees. The Department did not recommend, nor did the General Assembly fund, salary increases or performance-based pay for FY 2009-10, FY 2010-11, FY 2011-12, or FY 2012-13.

For FY 2013-14, salary survey line items total \$48.1 million statewide, including \$23.7 million General Fund, and provide for a 2.0 percent across-the-board pay increase plus adjustments to bring staff to the pay range minimum of revised pay ranges for selected job classifications. In addition, the salary survey line items increase the salaries for attorneys who are employed by the Department of Law and the Office of the State Public Defender's Office to a level competitive with Colorado public sector attorney compensation practices.

For FY 2013-14, the merit pay line items total \$21.4 million statewide, including \$11.4 million General Fund, and provide funding for raises according to a formula that rewards performance, but also gives greater percentage increases to employees at the lower end of the pay range. The executive branch describes the weighted average merit increase for employees as 1.6 percent, but because the largest percentage increases are applied to salaries at the lowest end of the pay range, the total dollar increase on the base salary assumptions is 1.5 percent state-wide.

## State Fleet Program

Pursuant to Section 24-30-1104 (2) (a), C.R.S., the Division of Central Services administers the state's fleet management program, which purchases vehicles, manages maintenance and repairs, manages the fleet, auctions older vehicles, and manages the state motor pool. The Department acquires private-sector financing for new or replacement vehicles. The leases range from 72 and 120 months, with the exception of State Patrol vehicles, whose leases are for 48 months. Departments are assessed an average vehicle management fee of \$35 per vehicle, per month, to fund the fleet management program's overhead costs. Many of the institutions of Higher Education manage their own vehicle fleets, and this data is not reflected as a part of the Department's totals.

<b>Fleet Management Program</b>						
	FY 08-09 Actual	FY 09-10 Actual	FY 10-11 Actual	FY 11-12 Actual	FY 12-13 Approp.	FY 13-14 Approp.
Total Fleet Management Cost	\$32,744,689	\$31,924,920	\$36,549,682	\$39,069,420	\$42,834,398	\$44,845,691
Fleet Vehicles	5,800	5,817	5,903	5,912	5,912	5,932

## Risk Management

The state's Risk Management Program provides insurance coverage to departments and state agencies for workers' compensation and property and liability insurance. The state is self-insured for workers' compensation and liability, and purchases property insurance from a commercial insurer. Appropriations and allocations to state agencies for risk management coverage are calculated using actuarially-determined prospective claims losses. The larger higher education institutions administer their own risk management programs, and for those programs, funds are not included in the following table.



Statewide Risk Management Services - Premiums and Administrative Expenses						
	FY 2008-09 Actual	FY 2009-10 Actual	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Approp.	FY 2013-14 Approp.
Workers' Comp. Premiums	\$36,202,845	\$40,945,315	\$35,441,933	\$33,565,516	\$38,808,757	\$41,120,820
Property Premiums	7,997,934	8,121,258	7,881,786	7,824,968	8,698,417	7,984,015
Liability Premiums	6,435,247	4,705,904	5,090,471	4,831,358	7,446,986	4,883,840
Liability Legal Services	<u>2,325,703</u>	<u>2,209,469</u>	<u>2,442,448</u>	<u>2,383,902</u>	<u>2,461,185</u>	<u>3,056,460</u>
<b>TOTAL Premiums &amp; Legal</b>	<b>\$52,961,729</b>	<b>\$55,981,946</b>	<b>\$50,856,638</b>	<b>\$48,605,744</b>	<b>\$57,415,345</b>	<b>\$57,045,135</b>
Additional Payments from State Claims Board <sup>/1</sup>	n/a	n/a	n/a	n/a	n/a	2,835,738
Workers' Comp. TPA Fees and Loss Control <sup>/2</sup>	n/a	n/a	n/a	n/a	n/a	2,200,000
Risk Management Services Administrative Expense <sup>/3</sup>	<u>823,937</u>	<u>754,886</u>	<u>888,064</u>	<u>875,926</u>	<u>874,161</u>	<u>1,328,047</u>
<b>TOTAL Program Management</b>	<b><u>\$823,937</u></b>	<b><u>\$754,886</u></b>	<b><u>\$888,064</u></b>	<b><u>\$875,926</u></b>	<b><u>\$874,161</u></b>	<b><u>\$3,528,047</u></b>
<b>TOTAL Risk Management</b>	<b>\$53,785,666</b>	<b>\$56,736,832</b>	<b>\$51,744,702</b>	<b>\$49,481,670</b>	<b>\$58,289,506</b>	<b>\$63,408,920</b>
Program Mgt. Exp. Percentage	1.5%	1.3%	1.7%	1.8%	1.5%	5.6%

<sup>/1</sup> Provides General Fund as a source for the purposes provided in Section 24-10-114 (5) (b), C.R.S., rather than from billings to state agencies as funding for Risk Management Programs is otherwise structured in statute.

<sup>/2</sup> Provides funding for the State's Workers' Compensation Third Party Administrator, Broadspire, and the Department's loss control initiatives and is included in calculating the program management expenses percentage of Risk Management. Prior to the 2013 Long Bill, these expenses were commingled in the *Workers' Compensation Premiums* line item.

<sup>/3</sup> Prior to the 2013 Long Bill certain administrative or program management expenses were commingled within the funding for all three Risk Management Program *Premiums* line items. These funds are now identified in the Risk Management Program Administrative Cost section of the Risk Management Services subdivision.

## Appropriation Highlights – 2013 Legislative Session

Department of Personnel						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2012-13 Appropriation:						
HB 12-1335	\$160,064,533	\$6,639,194	\$11,997,536	\$141,427,803	\$0	395.4
SB 12-150	(42,961)	(42,961)	0	0	0	(0.5)
SB 13-099	<u>4,164,600</u>	<u>6,920</u>	<u>568,381</u>	<u>3,589,299</u>	<u>0</u>	<u>2.0</u>
TOTAL	\$164,186,172	\$6,603,153	\$12,565,917	\$145,017,102	\$0	396.9

Department of Personnel						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2013-14 Appropriation:</b>						
FY 2012-13 Appropriation	\$164,186,172	\$6,603,153	\$12,565,917	\$145,017,102	\$0	396.9
Operating common policy base adjustments	3,570,243	0	0	3,570,243	0	0.0
Centrally appropriated line items	2,604,810	137,756	305,662	2,161,392	0	0.0
Fleet	2,328,041	0	0	2,328,041	0	0.0
Resources for COFRS II e-procurement	1,541,184	0	1,541,184	0	0	3.0
Statewide IT common policy adjustments	1,395,058	317,276	36,100	1,041,682	0	0.0
Capitol complex building upgrade	803,111	0	0	803,111	0	0.0
Indirect cost assessment	732,917	0	(97,476)	830,393	0	0.0
Employee engagement survey	215,000	215,000	0	0	0	0.0
Central contracts unit resources	175,596	175,596	0	0	0	1.8
Preservation of historical records at State Archives	63,751	63,751	0	0	0	0.9
Capitol complex leased space true-up	44,540	0	0	44,540	0	0.0
Fund source adjustment	0	(1,641,490)	833,064	808,426	0	0.0
Annualize prior year funding	(4,877,537)	(6,920)	(868,381)	(4,002,236)	0	(2.0)
Operating adjustments	(2,508,306)	(196,765)	(1,942,930)	(368,611)	0	0.0
Tax document processing pipeline efficiencies	(168,226)	0	0	(168,226)	0	(7.2)
Informational funds adjustment	(4,680)	0	(4,680)	0	0	0.0
Other	18,288	0	0	18,288	0	0.0
<b>SB 13-230</b>	<b>\$172,942,077</b>	<b>\$9,154,163</b>	<b>\$12,354,837</b>	<b>\$151,433,077</b>	<b>\$0</b>	<b>393.4</b>
SB 13-200	12,122	0	0	12,122	0	0.0
SB 13-276	1,173,976	0	1,173,976	0	0	0.0
SB 13-285	100,000	0	100,000	0	0	0.0
HB 13-1286	(58,777)	(\$58,777)	0	0	0	(0.8)
HB 13-1292	<u>36,588</u>	<u>\$36,588</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$174,205,986</b>	<b>\$9,131,974</b>	<b>\$13,628,813</b>	<b>\$151,445,199</b>	<b>\$0</b>	<b>392.6</b>
<b>Increase/(Decrease)</b>	\$10,019,814	\$2,528,821	\$1,062,896	\$6,428,097	\$0	(4.3)
Percentage Change	6.1%	38.3%	8.5%	4.4%	n/a	(1.1%)

## **FY 2012-13 Appropriation - Mid-year Adjustments**

Senate Bill 13-099 provides supplemental appropriations including: \$2.8 million for billings to state agencies for the Liability Program in Risk Management Services; \$800,000 reappropriated funds for energy contracts and accurately account for equipment rebates related to capitol complex maintenance; 2.0 FTE and \$566,000 cash funds for implementation of the e-Procurement system; and \$25,000 total funds for the Department's share of the Liability Program's supplemental.

## **FY 2013-14 Appropriation Highlights**

**Operating common policy base adjustments:** The appropriation includes an increase for operating common policy base adjustments for the risk management programs comprised of workers' compensation, liability, and property and an increase in the Facilities Maintenance – Capitol Complex program's operating common policy base adjustments.

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

**Fleet:** The appropriation includes an increase in reappropriated funds for vehicle lease/purchase payments for state agencies.

**Resources for COFRS II e-procurement:** The appropriation includes an increase in cash funds spending authority for implementation of the e-procurement system with COFRS II.

**Statewide IT common policy adjustments:** The appropriation includes adjustments to line items appropriated for: purchase of services from the computer center; Colorado state network; management and administration of the Governor's Office of Information Technology (OIT); communication services payments, information technology security, and COFRS modernization.

**Capitol complex building upgrade:** The appropriation includes an increase in reappropriated funds for the Capitol Complex building upgrade, repair, and replacement.

**Indirect cost assessment:** The appropriation includes a net increase in the Department's indirect cost assessments, including a \$536,000 reappropriated funds decrease for Integrated Document Solutions, a \$317,000 reappropriated funds decrease for Fleet Management, and a \$1.6 million reappropriated funds increase for Facilities Maintenance – Capitol Complex.

**Employee engagement survey:** The appropriation includes a \$215,000 General Fund increase for a state employee engagement survey.

**Central contracts unit resources:** The appropriation includes an increase of General Fund and 1.8 FTE for the Central Contracts Unit in the Office of the State Controller.

**Preservation of historical records at State Archives:** The appropriation includes an increase of \$63,751 General Fund and 0.9 FTE for a preservation archivist for the Colorado State Archives.

**Capitol complex leased space true-up:** The appropriation includes an increase of spending authority to recognize full revenue and expenses related to utility rebates.

**Fund source adjustment:** The appropriation includes an increase in cash and reappropriated funds offset by a decrease in General Fund.

**Annualize prior year funding:** The appropriation includes adjustments related to prior year legislation and budget actions.

**Operating adjustments:** The appropriation includes a decrease of \$604,170 total funds, including a decrease of \$196,765 General Fund, for vacating leased space mid-year.

**Tax document processing pipeline efficiencies:** The appropriation includes a decrease of reappropriated funds and 7.2 FTE attributable to tax document processing pipeline efficiencies.

**Informational funds adjustment:** The appropriation includes a decrease of \$4,680 cash funds for the Supplemental State Contribution Fund which is funded by tobacco moneys and reflected in the Long Bill for informational purposes.

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

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

# DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT

The Department of Public Health and Environment consists of the following eleven divisions:

1) Administration and Support

- Provides department-wide administrative services;
- Houses the *Health Disparities Program*, which provides grants for health initiatives aimed at reducing and eliminating disparities currently existing in the provision of health services across the state; and
- Houses the *Office of Planning and Partnerships* which oversees the distribution of state funds to local public health agencies.

2) Center for Health and Environmental Information

- Maintains a database of all Colorado births, deaths, marriages, and divorces;
- Provides birth and death certificates;
- Gathers and analyzes health data for use by public and private agencies; and
- Operates the Medical Marijuana Registry.

3) Laboratory Services

- Provides testing, analysis, results, and reporting of laboratory tests on specimens and samples submitted by other divisions, departments, and private clients.

4) Air Pollution Control Division

- Performs statewide air monitoring, pollutant analysis, and air emission modeling;
- Researches the causes and effects of pollution from mobile vehicles and implements strategies aimed at reducing emissions from mobile sources; and
- Permits, monitors, and inspects factories, power plants, and other commercial air pollutant emitters for compliance with air pollutant emissions standards.

5) Water Quality Control Division

- Issues waste water discharge permits and, if necessary, takes enforcement action to ensure compliance with water quality standards;
- Monitors the pollutant levels in rivers, streams, and other bodies of water;
- Conducts surveillance of public and non-public drinking water sources to ensure compliance with federal and state water quality standards; and
- Reviews designs and specifications of new and/or expanding water treatment facilities.

6) Hazardous Materials and Waste Management Division

- Regulates the treatment, storage, and disposal of solid and hazardous waste in Colorado;
- Performs inspections of solid waste facilities;
- Oversees hazardous waste generators, transporters, and storage facilities; and
- Regulates commercial radioactive materials in Colorado.

7) Division of Environmental Health and Sustainability

- Certifies and inspects wholesale food distributors and dairy processors;
- Oversees restaurant, child care facility, and school inspections done by local public health agencies (with a few exceptions where the State is responsible for these inspections); and
- Administers four sustainability programs (including the Waste Tire Program and the Recycling Resources Opportunity Program).

8) Disease Control and Environmental Epidemiology Division

- Responsible for identifying, containing, controlling, and tracking the spread of communicable diseases, with a focus on: hepatitis, tuberculosis, sexually transmitted infections, and HIV/AIDS; and
- Assesses the threat risk from environmental contaminants on human health, and when needed, takes action to contain and/or nullify these threats.

9) Prevention Services Division

- Administers multiple disease prevention programs including: (1) the Tobacco Education, Prevention, and Cessation Program and (2) the Cancer, Cardiovascular Disease, and Chronic Pulmonary Disease Prevention, Early Detection, and Treatment Program;
- Oversees the Nurse Home Visitor and Newborn Screening Programs (beginning July 1, 2013 the Nurse Home Visitor Program will reside in the Department of Human Services);
- Administers injury, suicide and violence prevention programs including the Tony Grampsas Youth Services Program (note effective July 1, 2013 the Tony Grampsas Youth Services Program will reside in the Department of Human Services);
- Operates the Primary Care Office and Oral Health Program; and
- Administers the following two federal food assistance programs: Women, Infant and Children Program and Child and Adult Care Food Program.

10) Health Facilities and Emergency Medical Services Division

- Enforces through certification and inspections the standards for the operation of health care facilities, including hospitals and nursing facilities; and
- Inspects and certifies emergency medical and trauma service providers.

11) Emergency Preparedness and Response Division

- Works with local agencies and other state departments to ensure Colorado is prepared for, and able to respond to, a variety of natural and man-made disasters; and
- Coordinates a statewide network of laboratories, local agencies, hospitals, and other resources that can be utilized during disaster response.

## Department Budget: Recent Appropriations

Funding Source	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14
General Fund <sup>1</sup>	\$27,460,904	\$27,473,436	\$31,142,676	\$53,402,747
Cash Funds	132,523,812	124,269,359	159,564,801	149,737,005
Reappropriated Funds	26,696,827	28,977,004	31,568,086	29,677,710
Federal Funds	<u>256,102,843</u>	<u>266,186,228</u>	<u>245,947,411</u>	<u>291,260,870</u>
<b>Total Funds</b>	<b>\$442,784,386</b>	<b>\$446,906,027</b>	<b>\$468,222,974</b>	<b>\$524,078,332</b>
Full Time Equiv. Staff	1,227.7	1,260.9	1,223.2	1,241.3

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

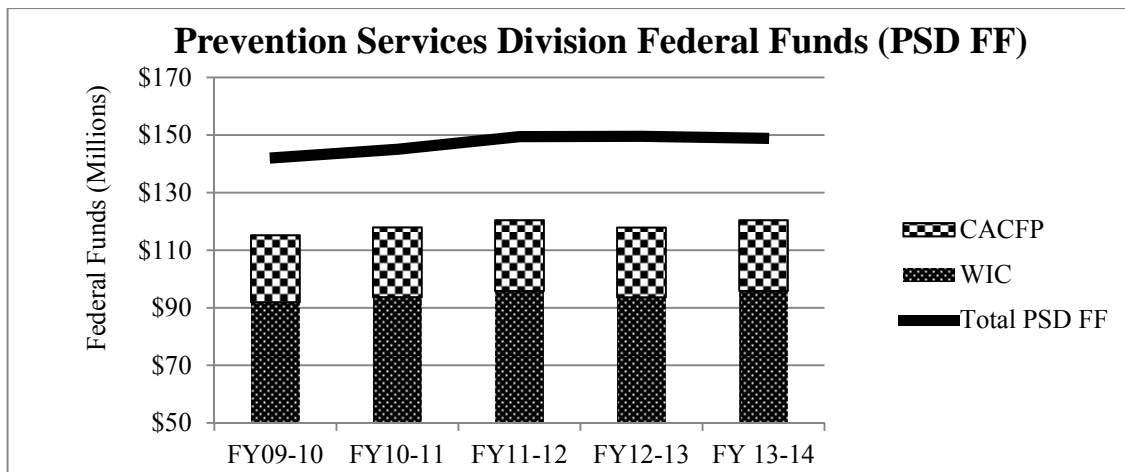
## General Factors Driving the Budget

Funding for the Department for FY 2013-14 consists of 10.2 percent General Fund (including appropriations from the General Fund Exempt account), 28.6 percent cash funds, 5.7 percent reappropriated funds, and 55.6 percent federal funds. Some of the major factors driving the budget are reviewed below.

### Federal Funds

Federal funds account for more than one half of the Department's total appropriation, and each division receives some amount of federal funds for program administration. The Department receives federal funds from more than 300 different sources. The majority of the federal funds in the Department's Long Bill are shown for informational purposes only. The appropriation for these funds in the Long Bill does not limit the amount of federal funds the Department can spend. Since the Department does not know the specific amount of federal funds each division will receive over the course of the fiscal year, the amount in the Long Bill is an estimate. The numbers in the FY 2013-14 Long Bill are based on the amount of federal funds received in FY 2011-12 to bring the FY 2013-14 appropriation into closer alignment with what the Department will actually receive.

Of the total FY 2013-14 federal funds shown in the Department's section of the Long Bill, 59.0 percent, or \$148,897,788, are informationally appropriated to the Prevention Services Division, and 21.1 percent, or \$84,616,200 are informationally appropriated to the Disease Control and Environmental Epidemiology Division. Within the Prevention Services Division, the majority of the federal funds are for the Women, Infant and Children Program (WIC), and the Adult and Child Food Care Program (CACFP) as illustrated in the following table. Overall, the federal funds appropriated for these two programs account for approximately one quarter of all funding for the department, and the federal agencies that provide the largest amount of federal funds to the Department include: the federal Departments of Agriculture, Defense, Energy, and Homeland Security; the Environmental Protection Agency; and the Department of Health and Human Services (including the Center for Disease Control and Prevention and Centers for Medicare and Medicaid).



Within the Disease Control and Environmental Epidemiology Division, 57.0 percent of the federal funds are for purchase of immunizations, and 19.2 percent of the federal funds are from the Ryan White Comprehensive AIDS Resources Emergency Act and used for primary care and support services for individuals living with HIV and AIDS who lack health insurance and the financial resources to pay for their care.

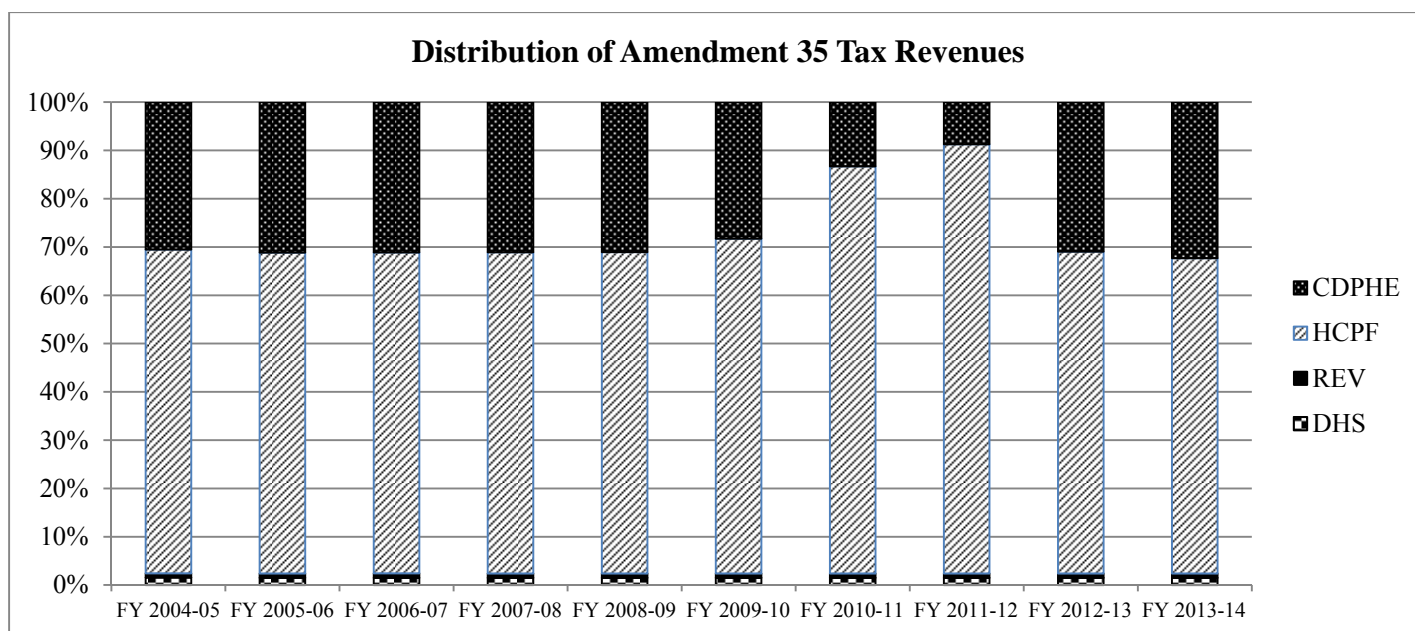
### Amendment 35 Tobacco Tax Moneys

Amendment 35 was approved by voters in 2004, and imposed a \$0.64 tax on each pack of cigarettes sold in Colorado and related taxes on other tobacco products. In the Department, Amendment 35 tax revenues support the following program:

- the Tobacco Education, Prevention, and Cessation Program,
- the Health Disparities Grant Program,
- the Cardiovascular, Pulmonary, and Chronic Disease Grant Program, and
- the Breast and Cervical Cancer Screening Program.

Appropriations for these programs are driven by the constitutionally defined formula and the amount of revenue generated by the tax each fiscal year. The following graph illustrates how the Amendment 35 dollars are divided between The Departments of Health Care Policy and Financing (HCPF), Public Health and Environment (CDPHE), Revenue (REV), and Human Services (DHS).





During the 2010 and 2011 Sessions the General Assembly passed legislation which transferred \$25.6 million in FY 2010-11 and \$33.0 million in FY 2011-12 to the Department of Health Care and Policy Financing (HCPF). The money was used in HCPF to help offset the General Fund shortfall that occurred during these fiscal years.

### Water Quality Control Division

The Division has been placed in a challenging situation because the demand for services is increasing but the Division has not received additional funding to hire additional staff which would enable the Division to keep pace with increasing demands. While the number of regulations, requirements, applicants, and inspections increase; the number of staff, prior to FY 2013-14 remained constant. The Division was unable to conduct inspections at a rate deemed acceptable by the Environmental Protection Agency (EPA).

For the last four years the General Assembly has asked the Division to report on the work load demands, staffing levels, and the discrepancy between the two. The Division has indicated in the response the need for staff is significant and not abating, and in response to this information, the General Assembly added 16.0 FTE and \$1.3 million General Fund to the Division for FY 2013-14. The following table summarizes the responsibilities of the new FTE.

Summary of Increased Resources for the Water Quality Control Division			
Section	Position	Tasks	
Clean Water	Permits	Permit Backlog	Keep current permit backlog from growing
		Permit Backlog	Reduce the permit backlog
	Compliance and Enforcement	Measuring Compliance	Conduct construction sector inspections
		Measuring Compliance	Conduction industrial sector, stormwater inspections
		Measuring Compliance	Municipal sector, stormwater MS4 audits
		Measure Compliance	Reuse sector inspections and audits
		Compliance Oversight	Review self-reported data and determine compliance
	Environmental Data Unit	Formal Enforcement Actions	Develop, issue, and follow up on formal enforcement actions
		Water Quality Status	Assess water quality data, determine standards attainment, and report information
	Standards Unit	Water Quality Protection	Implement policy and guidance for discharger specific variance program

Summary of Increased Resources for the Water Quality Control Division			
	Section	Position	Tasks
Clean Water	Pesticides	Water Quality, Measuring Compliance	Continue development of the Pesticide Permitting Program
	Operations	Data Management Community Relations Liaison	Input data included in applications and permits. Community outreach and information conduit to stakeholders for both Clean Water and Drinking Water
Drinking Water	Compliance & Enforcement	Compliance Support and Enforcement Backlog	Provide compliance support and address the backlog of enforcement actions
	Operations	Community Relations Liaison	Community outreach and information conduit to stakeholders for both Clean Water and Drinking Water

## School-based Health Centers

The School-based Health Centers Program in the Prevention Services Division provides grants to school-based health centers (SBHCs) primarily to support the base operating costs of the SBHCs. House Bill 06-1396 created the School-Based Health Centers Grant Program to provide state support to school-based health centers. SBHCs provide medical and behavioral care to school children during the school day, and are run by the school districts in cooperation with other health service providers such as hospitals, medical providers, and community health centers. For FY 2013-14 the General Assembly approved an increase of \$4.2 million General Fund for SBHCs to enable the Department to provide grants not only for ongoing expenses, but to also enable grants to be awarded for expansion projects, improvements to existing SBHC, and to enable the Department to support the planning and development of new SBHCs.

## Appropriation Highlights – 2013 Legislative Session

Department of Public Health and Environment						
	Total Funds	General Fund <sup>1,2</sup>	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2012-13 Appropriation:</b>						
HB 12-1335	\$462,258,351	\$27,843,155	\$156,195,320	\$32,052,315	\$246,167,561	1,221.6
HB 12-1041	743,940	0	743,940	0	0	0.0
HB 12-1099	25,000	0	25,000	0	0	0.0
HB 12-1126	8,530	0	8,530	0	0	0.1
HB 12-1246	6,885	6,885	0	0	0	0.0
HB 12-1283	(147,729)	(147,729)	0	0	0	(2.0)
HB 12-1294	183,730	0	183,730	0	0	2.4
HB 12-1326	3,022,800	3,022,800	0	0	0	1.0
SB 13-011	6,976	0	6,976	0	0	0.1
SB 13-100	<u>2,114,491</u>	<u>417,565</u>	<u>2,401,305</u>	<u>(484,229)</u>	<u>(220,150)</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$468,222,974</b>	<b>\$31,142,676</b>	<b>\$159,564,801</b>	<b>\$31,568,086</b>	<b>\$245,947,411</b>	<b>1,223.2</b>

Department of Public Health and Environment						
	Total Funds	General Fund <sup>1,2</sup>	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2013-14 Appropriation:</b>						
FY 2012-13 Appropriation	\$468,222,974	\$31,142,676	\$159,564,801	\$31,568,086	\$245,947,411	1,223.2
Informational funds adjustments	45,688,362	0	0	0	45,688,362	3.7
Unspent Amendment 35 grant funds	4,650,000	0	4,650,000	0	0	0.0
School-based health centers	4,266,501	4,266,501	0	0	0	2.2
Centrally appropriated line items	2,640,096	398,490	1,487,959	662,950	90,697	0.0
Tony Gramscas Program increase	1,453,849	1,453,849	0	0	0	0.0
Water Quality Control Division FTE	1,308,352	1,209,598	0	98,754	0	14.6
Indirect cost assessment	1,071,980	0	184,666	(70,000)	957,314	0.0
Waste Tire revenue adjustment	782,446	0	782,446	0	0	1.0
Air emission study	590,086	0	590,086	0	0	0.0
Infrared cameras	494,873	494,873	0	0	0	5.0
Local public health agency funding	355,049	355,049	0	0	0	0.0
Tobacco settlement revenue adjustment	260,920	0	260,920	0	0	0.0
Lean resources	211,992	0	0	211,992	0	1.0
Financial risk management	144,491	0	0	144,491	0	0.0
Uranium mill oversight	120,000	0	120,000	0	0	0.0
Colorado Grants Management System	50,000	0	0	50,000	0	0.0
Transfer to Department of Law	38,119	0	38,119	0	0	0.0
Adjustment to funds from DOC	16,504	0	0	16,504	0	0.0
Office of Health Disparities fund adjustment	0	0	3,532,800	(3,532,800)	0	0.0
Annualize prior year funding	(2,558,960)	(80,503)	(2,439,302)	(63,502)	24,347	(13.5)
Amendment 35 revenue adjustment	(1,745,463)	(3,300)	(1,742,163)	0	0	0.0
Statewide IT common policy adjustments	(177,508)	(64,775)	(356,075)	591,235	(347,893)	0.0
Preventive health programs	(168)	251,000	0	0	(251,168)	2.4
<b>SB 13-230</b>	<b>\$527,884,495</b>	<b>\$39,423,458</b>	<b>\$166,674,257</b>	<b>\$29,677,710</b>	<b>\$292,109,070</b>	<b>1,239.6</b>
SB 13-011	4,021	0	4,021	0	0	0.1
SB 13-050	204,593	0	204,593	0	0	0.0
SB 13-219	61,491	0	61,491	0	0	0.5
SB 13-222	68,054	68,054	0	0	0	1.0
SB 13-225	41,402	41,402	0	0	0	0.6
SB 13-232	0	0	0	0	0	0.0
SB 13-255	456,966	456,966	0	0	0	4.0

Department of Public Health and Environment						
	Total Funds	General Fund <sup>1,2</sup>	Cash Funds	Reappropriated Funds	Federal Funds	FTE
SB 13-283	307,542	0	307,542	0	0	4.0
HB 13-1117	(19,904,563)	(1,453,849)	(17,602,514)	0	(848,200)	(7.5)
HB 13-1191	15,000,000	15,000,000	0	0	0	0.0
HB 13-1239	(133,284)	(133,284)	0	0	0	(2.0)
HB 13-1317	<u>87,615</u>	<u>0</u>	<u>87,615</u>	<u>0</u>	<u>0</u>	<u>1.0</u>
<b>TOTAL</b>	<b>\$524,078,332</b>	<b>\$53,402,747</b>	<b>\$149,737,005</b>	<b>\$29,677,710</b>	<b>\$291,260,870</b>	<b>1,241.3</b>
<b>Increase/(Decrease)</b>	\$55,855,358	\$22,260,071	(\$9,827,796)	(\$1,890,376)	\$45,313,459	18.1
Percentage Change	11.9%	71.5%	(6.2%)	(6.0%)	18.4%	1.5%

<sup>1</sup> Includes \$441,600 General Fund Exempt in FY 2012-13 and \$438,300 General Fund Exempt in FY 2013-14.

<sup>2</sup> Includes \$441,600 in FY 2012-13 and \$438,300 in FY 2013-14 that is exempt from the statutory limit on state General Fund appropriations pursuant to Section 24-75-201.1, C.R.S.

### FY 2012-13 Appropriation - Mid-year Adjustments

Senate Bill 13-011 adds \$6,976 cash funds and 0.1 FTE for processing of civil union certificates beginning on May 1, 2013. S.B. 13-100 adds cash funds spending authority for the Waste Tire Program, and makes technical changes including adding General Fund for the state reporting system upgrade in FY 2012-13.

### FY 2013-14 Appropriation Highlights

**Information funds adjustments:** The appropriation includes a net increase of federal funds and FTE appropriated for informational purposes only. Of the net increase, \$46,543,920 was an increase to the Immunization Program related to changes in federally required accounting procedures, which was offset by slight adjustments to federal funds in other programs.

**Unspent Amendment 35 funds:** The appropriation includes an increase of cash funds for Amendment 35 grant funds which were not expended through the grant process in FY 2012-13.

**School-based health centers:** The appropriation includes an increase for the expansion of the School-based Health Centers Grant Program.

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

**Tony Gramsas Program increase:** The appropriation includes an increase for the Tony Gramsas Youth Services Program.

**Water Quality Control Division FTE:** The appropriation includes additional funding and FTE to increase the staffing levels for the two water quality control division programs.

**Indirect cost assessment:** The appropriation includes a net increase in the department's indirect cost assessment.

**Waste tire revenue adjustment:** The appropriation includes an increase of cash funds from the Processors and End Users Fund to reflect anticipated revenues in FY 2013-14.

**Air emission study:** The appropriation includes an increase of cash funds for the first year of the air emission study to be conducted in the northern Front Range area.

**Infrared cameras:** The appropriation includes an increase of General Fund and FTE for the first year of the two year statewide air emission survey conducted with infrared cameras.

**Local public health agency funding:** The appropriation increases General Fund for distribution to local public health agencies for the provision of the seven core public health services.

**Tobacco settlement revenue adjustment:** The appropriation includes an adjustment based on revenue projected to be available from the tobacco master settlement agreement.

**Lean resources:** The appropriation includes an increase of reappropriated funds from departmental indirect cost recoveries and FTE for the expansion of the existing Lean program to all department divisions.

**Financial risk management:** The appropriation includes an increase of reappropriated funds from departmental indirect costs for the expansion of the financial risk management system to all department contractors.

**Uranium mill oversight:** The appropriation includes an increase of cash funds for continuing oversight of two uranium mill projects.

**Colorado Grants Management System:** The appropriation includes an increase of reappropriated funds for the expansion of the Colorado Grants Management System to all divisions.

**Transfer to Department of Law:** The appropriation includes an increase in cash funds that are transferred to the Department of Law for work related to contaminated site maintenance and cleanup.

**Adjustment to funds from DOC:** The appropriation includes an increase of reappropriated funds from the Department of Corrections (DOC) related to contract renewals for inspection of correctional facility food areas.

**Office of Health Disparities fund adjustment:** The appropriation includes a change in funding for the Office of Health Disparities from reappropriated funds to cash funds to accurately reflect the source of funding for the Office.

**Annualize prior year funding:** The appropriation includes adjustments related to prior year legislation and budget actions.

**Amendment 35 revenue adjustment:** The appropriation includes adjustments based on the FY 2013-14 Amendment 35 revenue forecast.

**Statewide IT common policy adjustments:** The appropriation includes adjustments to line items appropriated for: purchase of services from the computer center; Colorado state network; management and administration of the Governor's Office of Information Technology (OIT); communication services payments, information technology security, and COFRS modernization.

**Preventive health programs:** The appropriation includes an increase of General Fund to offset the loss of federal funds in order to enable the Department to continue the work of three preventive health programs.

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

# DEPARTMENT OF PUBLIC SAFETY

The Department consists of six divisions: Executive Director's Office; Colorado State Patrol; Division of Fire Prevention and Control; Division of Criminal Justice; Colorado Bureau of Investigation; and Division of Homeland Security and Emergency Management. The Department also administers the Colorado Integrated Criminal Justice Information System, which is budgeted in the Executive Director's Office.

The Colorado State Patrol promotes safety and enforces traffic laws on state highways. In support of the highway safety plan the State Patrol coordinates the "Alive at 25" defensive driving training program for students ages 15 to 24. In further support of the highway safety plan, the Communications Program operates a free hotline for motorists to report aggressive drivers, drunk drivers, and other hazards.

The Division of Fire Prevention and Control, created in H.B. 12-1283 (Consolidate Homeland Security and Fire Prevention and Control Functions), incorporates the existing Office of Fire Safety with wildfire-related powers and duties of the State Forest Service previously housed at Colorado State University. The new Division is tasked with fire code enforcement, training, certification, wildfire preparedness, response, suppression, coordination, and management.

The Division of Criminal Justice assists with policy formation, conducts criminal justice research, administers grants for law enforcement and community crime control programs, addresses the needs of crime victims, manages community corrections programs, and sets standards for the treatment of juvenile and adult, sex and domestic violence offenders.

The Colorado Bureau of Investigation assists state and local law enforcement in investigating crime and enforcing criminal laws. The Bureau maintains fingerprint records and DNA profiles, operates the statewide crime reporting program, and arranges for scientific laboratory services and facilities.

The Division of Homeland Security and Emergency Management, created in H.B. 12-1283, consists of: Office of Emergency Management, Office of Prevention and Security, and Office of Preparedness. The Division is tasked with consolidating the state's homeland security and disaster preparedness and response functions through coordination of emergency management, homeland security, and public health entities in the state.

## Department Budget: Recent Appropriations

Funding Source	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14
General Fund	\$82,314,802	\$82,727,973	\$86,452,085	\$97,396,503
Cash Funds	126,211,938	129,681,033	156,169,131	164,734,328
Reappropriated Funds	21,858,171	24,480,944	27,132,877	25,776,057
Federal Funds	<u>27,885,029</u>	<u>29,559,518</u>	<u>53,355,759</u>	<u>55,179,379</u>
<b>Total Funds</b>	<b>\$258,269,940</b>	<b>\$266,449,468</b>	<b>\$323,109,852</b>	<b>\$343,086,267</b>
Full Time Equiv. Staff	1,349.0	1,354.0	1,562.3	1,616.1

## General Factors Driving the Budget

Funding for this department consists of 28.4 percent General Fund, 48.0 percent cash funds, 7.5 percent reappropriated funds, and 16.1 percent federal funds. Some of the major factors driving the Department's budget are discussed below.

### Colorado State Patrol

Highway supervision needs, and the associated budget for the State Patrol depend primarily on highway usage. The State Patrol enforces traffic laws on approximately 9,100 miles of state and federal highways, and 58,700 miles of county roads. The State Patrol also operates special safety programs for the transportation of hazardous materials and for commercial vehicles.

Colorado State Patrol Workload Measures				
	CY 2010 Actual	CY 2011 Actual	CY 2012 Actual	CY 2013 Estimate
Fatal and Injury Crashes Investigated by CSP	3,399	3,429	3,580	3,330
Persons Killed in Crashes Investigated by CSP	267	272	277	265
Total Incident Count <sup>1</sup>	889,264	880,491	821,784	821,000

<sup>1</sup> Includes every call received and/or dispatched by Communications Center staff.

The State Patrol receives a portion of Highway Users Tax Fund (HUTF) revenues for supervision of state highways. Funding from the HUTF accounts for 35.0 percent of the total Department budget and 74.1 percent of the State Patrol budget for FY 2013-14. HUTF revenue sources include: gas and special-fuel taxes, driver's license fees, motor vehicle title and registration fees, fines, license plate fees, and passenger-mile taxes. The HUTF distribution to the State Patrol is taken "off-the-top" before the formula allocation of HUTF to the State Highway Fund, counties, and cities. Statute limits the "off-the-top" HUTF appropriations for highway supervision to a maximum 6.0 percent of annual growth, regardless of any increase or decrease in overall highway-related revenues.

### Community Corrections

The primary factor driving the Division of Criminal Justice's General Fund budget is the need for, availability of, and cost of community corrections programs. Community corrections facilities, also called halfway houses, are operated by local governments, private providers, and non-profits. They provide convicted offenders with supervision and structure in both residential and nonresidential settings. There are three types of community corrections placements: diversion placements for offenders sentenced directly to community corrections in lieu of a Department of Corrections prison sentence; transition placements for offenders who have served a sentence in the Department of Corrections and are released to a residential community corrections bed in preparation for parole; and parole placements for offenders who are required to spend part of their time on parole in a community corrections facility. Residential community corrections offenders are placed either in standard residential programs or, if they have high needs, in more expensive specialized programs that deal with substance abuse, mental illness, and other problems. The additional cost of a specialized program, over and above the standard residential rate, is called a differential. The following table summarizes the number of placements of each type in recent years.



<b>Community Corrections Population, Rates, and Expenditures</b>	<b>FY09-10 Actual</b>	<b>FY10-11 Actual</b>	<b>FY11-12 Actual</b>	<b>FY12-13 Estimate</b>	<b>FY13-14 Approp.</b>
Average daily population (ADP) in Community Corrections	4,274.5	4,382.2	4,242.9	4,329.2	4,149.5
Residential ADP	3,181.1	3,301.2	3,224.5	3,250.5	3,262.5
Nonresidential ADP	1,093.4	1,081.0	1,018.4	1,078.7	887.0
Percentage of ADP that is residential	74.4%	75.3%	76.0%	75.1%	78.6%
Percentage of residential ADP in:					
Diversion	47.1%	45.5%	45.8%	48.6%	48.3%
Transition	51.2%	51.4%	50.0%	46.0%	46.2%
Parole	1.8%	3.1%	4.2%	5.4%	5.5%
In specialized programs	10.2%	13.3%	16.0%	18.0%	17.0%
Daily residential rate for a standard bed	\$37.74	\$37.74	\$37.74	\$37.74	\$38.68
Percent change	0.0%	0.0%	0.0%	0.0%	2.5%
Average daily differential for specialized programs*	\$22.47	\$21.93	\$22.54	\$23.51	\$33.22
Percent change	3.4%	-2.4%	2.8%	4.3%	41.3%
Daily non-residential rate	\$5.12	\$5.12	\$5.12	\$5.12	\$5.25
Percent change	0.0%	0.0%	0.0%	0.0%	2.5%
Total Community Corrections GF Expenditures (\$ million)	\$49.9	\$51.7	\$51.4	\$53.8	\$56.9
General Fund Expenditure Change	(0.2%)	3.6%	(0.7%)	4.7%	5.8%

\* The average differential is a weighted average of differentials for the various types of specialized residential programs. Changes of the average differential mean that rates have changed or the mix of offenders in specialized treatment has shifted toward more expensive or less expensive programs. Since rates did not change from FY 09-10 to FY 12-13, all changes of the average differential over that period reflect shifting usage.

## Division of Fire Prevention and Control

The Division of Fire Prevention and Control, created in H.B. 12-1283, incorporates the existing Office of Fire Safety (as it existed in the Office of Preparedness, Security, and Fire Safety prior to H.B. 12-1283) and the wildfire-related powers and duties of the State Forest Service previously housed at Colorado State University. The new Division is tasked with fire code enforcement, training, certification, and wildfire preparedness, response, suppression, coordination, and management.

<b>Division of Fire Prevention and Control, School Construction and Inspection Program</b>				
	<b>FY 2010-11 Actual</b>	<b>FY 2011-12 Actual</b>	<b>FY 2012-13 Estimate</b>	<b>FY 2013-14 Estimate</b>
Number of Inspections Overseen by Division and Conducted by Local Fire Departments	1,398	1,350	1,350	1,350
Number of Construction Inspections Conducted by the Division	1,168	1,200	1,400	1,400
Number of Fire Inspectors Certified	364	375	375	375

## Colorado Bureau of Investigation (CBI)

The Colorado Bureau of Investigation provides information technology, laboratory, and investigative services to local, state, and federal law enforcement agencies upon request. Pursuant to Section 24-33.5-412 (1) (a),

C.R.S., the CBI is charged with assisting any sheriff, chief of police, district attorney, head of a state agency, or chief law enforcement officer in the investigation and detection of crime and in the enforcement of the criminal laws of the State. The CBI is also charged with assisting any district attorney with preparing the prosecution of any criminal case in which the CBI had participated in the investigation of such case. As such, CBI does not have direct control over the number of submissions to its laboratories by local enforcement agencies. Although violent and property crime rates reported have decreased, local law enforcement agencies and district attorneys have increased the demand on the CBI for forensic DNA analysis.

The *CBI laboratory* analyzes DNA, fingerprint, firearms and tool marks, physiological fluids, chemical, document, and digital evidence, as well as trace evidence and shoe and tire track evidence. Additionally CBI field investigators investigate crime scenes, upon the request of local, state, and federal law enforcement agencies. CBI maintains the statewide criminal history and fingerprint repositories and facilitates the sharing of criminal history information with all Colorado law enforcement agencies.

The *Colorado Crime Information Center (CCIC)* provides information to law enforcement agencies on warrants, case status, stolen property, vehicle registration, known offenders, and drivers' licenses. CCIC maintains system hardware and software, including a statewide telecommunications network connecting more than 500 client law enforcement agencies. CCIC provides criminal identification checks online, criminal background checks, fingerprint-based criminal background checks, and operates the state's "instacheck" criminal background check program. The budget is driven primarily by information technology enhancement needs and the expansion of statutory requirements.

Colorado Bureau of Investigation Workload Measures				
	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Estimate	FY 2013-14 Estimate
Total Laboratory Specimens Analyzed	105,302	101,163	116,532	118,798
Total Civil Fingerprint and Name Checks	430,851	448,938	481,543	483,990
Total Criminal Fingerprints Processed	229,585	226,612	216,491	240,000
Total Instant Criminal Background Checks	233,832	274,738	429,216	458,128

**Colorado Integrated Criminal Justice Information System (CICJIS)**

CICJIS is a collaborative effort to transfer data among agencies electronically and to match arrest information with case dispositions. The budget for CICJIS is driven largely by technological advances, which can enhance system capabilities.

**Division of Homeland Security and Emergency Management**

The Division of Homeland Security and Emergency Management, created in H.B. 12-1283, consists of three offices: Office of Emergency Management (OEM), Office of Prevention and Security, and Office of Preparedness. The Division is tasked with consolidating and restructuring the state's homeland security and disaster preparedness and response functions through better coordination of emergency management, homeland security, and public health entities in the state. The OEM and the Office of Preparedness distribute federal grants to local governments. These grants are intended to strengthen local communities through prevention, protection, mitigation, response and recovery.

Grant Distributions to Local Governments				
	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Estimate	FY 2013-14 Estimate
Office of Emergency Management	\$12,567,185	\$15,179,990	\$10,624,647	\$12,450,000
Office of Preparedness	<u>14,354,108</u>	<u>12,882,416</u>	<u>14,611,294</u>	<u>12,850,000</u>
<b>Total Grants Payments</b>	<b>\$26,921,293</b>	<b>\$28,062,406</b>	<b>\$25,235,941</b>	<b>\$25,300,000</b>

## Appropriation Highlights – 2013 Legislative Session

Department of Public Safety						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2012-13 Appropriation:</b>						
HB 12-1335	\$272,658,804	\$84,081,985	\$135,447,278	\$25,064,507	\$28,065,034	1,365.2
HB 12-1019	10,892,480	(283,704)	10,574,790	601,394	0	122.3
HB 12-1032	50,000	0	50,000	0	0	0.0
HB 12-1246	25,473	25,473	0	0	0	0.0
HB 12-1283	36,608,071	838,349	10,129,020	349,977	25,290,725	71.3
HB 12-1310	(37,964)	(37,964)	(1,098,016)	1,098,016	0	(0.5)
SB 13-101	2,433,321	1,365,479	1,048,859	18,983	0	0.0
SB 13-129	(6,500)	0	(6,500)	0	0	0.0
SB 13-230	123,700	100,000	23,700	0	0	0.0
HB 13-1229	<u>362,467</u>	<u>362,467</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4.0</u>
<b>TOTAL</b>	<b>\$323,109,852</b>	<b>\$86,452,085</b>	<b>\$156,169,131</b>	<b>\$27,132,877</b>	<b>\$53,355,759</b>	<b>1,562.3</b>
<b>FY 2013-14 Appropriation:</b>						
FY 2012-13 Appropriation	\$323,109,852	\$86,452,085	\$156,169,131	\$27,132,877	\$53,355,759	1,562.3
Centrally appropriated line items	9,938,924	2,250,170	9,866,855	(2,853,438)	675,337	0.0
Community provider rate	3,396,655	3,371,805	0	24,850	0	0.0
Health facility safety inspections transfer	1,207,865	0	625,653	582,212	0	15.0
Informational funds adjustment	1,103,070	0	(204,766)	(75,000)	1,382,836	(1.5)
Statewide IT common policy adjustments	668,985	63,352	(219,155)	832,700	(7,912)	0.0
Subsistence grace period pilot project	591,200	591,200	0	0	0	0.0
Special events road and lane closures	548,262	0	548,262	0	0	0.0

<b>Department of Public Safety</b>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
Substance abuse treatment	225,150	0	0	225,150	0	0.0
Critical infrastructure and continuity of operations	74,332	74,332	0	0	0	0.8
Moffat County public center operating agreement	63,525	0	63,525	0	0	0.0
Fund source adjustment	0	70,045	(61,261)	(10,029)	1,245	0.0
Annualize prior year funding	(4,714,572)	(1,891,055)	(2,923,888)	100,371	0	(1.5)
Indirect cost assessment	(2,474,189)	0	(2,058,032)	(183,636)	(232,521)	0.0
Community corrections placements	(673,410)	(673,410)	0	0	0	0.0
Move a parolee substance abuse program to Department of Corrections	(180,000)	(180,000)	0	0	0	0.0
<b>SB 13-230</b>	<b>\$332,885,649</b>	<b>\$90,128,524</b>	<b>\$161,806,324</b>	<b>\$25,776,057</b>	<b>\$55,174,744</b>	<b>1,575.1</b>
SB 13-007	255,443	255,443	0	0	0	2.5
SB 13-083	4,635	0	0	0	4,635	0.0
SB 13-123	184,902	15,000	169,902	0	0	3.0
SB 13-138	68,398	68,398	0	0	0	1.0
SB 13-283	154,034	0	154,034	0	0	0.0
HB 13-1020	6,351,002	6,351,002	0	0	0	0.0
HB 13-1031	260,114	260,114	0	0	0	2.8
HB 13-1129	739,591	739,591	0	0	0	6.0
HB 13-1163	167,067	167,067	0	0	0	0.2
HB 13-1195	9,020	9,020	0	0	0	0.1
HB 13-1228	0	(1,032,376)	1,032,376	0	0	0.0
HB 13-1229	1,415,932	0	1,415,932	0	0	24.7
HB 13-1241	434,720	434,720	0	0	0	0.0
HB 13-1317	<u>155,760</u>	<u>0</u>	<u>155,760</u>	<u>0</u>	<u>0</u>	<u>0.7</u>
<b>TOTAL</b>	<b>\$343,086,267</b>	<b>\$97,396,503</b>	<b>\$164,734,328</b>	<b>\$25,776,057</b>	<b>\$55,179,379</b>	<b>1,616.1</b>
<b>Increase/(Decrease)</b>	\$19,976,415	\$10,944,418	\$8,565,197	(\$1,356,820)	\$1,823,620	53.8
Percentage Change	6.2%	12.7%	5.5%	(5.0%)	3.4%	3.4%

### **FY 2012-13 Appropriation - Mid-year Adjustments**

Senate Bill 13-101 makes various modifications to the FY 2012-13 appropriation. Senate Bill 13-230 provides \$100,000 General Fund for an independent external study of the Sex Offender Management Board and provides \$23,700 cash funds from the CBI Identification Unit Fund for the implementation of H.B. 12-1110. House Bill

13-1229 provides 362,467 General Fund and 4.0 FTE to the Instant Criminal Background Check Program in order to prepare for an anticipated increase in workload commencing on July 1, 2013.

### **FY 2013-14 Appropriation Highlights**

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

**Community provider rate:** The appropriation includes a 2.5 percent increase for most community providers, with increases of 52.4 percent for Intensive Residential Treatment and 18.1 percent for Therapeutic Communities.

**Health facility safety inspections transfer:** The appropriation includes funding related to the transfer of responsibility for inspections of health care facilities for compliance with building fire code standards from the Department of Public Health and Environment to the Division of Fire Prevention and Control (H.B. 12-1268 and H.B. 13-1155).

**Informational funds adjustment:** The appropriation adjusts several informational appropriations in the Division of Criminal Justice to align them more closely with expected revenue.

**Statewide IT common policy adjustments:** The appropriation includes adjustments to line items appropriated for: purchase of services from the computer center; Colorado state network; management and administration of the Governor's Office of Information Technology (OIT); communication services payments; information technology security; and COFRS modernization.

**Subsistence grace period pilot project:** The appropriation provides funding for a three-month experiment, during which offenders newly arrived in community corrections (i.e. halfway houses) will not have to pay the \$17 per day "subsistence" fee that they normally pay. These offenders will not be required to pay subsistence for their first four weeks in the halfway house.

**Special events road and lane closures:** The appropriation provides additional funding for the State Patrol to continue to escort oversize and overweight loads and oversee road closures related to the USA Pro Cycling challenge.

**Substance abuse treatment:** The appropriation provides additional funding for substance abuse treatment for offenders in community corrections.

**Critical infrastructure and continuity of operations:** The appropriation provides \$74,332 General Fund and 0.8 FTE to the Office of Preparedness for a position to manage all critical infrastructure protection activities for State-owned facilities and other key resources as well as to update and administer the State's continuity of operations and continuity of government programs and processes.

**Moffat County public center operating agreement:** The appropriation includes an increase of \$63,525 cash funds for increased operating costs at the Craig Troop Office.

**Fund source adjustment:** The appropriation includes various funding source adjustments.

**Annualize prior year funding:** The appropriation includes various adjustments related to prior year budget actions and bills including: (a) \$880,000 cash funds to the Auto Theft Prevention Authority; (b) \$291,745 reappropriated funds and 5.0 FTE for additional security for the Ralph L. Carr Judicial Center; (c) \$56,737 total funds, including \$3,437 General Fund for various adjustments; (d) reduces \$3.1 million HUTF "Off-the-Top" for the second-year impact of FY 2012-13 funding for two State Patrol budget actions, including \$1.8 million for the replacement of trooper vehicle radios and base receivers and \$1.3 million for the creation of a comprehensive evidence processing, handling, and management system, including the retention of DNA evidence, and the purchase of mobile video recorders (MVRs) for trooper vehicles; (e) reduces \$608,200 General Fund for a FY 2012-13 appropriation for Wildfire Emergency Response Fund expenditures; (f) reduces \$461,525 General Fund for FY 2012-13 emergency management expenditures; (g) reduces \$414,187 total funds, including \$387,940 General Fund, and 4.0 FTE for various legislation; and (h) reduces \$1.3 million total funds, including \$436,827 General Fund, and 2.5 FTE for various other budget actions.

**Indirect cost assessment:** The appropriation reduces \$2.5 million total funds for the Department's indirect cost assessment.

**Community corrections placements:** The appropriation reduces funding for standard community corrections beds due to declining caseloads.

**Move a parolee substance abuse program to Department of Corrections:** The appropriation moves a \$180,000 program that reduces parolee substance-abuse to the Department of Corrections.

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

# DEPARTMENT OF REGULATORY AGENCIES

The Department of Regulatory Agencies consists of the following ten divisions:

1. Executive Director's Office is responsible for department-wide administrative functions and houses the Office of Policy, Research and Regulatory Reform, which conducts sunrise and sunset reviews.
2. Division of Banking is responsible for enforcement and compliance with banking laws.
3. Civil Rights Division is responsible for enforcing state and federal laws regarding the civil rights of individuals and resolving complaints of rights violations.
4. Office of Consumer Counsel is responsible for representing the rights of businesses and consumers at hearings before the Public Utilities Commission.
5. Division of Financial Services is responsible for enforcing state and federal laws relating to the regulation of credit unions and savings and loan associations.
6. Division of Insurance is responsible for licensing insurance agents and companies.
7. Public Utilities Commission is responsible for regulating utilities throughout the state. Division of Real Estate licenses real estate agents and mortgage brokers and investigates allegations of real estate and mortgage fraud.
8. Division of Professions and Occupations licenses individuals in over fifty professions and occupations.
9. Division of Securities licenses securities agents and investigates allegations of securities misconduct.

## Department Budget: Recent Appropriations

Funding Source	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14
General Fund	\$1,510,435	\$1,600,344	\$1,715,818	\$1,703,494
Cash Funds	68,157,532	69,765,231	71,586,905	73,652,864
Reappropriated Funds	6,825,033	4,239,807	4,267,189	4,504,371
Federal Funds	<u>1,231,398</u>	<u>1,194,128</u>	<u>1,315,200</u>	<u>1,323,983</u>
<b>Total Funds</b>	<b>\$77,724,398</b>	<b>\$76,799,510</b>	<b>\$78,885,112</b>	<b>\$81,184,712</b>
Full Time Equiv. Staff	578.4	592.1	559.9	572.7

## General Factors Driving the Budget

Funding for this department consists of 2.1 percent General Fund, 90.7 percent cash funds, 5.5 percent reappropriated funds, and 1.6 percent federal funds. Some of the major factors driving the Department's budget are discussed below.

### Legal Services

Due to the impact on parties involved in many of the Department's regulatory decisions, legal services has been, and will continue to be, a driving factor of the Department's budget. Legal services account for 12.0 percent of

the Department's FY 2013-14 total appropriation and 27.8 percent of the total legal services provided to all state agencies.

<b>Department of Regulatory Agencies Legal Services Expenditures</b>						
	<b>FY 08-09 Actual</b>	<b>FY 09-10 Actual</b>	<b>FY 10-11 Actual</b>	<b>FY 11-12 Actual</b>	<b>FY 12-13 Approp.</b>	<b>FY 13-14 Approp.</b>
Legal Services	\$7,396,788	\$7,546,070	\$7,485,354	\$8,088,494	\$8,102,284	\$9,767,656
Legal Services Hours	98,493	100,107	102,022	106,835	104,884	107,566
Change in Hours	n/a	1,614	1,915	4,813	(1,951)	2,682
Percent Change in Hours	n/a	1.6%	1.9%	4.7%	(-1.8%)	2.6%
Percent of Dept. Total	9.9%	10.2%	10.4%	10.5%	10.3%	12.0%
Dept. of Law Blended Legal Rate	\$75.10	\$75.38	\$73.37	\$75.71	\$77.25	\$91.08
Dept. of Law Total Legal Services to State Agencies	\$25,497,967	\$24,886,703	\$25,810,341	\$27,109,549	\$29,342,387	\$35,103,236
DORA Percent of State Agencies Total	29.0%	30.3%	29.0%	28.0%	27.6%	27.8%

From FY 2008-09 through FY 2012-13, seven divisions accounted for 97.7 to 99.2 percent of the Department's legal services.

<b>Legal Services Expenditures by Seven Divisions</b>					
	<b>FY 08-09 Actual</b>	<b>FY 09-10 Actual</b>	<b>FY 10-11 Actual</b>	<b>FY 11-12 Actual</b>	<b>FY 12-13 Approp.</b>
Professions & Occupations	\$3,378,450	\$3,515,106	\$3,286,424	\$3,336,464	\$3,569,597
Public Utilities Commission	1,180,036	1,240,536	1,225,399	1,382,247	1,478,830
Real Estate	918,223	906,652	781,201	743,813	795,786
Insurance	706,081	671,086	890,231	787,757	842,800
Securities	484,612	465,174	487,937	414,173	443,113
Office of Consumer Counsel	448,613	452,314	438,677	453,059	484,716
Civil Rights	<u>212,024</u>	<u>232,521</u>	<u>201,923</u>	<u>158,419</u>	<u>301,507</u>
Top Seven Subtotal	7,328,039	7,483,389	7,311,792	7,275,932	7,916,349
Department Total	\$7,396,788	\$7,546,070	\$7,485,354	\$7,359,709	\$8,102,284
<b>Top Seven Percent of Total</b>	<b>99.1%</b>	<b>99.2%</b>	<b>97.7%</b>	<b>98.9%</b>	<b>97.7%</b>

### Number of Licenses Issued by Certain Divisions

The Department is responsible for consumer protection, and licenses professionals in various industries to accomplish this mission. The Divisions of Insurance, Real Estate, Registrations and Securities issue the majority of individual licenses. Budgets in these divisions are driven primarily by the number of individuals requiring licensure. The following table outlines the number of licenses regulated by these divisions.



<b>Number of Licenses Regulated by the Divisions of Insurance, Real Estate, Registrations, and Securities</b>							
	<b>FY 05-06</b>	<b>FY 06-07</b>	<b>FY 07-08</b>	<b>FY 08-09</b>	<b>FY 09-10</b>	<b>FY 10-11</b>	<b>FY 11-12</b>
<b>Division of Insurance Producer Licenses</b>							
New Licenses	30,272	29,322	29,511	29,070	25,699	29,789	30,556
Active Licenses	110,911	109,705	115,229	118,783	123,204	129,559	128,710
<b>Division of Real Estate</b>							
Broker & Salesperson	13,432	14,321	18,292	11,820	10,662	10,660	10,777
Mortgage Loan Originators	n/a	n/a	n/a	8,729	4,690	5,013	5,443
Appraisers	5,474	4,884	4,447	4,006	3,597	3,365	3,209
<b>Division of Professions and Occupations</b>							
New Licenses	27,839	28,035	30,890	38,900	33,194	34,431	32,931
Active Licenses	282,521	295,281	292,584	315,147	324,271	345,026	347,645
<b>Division of Securities</b>							
Sales Representative License Renewals	125,680	134,053	143,772	145,347	145,504	153,576	163,818
Investment Advisor License Renewals	6,580	7,468	8,458	8,913	9,231	9,522	9,743

## Number of Examinations by the Divisions of Banking and Securities

The deterioration of the financial sector in 2008 increased the workload of the examination sections of the Divisions of Banking, Financial Services, and Securities which have since decreased for the Banking and Financial Services Divisions. Securities examinations increased in FY 2011-12 due to additional oversight requirements in federal law. The following table outlines the growth in the number of examinations conducted by these three divisions since FY 2006-07.

<b>Number of Examinations Conducted by the Divisions of Banking, Financial Services, and Securities</b>							<b>Change Since</b>
	<b>FY 06-07</b>	<b>FY 07-08</b>	<b>FY 08-09</b>	<b>FY 09-10</b>	<b>FY 10-11</b>	<b>FY 11-12</b>	<b>FY 07-08</b>
Banking Examinations	161	196	164	154	195	171	(12.8%)
Credit Union Examinations	44	40	33	38	39	34	(15.0%)
Securities Examination	40	46	50	66	65	110	139.1%

## Legislation

The General Assembly has passed an average of 13 bills per session over the last eight sessions that increased the Department's regulatory responsibilities. The 2007 Session was the peak year in terms of dollars appropriated through non-budget bills, and the 2008 Session was the peak year for increasing the number of Department FTE. The 2013 Session had a higher-than-average 16 bills that include an additional 12.8 FTE while totaling the lowest dollar amount appropriated over that period. The 2013 bills included:

- Five of the sixteen bills were statutorily-required sunset review bills that implemented program and resource adjustments to existing regulatory programs.
- Four bills (S.B. 13-026 Update Michael Skolnik Medical Transparency Act, S.B. 13-151 Sunset Review Massage Therapists, S.B. 13-162 Sunset Examining Board of Plumbers, and S.B. 13-221 Conservation

Easement Tax Credit Certificate Application) accounted for an additional \$830,000 cash funds and 11.0 FTE.

- Senate Bill 13-194 repealing the Low Income Telephone Assistance Program accounted for a decrease of \$726,000 cash funds.

The following table shows the impact of non-budget bills on the Department's budget.

<b>Impact of Legislation on the Department's Budget</b>						
<b>Session</b>	<b>No. of Bills</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reapprop. Funds</b>	<b>Total</b>	<b>FTE</b>
2006	11	\$0	\$1,088,461	\$194,600	\$1,283,061	7.2
2007	22	42,290	2,670,098	66,962	2,779,350	15.3
2008	19	149,205	2,233,416	0	2,382,621	17.3
2009	10	0	947,305	0	947,305	7.5
2010	13	0	507,245	593,333	1,100,578	6.4
2011	11	0	954,420	0	954,420	6.8
2012	5	0	378,246	0	378,246	2.0
2013	16	0	334,518	0	334,518	12.8
<b>Average</b>	<b>13.4</b>	<b>\$23,937</b>	<b>\$1,139,214</b>	<b>\$106,862</b>	<b>\$1,270,012</b>	<b>9.4</b>

The impact of these bills by division is outlined in the following table. The number of bills impacting the Division of Professions and Occupations is more than twice the number impacting any other division because of the addition of regulatory programs for professional and occupational licensing.

<b>Divisions Impacted by Bills by Legislative Session</b>									
	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>Total</b>
Professions and Occupations	3	5	7	7	7	8	4	11	52
Insurance	3	5	6	0	0	2	1	2	19
Public Utilities Commission	2	6	1	1	2	0	0	1	13
Real Estate	1	4	1	1	2	1	0	1	11
All Other Divisions	<u>2</u>	<u>2</u>	<u>4</u>	<u>1</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>1</u>	<u>12</u>
<b>Total</b>	<b>11</b>	<b>22</b>	<b>19</b>	<b>10</b>	<b>13</b>	<b>11</b>	<b>5</b>	<b>16</b>	<b>107</b>

## Appropriation Highlights – 2013 Legislative Session

<b>Department of Regulatory Agencies</b>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2012-13 Appropriation:</b>						
HB 12-1335	\$78,180,593	\$1,714,111	\$70,886,928	\$4,265,351	\$1,314,203	555.9
HB 12-1052	36,745	0	36,745	0	0	0.0
HB 12-1266	(3,930)	0	(3,930)	0	0	(0.1)

Department of Regulatory Agencies						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
HB 12-1300	9,175	0	9,175	0	0	0.0
HB 12-1303	111,148	0	111,148	0	0	1.1
HB 12-1311	225,108	0	225,108	0	0	1.0
SB 13-102	<u>326,273</u>	<u>1,707</u>	<u>321,731</u>	<u>1,838</u>	<u>997</u>	<u>2.0</u>
<b>TOTAL</b>	<b>\$78,885,112</b>	<b>\$1,715,818</b>	<b>\$71,586,905</b>	<b>\$4,267,189</b>	<b>\$1,315,200</b>	<b>559.9</b>
<b>FY 2013-14 Appropriation:</b>						
FY 2012-13 Appropriation	\$78,885,112	\$1,715,818	\$71,586,905	\$4,267,189	\$1,315,200	559.9
Centrally appropriated line items	4,010,708	119,784	3,707,020	139,245	44,659	0.0
Indirect cost assessment	296,406	0	357,662	0	(61,256)	0.0
Operating adjustments	196,977	0	196,977	0	0	0.0
Fund source adjustment	0	(105,490)	6,660	98,830	0	0.0
Informational funds adjustment	(1,957,253)	0	(1,957,253)	0	0	0.0
Annualize prior year funding	(349,081)	(1,707)	(344,539)	(1,838)	(997)	0.0
Statewide IT common policy adjustments	(277,896)	(11,654)	(263,990)	0	(2,252)	0.0
Other	45,221	(13,257)	28,904	945	28,629	0.0
<b>SB 13-230</b>	<b>\$80,850,194</b>	<b>\$1,703,494</b>	<b>\$73,318,346</b>	<b>\$4,504,371</b>	<b>\$1,323,983</b>	<b>559.9</b>
SB 13-014	8,318	0	8,318	0	0	0.0
SB 13-026	146,353	0	146,353	0	0	2.0
SB 13-039	58,966	0	58,966	0	0	0.6
SB 13-125	(2,400)	0	(2,400)	0	0	0.0
SB 13-151	149,691	0	149,691	0	0	1.9
SB 13-162	259,175	0	259,175	0	0	3.6
SB 13-172	5,021	0	5,021	0	0	0.0
SB 13-180	37,737	0	37,737	0	0	0.2
SB 13-189	5,000	0	5,000	0	0	0.0
SB 13-194	(725,548)	0	(725,548)	0	0	0.0
SB 13-204	2,100	0	2,100	0	0	0.0
SB 13-207	10,020	0	10,020	0	0	0.0
SB 13-221	275,046	0	275,046	0	0	3.5
SB 13-238	5,794	0	5,794	0	0	0.0
SB 13-277	8,756	0	8,756	0	0	0.1
HB 13-1111	<u>90,489</u>	<u>0</u>	<u>90,489</u>	<u>0</u>	<u>0</u>	<u>0.9</u>
<b>TOTAL</b>	<b>\$81,184,712</b>	<b>\$1,703,494</b>	<b>\$73,652,864</b>	<b>\$4,504,371</b>	<b>\$1,323,983</b>	<b>572.7</b>

Department of Regulatory Agencies						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>Increase/(Decrease)</b>	\$2,299,600	(\$12,324)	\$2,065,959	\$237,182	\$8,783	12.8
Percentage Change	2.9%	(0.7%)	2.9%	5.6%	0.7%	2.3%

### **FY 2012-13 Appropriation - Mid-year Adjustments**

Senate Bill 13-102 added \$265,104 cash funds and 2.0 FTE for the regulation of appraisal management companies; added \$53,611 total funds for the Department's share of the statewide Liability Program supplemental; and added \$7,558 cash funds for two technical adjustments.

### **FY 2013-14 Appropriation Highlights**

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

**Indirect cost assessment:** The appropriation includes a net increase in the Department's indirect cost assessments.

**Operating adjustments:** The appropriation includes an increase of \$37,261 cash funds for a legal services adjustment for the Mortgage Broker Consumer Protection line item and an increase of \$159,716 cash funds for a legal services adjustment for the Securities Fraud Prosecution line item.

**Fund source adjustment:** The appropriation includes a decrease in General Fund offset by a increase in cash funds and reappropriated funds.

**Informational funds adjustment:** The appropriation includes a decrease of cash funds reflected in the Long Bill for informational purposes only.

**Annualize prior year funding:** The appropriation includes adjustments related to prior year legislation and budget actions.

**Statewide IT common policy adjustments:** The appropriation includes adjustments to line items appropriated for: purchase of services from the computer center; Colorado state network; management and administration of the Governor's Office of Information Technology (OIT); and information technology security.

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

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

# DEPARTMENT OF REVENUE

The Department is responsible for the collection and enforcement of taxes and other fees required by statute to be collected; licensing drivers and issuing State identification documents; titling, registering and regulating motor vehicles; regulating certain industries; and operating the State Lottery. The Department is comprised of the following divisions/business groups:

1. Executive Director's Office;
2. Central Department Operations Division;
3. Information Technology Division;
4. Taxation Business Group;
  - Administration;
  - Taxation and Compliance Division;
  - Taxpayer Service Division;
  - Tax Conferee;
  - Special Purpose;
5. Division of Motor Vehicles;
  - Administration;
  - Driver and Vehicle Services;
  - Vehicle Emissions;
  - Titles;
  - Motorist Insurance Identification Database Program;
  - Ignition Interlock Program;
6. Enforcement Business Group;
  - Administration;
  - Limited Gaming Division;
  - Liquor and Tobacco Enforcement Division;
  - Division of Racing Events;
  - Hearings Division;
  - Motor Vehicle Dealer Licensing Board;
  - Marijuana Enforcement Division; and
7. State Lottery Division.

## Department Budget: Recent Appropriations

Funding Source	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14
General Fund	\$70,830,479	\$72,744,786	\$73,393,521	\$77,856,804
Cash Funds	654,279,061	220,685,036	211,976,517	218,345,598
Reappropriated Funds	1,421,461	1,328,287	1,603,334	5,068,713
Federal Funds	<u>815,619</u>	<u>723,701</u>	<u>824,388</u>	<u>824,388</u>
<b>Total Funds</b>	<b>\$727,346,620</b>	<b>\$295,481,810</b>	<b>\$287,797,760</b>	<b>\$302,095,503</b>
Full Time Equiv. Staff	1,521.5	1,372.3	1,249.1	1,241.7

## General Factors Driving the Budget

The Department's primary budget drivers are the state tax structure, population levels, business activity in regulated industries, and technological capabilities. The Department's funding for FY 2013-14 consists of 25.8 percent General Fund, 72.3 percent cash funds, 1.7 percent reappropriated funds, and 0.3 percent federal funds.

### Information Technology Division

This Division is responsible for the support and maintenance of the Department's information technology systems that are not maintained by the Governor's Office of Information Technology. These are made up entirely of contract services. The Division has two subdivisions. One subdivision supports and maintains some tax information systems; systems for driver's licenses, vehicle records, accident statistics, and fuel taxes; the International Registration Plan; and enforcement systems for licensing, reporting, tax filing, and case management. The other subdivision supports and maintains the Colorado State Titling and Registration System, the State's centralized database for the distribution of registration fees and taxes between the State, the counties, and the Highway Users Tax Fund. The primary budget drivers are the numbers of persons and businesses using these services as well as the age of some of the equipment and systems utilized by the Department.

### Taxation Business Group

In FY 2011-12, the Department collected \$8.8 billion in state taxes (including income taxes, sales, use, mileage and fuel taxes, excise taxes, cigarette and tobacco taxes) and \$600 million in fees for licenses, permits and miscellaneous receipts. In addition, another \$1.2 billion in sales taxes were collected on behalf of local governments. Collections are detailed in the following table:

Gross/Net Tax Collections By Tax and Fund Source FY 2011-12		
Type of Tax/Fee	Gross Collections	Net Collections
<u>General Fund</u>		
Income tax	\$6,295,392,877	\$5,367,851,414
State sales tax	2,096,327,829	2,096,350,880
State use tax	205,981,374	205,981,583

<b>Gross/Net Tax Collections By Tax and Fund Source FY 2011-12</b>		
<b>Type of Tax/Fee</b>	<b>Gross Collections</b>	<b>Net Collections</b>
Cigarette and tobacco taxes	203,613,109	203,417,892
Regulatory and business fees	57,015,207	56,970,588
Other receipts, fees, etc.	45,314,697	45,263,899
Alcoholic beverages	45,112,493	45,038,253
Racing	<u>1,746,201</u>	<u>1,746,201</u>
Total	\$8,950,503,787	\$8,022,620,710
<u>Highway Related</u>		
Mileage and fuel taxes	\$562,383,097	\$561,621,879
Vehicle registrations	224,559,403	224,503,426
Driver's licenses & control	32,269,729	32,191,532
Vehicle emissions	14,186,455	14,186,455
All other motor vehicle	<u>262,634,544</u>	<u>262,582,465</u>
Total	\$1,096,033,228	\$1,095,085,757
<u>Other Collections</u>		
Local government sales tax	1,178,911,701	1,178,902,523
Severance taxes	210,173,798	175,090,866
Gaming taxes	\$102,982,692	\$102,947,154
Other special funds	<u>19,854,946</u>	<u>17,472,371</u>
Total	\$1,511,923,137	\$1,474,412,914
<b>Total Collections - All Funds</b>	<b>\$11,558,460,152</b>	<b>\$10,592,119,381</b>

The complexity of Colorado's tax structure affects the resources required by the Taxation Business Group. Colorado's sales and use tax structure is particularly complex relative to other states. In addition to collecting state taxes, the Department collects local taxes for most counties, cities, and special districts in Colorado, and tracks and distributes the collections monthly to the local governments. Local sales taxes collected include: county lodging, local marketing, regional transportation, football stadium, scientific and cultural, local improvement, mass transit, and short term rental tax.

Colorado's severance tax structure is also particularly complex relative to other states. One significant reason for the complexity of Colorado's severance tax is that it is applied at the mineral interest owner level. This means that producers, working interest owners, royalty interest owners, and those with any other interest in oil and gas produced in Colorado, must pay severance taxes on their respective ownership percentage. Because each owner is only responsible for reporting a percentage of the gross income, it is difficult for the Department to verify that the total oil and gas production of a well has been reported.

The most confusing aspect of Colorado's severance tax for both tax collectors and taxpayers is the ad valorem (property) tax credit. The complexity of local property tax rates contributes to the complexity of the ad valorem tax credit and severance tax collection. There are currently more than 2,600 mill levies in Colorado, and one mineral lease can be subject to several different mill levies if it cuts across jurisdictions or if it is located in overlapping jurisdictions. The ever-changing nature of local government mill levies compounds the confusion.

The cost of administering the tax code relative to tax collections has been declining since FY 2002-03, though it increased slightly since the economic downturn began in FY 2008-09. The cost of collecting taxes declined from a ten-year high of 1.38 percent in FY 2002-03 to 0.98 percent in FY 2007-08, before increasing in FY 2008-09. A similar increase occurred during the last economic downturn. The administrative costs of collecting state taxes for the last ten years are provided in the table below.

<b>Costs of Tax Administration vs. Tax Collections</b>			
<b>Fiscal Year</b>	<b>Gross Collections</b>	<b>Administrative Costs</b>	<b>Costs as Percentage of Collections</b>
2002-03	\$7,981,969,628	\$110,484,770	1.38%
2003-04	8,335,854,177	104,393,751	1.25%
2004-05	9,027,369,791	107,948,818	1.20%
2005-06	10,197,697,020	109,003,382	1.07%
2006-07	10,919,575,395	108,895,307	1.00%
2007-08	11,529,208,182	112,484,115	0.98%
2008-09	10,670,993,094	124,495,086	1.17%
2009-10	10,189,039,088	116,073,378	1.14%
2010-11	10,962,892,030	123,740,158	1.13%
2011-12	11,558,460,152	135,556,132	1.17%

## **Division of Motor Vehicles**

The Division of Motor Vehicles issues driver's licenses and identification cards, maintains driver records and administers administrative sanctions, suspensions, and reinstatements of driver's licenses, regulates commercial driving schools, oversees the State's vehicle emissions program, provides support for the statewide vehicle titling and registration system (CSTARS), oversees the motorist insurance identification database program, and administers the ignition interlock subsidy program.

### ***Driver and Vehicle Services***

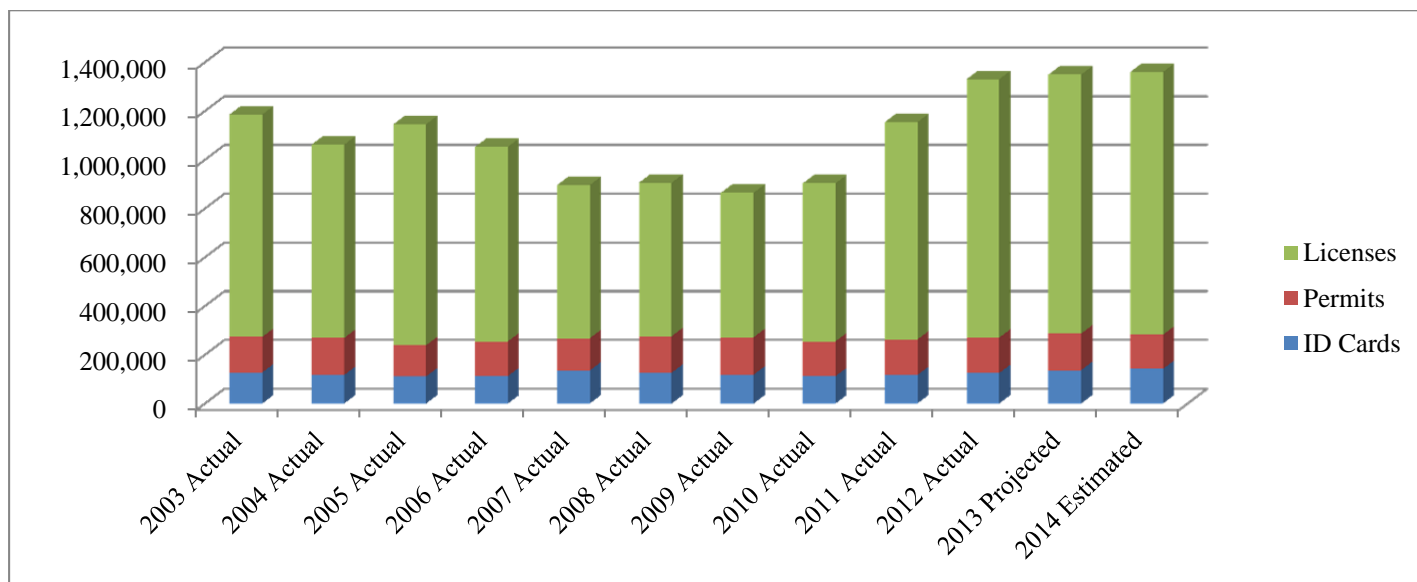
There are more than 3.9 million licensed drivers in Colorado (including regular licenses, permits, and commercial driver's licenses) and there are 629,000 State identification cards in force. There are 56 driver's license offices (36 operated by the State and 20 operated by the counties) that issue driver's licenses and state identification (ID) cards. The International Registration Plan (IRP) was transferred to this section by H.B. 12-1019. The IRP allows a commercial vehicle operator to register a vehicle in its home state and the fees are distributed among the states and provinces based upon miles driven in those states or provinces.

Legislation on both the state and federal levels is a significant budget driver for this division. In 2001, the term of a driver's license was increased from five to ten years. As a result, the number of driver's licenses issued dropped in FY 2006-07 as the first drivers who were issued ten-year licenses did not have to renew their



licenses. As a result of subsequent legislation passed in order to comply with federal law (the REAL ID Act), the State returned to five-year renewals beginning in 2006. Starting in January 2011, the first five-year driver's licenses that were issued starting in 2006, along with the ten-year licenses that were issued in 2001, were due for renewal at the same time, resulting in an increase in the number of documents issued.

### Numbers of Drivers Licenses, Permits and Identification Documents Issued (2003-2013)



At the same time, recent changes in state and federal law have increased transaction times for driver's licenses and ID cards, because the Department has had to institute new policies and procedures to insure that those documents are secure and verifiable. In the past, the purpose and function of the driver's license was to certify that a driver was competent to operate a motor vehicle. Today, the driver's license serves not only as proof of the ability and permission to use state roads, but also as proof of identity and of lawful presence for other essential needs, such as public benefits and voting. It also serves as proof of age for tobacco and liquor purchases, and other purposes.

Under Colorado's "Restrictions on Public Benefits" law (H.B. 06S-1023), citizen-applicants for federal, state, or local public benefits must present a Colorado driver's license or ID (or tribal or military ID) in order to receive public benefits. In addition, under Colorado's "Help America Vote Act" (H.B. 03-1356), a person must provide a driver's license or ID number (or be issued a voter registration ID number by the Secretary of State) in order to register to vote. The Act also requires the Department of Revenue to match information in the voter registration database with information in the motor vehicle database and to verify applicable information with the federal social security database.

House Bill 12-1216 extended a temporary refinancing structure to finance the operations of driver's license offices from fees paid by applicants for driver's licenses, saving \$22.7 million General Fund. When that structure expires at the end of FY 2014-15, funding for driver's license offices will revert to the General Fund and the majority of the fees paid for these operations will be credited to the Highway Users Tax Fund.

With new technological capabilities, the Department has been able to expand its offerings of driver's license renewals by on-line and mail methods, thus mitigating a large part of the approximately 50 percent increase in document issuance that the Department has seen since 2010 with no increase in FTE.

In addition to issuing driver's licenses, the Driver and Vehicle Services section is responsible for: managing driver's licensing records; verifying documents presented for identification, including proof of the applicant's legal presence in the United States; identifying and administering administrative sanctions, including all restraints for alcohol related driving offenses; investigating fraud related to driver's licenses and identification cards; providing support and coordination for the motor vehicle registration process; and supervising license plate ordering and distribution. These services are currently paid for by various fees paid to the Department, primarily including fees for vehicle registrations and driver's license reinstatements. The primary budget driver are the number of licenses in force, the number of traffic infractions processed, and the reinstatement of driver's licenses for violations such as driving under the influence, excessive points, and driving without proof of insurance.

### ***Vehicle Emissions***

The vehicle emissions program licenses, regulates, and inspects vehicle emissions testing site operators, inspectors, and mechanics; conducts inspections of vehicle emissions testing facilities to insure compliance with statutory requirements; and validates inspector and mechanic performance standards. Currently, the State's primary emissions testing contractor, Air Care Colorado, operates 18 fixed emissions testing stations and 22 "Clean Screen" mobile testing vans located in the front range emissions testing area for gasoline powered vehicles. In addition, there are three contractors that test gasoline vehicles built before 1981 and 41 contractors that test diesel powered vehicles. The program is funded by a fee of \$1.50 for vehicle registrations in the program area that is credited to the AIR Account, which funds the Department of Revenue's and the Department of Public Health and Environment's activities regarding emissions testing.

<b>Division of Motor Vehicles – Vehicle Emissions Section</b>					
<b>Vehicle Emissions Testing Stations/Mechanics Licensed, Penalty Assessments</b>					
	<b>FY 2007-08</b>	<b>FY 2008-09</b>	<b>FY 2009-10</b>	<b>FY 2010-11</b>	<b>FY 2011-12</b>
Stations Licensed	73	74	77	83	85
Stations Renewed	44	56	39	64	67
Mechanics Licensed	495	467	493	579	617
Mechanics Renewed	137	147	182	200	151
Emissions Penalty Assessment Collections	\$400,096	\$231,054	\$249,643	\$221,325	\$208,825

### ***Titles***

The Titles Program is responsible for the issuance of legal, negotiable certificates of title to protect the public when purchasing motor vehicles. Program staff reviews all high-risk title applications to verify that the assignment of ownership has been properly made. The primary budget driver are the number of vehicles sold and the title applications that flow from those sales. Funding for the program is from fees for the issuance of titles.

<b>Division of Motor Vehicles – Titles Section</b>					
<b>Title Applications Received</b>					
	<b>FY 2007-08 Actual</b>	<b>FY 2008-09 Actual</b>	<b>FY 2009-10 Actual</b>	<b>FY 2010-11 Actual</b>	<b>FY 2011-12 Actual</b>
Title Applications Received	1,652,931	1,452,418	1,430,621	1,471,503	1,561,184

### ***Motorist Insurance Identification Database (MIIDB) Program***

The Motorist Insurance Identification Database program helps law enforcement officers verify driver compliance with the State's motor vehicle insurance requirements. In FY 2011-12, a total of 27,951 restraint actions were taken as a result of citations issued for driving or having an accident without insurance. Funding for the program comes from a \$0.10 surcharge on the fee for registering motor vehicles.

### ***Ignition Interlock Subsidy Program***

The Ignition Interlock Subsidy Program was created to assist first-time drunk driving offenders obtain an ignition interlock device that prevents driving while intoxicated. The subsidy assists those who cannot afford the devices. In FY 2011-12, the program assisted 2,330 individuals who qualified for subsidies at a cost of \$432,287. The program is funded by a \$35 fee charged for the reinstatement of a driver's license. House Bill 13-1240 expands the Ignition Interlock Subsidy Program to persons classified as *persistent* drunk drivers and who do not have the financial means to afford the interlock devices. The primary budget driver is the number of people qualifying for assistance with obtaining an ignition interlock device in order to reinstate their license after a drunk driving conviction.

## **Enforcement Business Group**

The Enforcement Business Group regulates the liquor, tobacco, marijuana, racing, gambling (except games of chance operated for charity, which are regulated by the Secretary of State), and automobile sales industries.

### ***Limited Gaming Division***

The Limited Gaming Division licenses and regulates the limited gaming industry, including gaming devices, facilities, personnel, and activities. The Division also enforces the laws contained in the Limited Gaming Act as well as the rules and regulations promulgated by the Colorado Limited Gaming Control Commission (Commission). The Commission has constitutional authority to allocate moneys to the Division and the Long Bill reflects the budget approved by the Commission. Moneys remaining in the Limited Gaming Fund after the payment of the Division's expenses are distributed according to the Constitution as follows:

- 28.0 percent to the State Historical Society;
- 12.0 percent to the gaming counties (Gilpin and Teller) in amounts proportional to gaming revenues collected in each county;
- 10.0 percent to the gaming cities (Black Hawk, Central City, and Cripple Creek) in amounts proportional to gaming revenues collected in each city; and
- 50.0 percent to the General Fund or such other uses or funds as the General Assembly may provide.

Amendment 50, approved by voters in 2008, expanded limited gaming to include higher limits on bets, extended hours, and new games. The proceeds of expanded gaming, after expenses, are distributed to limited gaming cities (10.0 percent) and counties (12.0 percent), and the state's community colleges (78.0 percent).

Details of limited gaming revenues, expenses and distributions are provided in the following table.

<b>Enforcement Business Group</b> <b>Limited Gaming Revenues, Expenses, and Distributions</b>					
	<b>FY 2007-08</b>	<b>FY 2008-09</b>	<b>FY 2009-10</b>	<b>FY 2010-11</b>	<b>FY 2011-12</b>
Limited Gaming Revenue	\$112,074,885	\$97,445,021	\$110,809,510	\$105,949,859	\$103,557,500
Less: Commission/Division Expenses	<u>10,318,448</u>	<u>11,251,725</u>	<u>12,372,537</u>	<u>12,097,096</u>	<u>12,305,062</u>
Total Amount Distributed	\$100,591,698	\$85,281,086	\$96,742,401	\$95,327,351	\$91,197,386
<u>Distributions to:</u>					
State General Fund	0	2,811,210	16,200,000	20,400,269	20,304,942
Local Government Gaming Impact Fund	6,538,460	5,543,271	3,772,780	3,600,806	3,314,827
Department of Transportation	14,292,757	10,127,274	0	0	0
Tourism Promotion Fund	20,107,662	15,578,699	14,208,015	12,002,686	11,049,424
State Historical Society	28,165,675	23,878,704	24,867,360	24,195,009	23,127,355
State Council on the Arts Cash Fund	1,587,447	1,200,026	1,121,726	0	0
Film Incentives Cash Fund	634,979	180,011	407,997	240,054	220,989
New Jobs Incentives Cash Fund	3,174,894	1,400,052	1,291,231	0	0
Bioscience Discovery Evaluation Grant Program	0	4,500,000	5,500,000	4,320,967	3,977,793
Clean Energy Fund	3,959,650	0	0	0	0
Office of Economic Development Film Commission	0	300,000	0	0	0
Innovative Higher Ed Research Fund	0	1,000,000	1,904,251	1,680,376	1,546,920
Creative Industries Cash Fund	0	0	0	960,215	883,954
<u>Limited Gaming Counties</u>					
Gilpin County	9,773,892	8,196,195	8,720,983	8,544,294	8,196,996
Teller County	2,297,112	2,037,536	1,936,457	1,824,995	1,714,728
<u>Limited Gaming Cities</u>					
City of Black Hawk	7,172,188	6,056,663	6,516,136	6,352,054	6,048,629
Central City	972,722	773,499	751,350	768,192	782,200
City of Cripple Creek	1,914,260	1,697,946	1,613,714	1,520,829	1,428,940
<u>Amendment 50 Distributions</u>					
Limited Gaming Counties	0	0	951,648	1,069,993	1,031,963
Limited Gaming Cities	0	0	793,040	891,661	859,969
Community College System	0	0	6,185,713	6,954,952	6,707,757

### ***Liquor and Tobacco Enforcement Division***

The Liquor and Tobacco Enforcement Division licenses persons who manufacture, import, distribute, or sell alcoholic beverages, regulates the sale and distribution of liquor within the State, and enforces state and federal

laws regarding the sale of tobacco products to minors. The Division enforces the provisions of the Liquor, Beer, and Special Events Codes. The following table details the enforcement actions the Division has undertaken in the last five fiscal years.

<b>Enforcement Business Group</b> <b>Liquor and Tobacco Enforcement Division - Violations Detected</b>					
	<b>FY 2007-08</b>	<b>FY 2008-09</b>	<b>FY 2009-10</b>	<b>FY 2010-11</b>	<b>FY 2011-12</b>
Total liquor licenses in force	14,620	15,428	15,429	15,935	13,515
State administrative actions	248	320	296	369	278
State revocations	3	1	0	4	3
State suspensions	78	115	152	163	51
State denials	1	3	1	0	1
Division filed court cases	340	512	466	784	756
Division assisted local hearings	11	13	5	6	6

### ***Division of Racing Events***

The Division of Racing Events licenses and regulates horse racing events, enforcing all laws, rules, and regulations related to racing activities. The Division is responsible for ensuring the health and welfare of horse racing in Colorado. As live greyhound racing in Colorado is no longer active, the Division ceased activities related to greyhound racing and reduced staff by 6.8 FTE in FY 2009-10. The table below shows live racing days, pari-mutuel sales, and State tax collections since 2007. Pari-mutuel sales and tax collections include figures from ten licensed off-track betting facilities.

<b>Enforcement Business Group</b> <b>Division of Racing Events - Racing Days, Pari-mutuel Sales and Tax Collections</b>					
	<b>Calendar Years</b>				
	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
<b><u>Live Racing Days</u></b>					
Horse racing	36	36	39	40	39
Greyhound racing	<u>126</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	162	36	39	40	39
<b><u>Pari-mutuel sales /a</u></b>					
Horse racing	\$59,674,385	\$50,162,287	\$48,463,460	\$48,063,003	\$45,852,063
Greyhound racing	<u>31,081,863</u>	<u>14,054,240</u>	<u>28,971,896</u>	<u>31,686,653</u>	<u>34,182,957</u>
Total	\$90,756,248	\$64,216,527	\$77,435,356	\$79,749,656	\$80,035,020
<b><u>State pari-mutuel tax collections</u></b>					
Horse racing	\$447,181	\$365,452	\$345,011	\$360,473	\$343,890
Greyhound racing	<u>1,121,420</u>	<u>105,407</u>	<u>217,288</u>	<u>237,650</u>	<u>256,372</u>
Total	\$1,568,601	\$470,859	\$562,299	\$598,123	\$600,263

/a Includes off-track betting

### ***Hearings Division***

The Hearings Division conducts administrative hearings regarding various licenses issued by the Department, including driver's licenses, liquor licenses, horse and dog racing licenses, and motor vehicle dealer's licenses. Funding for the Division is primarily from fees for the reinstatement of driver's licenses. While the Department has seen a reduction in the number of motor vehicle related hearings, it has seen an increase in other types of hearings, which generally require more time from the hearing officer and staff.

<b>Enforcement Business Group Hearings Division</b>					
	<b>FY 2007-08</b>	<b>FY 2008-09</b>	<b>FY 2009-10</b>	<b>FY 2010-11</b>	<b>FY 2011-12</b>
Total motor vehicle related hearings /a	29,407	31,293	27,324	23,526	22,710
Other hearings /b	<u>67</u>	<u>62</u>	<u>54</u>	<u>125</u>	<u>119</u>
Total hearings	29,474	31,355	27,378	23,651	22,829

/a Includes hearings related to excessive points, express consent, DUI convictions, habitual traffic offender, insurance related restraints, vehicular assault/homicide, controlled substance, underage drinking and driving, and ignition interlock cases.

/b Includes liquor, racing, tax tobacco, vehicle emissions, CDL and 3rd party testers, automobile salespersons, gaming, and medical marijuana.

### ***Motor Vehicle Dealer Licensing Board***

The Motor Vehicle Dealer Licensing Board is responsible for licensing and regulating the sale and distribution of motor vehicles and promulgating consumer protection regulations. Responsibilities include licensing all salespersons and those with ownership interests in new and used auto dealerships.

<b>Enforcement Business Group Motor Vehicle Dealer Licensing Board</b>					
	<b>FY 2008-09</b>	<b>FY 2009-10</b>	<b>FY 2010-11</b>	<b>FY 2011-12</b>	
Total dealer/salesperson licenses issued	20,269	18,308	17,652	18,059	
Complaints received	2,833	1,839	1,525	1,347	
Investigations completed	2,653	1,701	1,595	1,559	
Violations resolved	389	n/a	n/a	n/a	
Violations/Founded complaints	n/a	1,106	858	822	
Verbal warnings issued	756	483	456	360	
Written warnings issued	194	122	117	137	
Criminal summons issued	n/a	45	60	26	
Cases presented to Dealer Board	n/a	421	186	286	

### ***Marijuana Enforcement Division***

House Bill 10-1284 established the Medical Marijuana Enforcement Division, which is responsible for the licensing and regulation of medical marijuana dispensaries, cultivation facilities, and infused products manufacturing facilities and enforcing state laws and regulations regarding medical marijuana. House Bill 13-1317 renamed the division the Marijuana Enforcement Division and gave the Division responsibility for regulation of *all* marijuana retailers, cultivation facilities, and infused products manufacturers. For more information on H.B. 13-1317, see the "Recent Legislation" section at the end of Section III of this Department.

The primary budget driver is the number of businesses regulated and licensed by the Division. With the passage of Proposition 64 and H.B. 13-1317, the number of businesses is expected to increase.

### **State Lottery Division**

The State Lottery recorded sales of \$545.3 million in FY 2010-11, and net proceeds of \$123.3 million were distributed to the beneficiaries. The total sales and distributions of net proceeds from the lottery for the last five fiscal years are shown in the table below:

<b>State Lottery Division Sales and Distributions (\$ millions)</b>					
	<b>FY 2007-08</b>	<b>FY 2008-09</b>	<b>FY 2009-10</b>	<b>FY 2010-11</b>	<b>FY 2011-12</b>
Total Sales	\$505.8	\$493.4	\$501.2	\$518.9	\$545.3
<u>Distributions</u>					
Conservation Trust Fund	\$48.9	\$47.8	\$45.2	\$45.3	\$49.3
Great Outdoors Colorado	53.1	54.3	56.4	56.0	57.1
Parks & Outdoor Recreation	12.2	12.0	11.3	11.3	12.3
Lottery Contingency Reserve Fund	8.0	N/A	N/A	N/A	N/A
Public School Capital Construction Fund	<u>N/A</u>	<u>5.5</u>	<u>0.1</u>	<u>0.7</u>	<u>4.6</u>
Total Distributions	\$122.2	\$119.6	\$113.0	\$113.3	\$123.3

## **Appropriation Highlights – 2013 Legislative Session**

<b>Department of Revenue</b>						
	<b>Total Funds</b>	<b>General Fund <sup>/1</sup></b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2012-13 Appropriation:</b>						
HB 12-1335	\$296,857,697	\$95,804,403	\$198,734,454	\$1,494,452	\$824,388	1,370.7
SB 12-044	28,639	0	28,639	0	0	0.8
HB 12-1019	(9,758,101)	379,400	(10,173,574)	36,073	0	(122.3)
HB 12-1023	20,720	0	20,720	0	0	0.0
HB 12-1038	45,147	0	45,147	0	0	0.3
HB 12-1131	20,720	0	20,720	0	0	0.0

Department of Revenue						
	Total Funds	General Fund <sup>/1</sup>	Cash Funds	Reappropriated Funds	Federal Funds	FTE
HB 12-1153	3,396	0	3,396	0	0	0.0
HB 12-1162	4,936	0	4,936	0	0	0.0
HB 12-1216	(74,421)	(22,664,244)	22,664,243	(74,420)	0	0.0
HB 12-1246	133,783	133,783	0	0	0	0.0
HB 12-1275	85,840	0	85,840	0	0	0.0
HB 12-1295	20,720	0	20,720	0	0	0.0
HB 12-1302	20,720	0	20,720	0	0	0.0
HB 12-1314	14,800	14,800	0	0	0	0.0
HB 12-1327	24,050	0	24,050	0	0	0.0
SB 12S-001	251,055	0	251,055	0	0	0.8
SB 13-103	<u>98,059</u>	<u>(274,621)</u>	<u>225,451</u>	<u>147,229</u>	<u>0</u>	<u>(1.2)</u>
<b>TOTAL</b>	<b>\$287,797,760</b>	<b>\$73,393,521</b>	<b>\$211,976,517</b>	<b>\$1,603,334</b>	<b>\$824,388</b>	<b>1,249.1</b>
<b>FY 2013-14 Appropriation:</b>						
FY 2012-13 Appropriation	\$287,797,760	\$73,393,521	\$211,976,517	\$1,603,334	\$824,388	1,249.1
Centrally appropriated line items	4,786,733	2,173,700	2,613,033	0	0	0.0
DOR IT infrastructure performance enhancements	3,965,474	2,886,098	1,079,376	0	0	0.0
Indirect cost assessment	3,421,359	(443,034)	167,582	3,696,811	0	0.0
CITA annual maintenance and support	1,500,000	1,500,000	0	0	0	0.0
Statewide IT common policy adjustments	410,293	(307,922)	1,169,699	(451,484)	0	0.0
EDO realignment	367,281	(257,623)	257,623	367,281	0	0.0
EUDL grant funding restoration	88,113		88,113	0	0	0.0
Leased space inflator	80,051	12,137	67,914	0	0	0.0
Fund source adjustment	0	127,738	(127,738)	0	0	0.0
Forecast adjustments	(1,300,000)	(1,300,000)	0	0	0	0.0
Tax document processing pipeline efficiencies	(1,010,422)	(1,010,422)	0	0	0	(10.7)
Annualize prior year funding	(747,066)	62,219	(662,056)	(147,229)	0	0.4
Division of Racing Events funding reduction	(186,011)	0	(186,011)	0	0	0.0
Eliminate county jail ID processing unit	(105,771)	0	(105,771)	0	0	(1.2)
Amendment 35 forecast adjustments	(9,900)	0	(9,900)	0	0	0.0



Department of Revenue						
	Total Funds	General Fund <sup>/1</sup>	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>SB 13-230</b>	<b>\$299,057,894</b>	<b>\$76,836,412</b>	<b>\$216,328,381</b>	<b>\$5,068,713</b>	<b>\$824,388</b>	<b>1,237.6</b>
SB 13-001	60,000	\$60,000	0	0	0	0.0
SB 13-004	4,588	0	4,588	0	0	0.0
SB 13-060	3,605	0	3,605	0	0	0.0
SB 13-120	3,315	0	3,315	0	0	0.0
SB 13-170	16,000	16,000	0	0	0	0.0
SB 13-221	48,000	48,000	0	0	0	0.0
SB 13-224	8,892	0	8,892	0	0	0.0
SB 13-251	436,292	436,292	0	0	0	0.0
SB 13-280	25,900	0	25,900	0	0	0.0
HB 13-1011	5,000	0	5,000	0	0	0.0
HB 13-1022	5,000	0	5,000	0	0	0.0
HB 13-1042	280,000	\$280,000	0	0	0	0.0
HB 13-1071	193,489	0	193,489	0	0	0.0
HB 13-1110	254,096	0	254,096	0	0	0.0
HB 13-1119	72,800	0	72,800	0	0	0.0
HB 13-1135	86,672	0	86,672	0	0	0.0
HB 13-1142	1,600	1,600	0	0	0	0.0
HB 13-1153	98,411	98,411	0	0	0	0.4
HB 13-1240	126,834	0	126,834	0	0	1.0
HB 13-1288	80,089	80,089	0	0	0	0.0
HB 13-1317	<u>1,227,026</u>	<u>0</u>	<u>1,227,026</u>	<u>0</u>	<u>0</u>	<u>2.7</u>
<b>TOTAL</b>	<b>\$302,095,503</b>	<b>\$77,856,804</b>	<b>\$218,345,598</b>	<b>\$5,068,713</b>	<b>\$824,388</b>	<b>1,241.7</b>
<b>Increase/(Decrease)</b>	\$14,297,743	\$4,463,283	\$6,369,081	\$3,465,379	\$0	(7.4)
Percentage Change	5.0%	6.1%	3.0%	216.1%	0.0%	(0.6%)

<sup>/1</sup> Includes \$17,700,000 in FY 2012-13 and \$16,400,000 in FY 2013-14 that is exempt from the statutory limit on state General Fund appropriations pursuant to Section 24-75-201.1, C.R.S.

## FY 2012-13 Appropriation - Mid-year Adjustments

Senate Bill 13-103 modifies FY 2012-13 appropriations to:

- Make indirect cost fund allocation adjustments;
- Eliminate the appropriation for the County Jail Identification Processing Unit; and
- Add billing to fix fund balance shortfall.

## **FY 2013-14 Appropriation Highlights**

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

**DOR IT infrastructure performance enhancements:** The appropriation includes an increase for enhancements and upgrades to the Department's information technology infrastructure and an increased level of support from the Governor's Office of Information Technology (OIT).

**Indirect cost assessment:** The appropriation includes a net increase in the department's indirect cost assessment.

**CITA annual maintenance and support:** The appropriation includes an increase in funding for the annual maintenance and support of the Colorado Integrated Tax Architecture (CITA) project, the State's new tax collection and information computer system.

**Statewide IT common policy adjustments:** The appropriation includes adjustments to line items appropriated for: the purchase services from the computer center; Colorado state network; management and administration of the Governor's OIT; communication services payments; information technology security; and COFRS modernization.

**EDO realignment:** The appropriation transfers funding and FTE to realign personnel throughout the Department to provide the flexibility to better manage the Department's personnel and resources. The appropriation includes a total department-wide increase of \$367,281 reappropriated funds from increased indirect cost recoveries, decreases General Fund by \$257,623 and increases cash funds by \$257,623, and has no change in the total FTE approved for the Department.

**EUDL grant funding restoration:** The appropriation includes funding to substitute state funding for the Enforcement of Underage Drinking Laws (EUDL) grant program that was terminated by the federal government.

**Leased space inflator:** The appropriation includes inflation adjustments built into leases the Department has signed across the state, mostly for driver's license and Lottery offices.

**Fund source adjustment:** The appropriation includes a decrease in the amount of total department indirect cost recoveries applied to offset the need for General Fund, which necessitates an increase in the General Fund appropriation.

**Forecast adjustments:** The appropriation reflects a decrease due to forecast adjustments for the cigarette tax rebate and the Old Age Heat and Fuel and Property Tax Rebate program.

**Tax document processing pipeline efficiencies:** The appropriation includes savings from the investment of capital construction moneys for the purchase of tax document processing equipment and related software.

**Annualize prior year funding:** The appropriation includes adjustments related to prior year legislation and budget actions.

**Division of Racing Events funding reduction:** The appropriation includes a decrease in funding for the Division of Racing Events to align spending authority with expenditures.

**Eliminate county jail ID processing unit:** The appropriation realizes savings from the elimination of the county jail Identification (ID) processing unit.

**Amendment 35 forecast adjustment:** The appropriation includes an adjustment due to revised forecast of tobacco tax collections and the Amendment 35 distribution to local governments.

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

# DEPARTMENT OF STATE

The Secretary of State is one of five independently elected constitutional officers of the State. As the chief executive officer of the Department of State, the Secretary of State administers Colorado's elections laws, manages the statewide voter registration database, administers funds received through the federal Help America Vote Act, and regulates charitable solicitations, charitable gaming, and notaries public. The Department of State is the primary record keeper for the State and thus collects, stores, and provides public access to annual reports, articles of incorporation, liens, and other documents filed according to state laws and the Uniform Commercial Code. The Department is comprised of the following divisions:

- 1. Administration
- 2. Information Technology Services
- 3. Elections Division
- 4. Business and Licensing Division

## Department Budget: Recent Appropriations

Funding Source	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14
General Fund	\$0	\$0	\$0	\$0
Cash Funds	21,496,775	20,514,081	20,458,878	22,908,217
Reappropriated Funds	0	0	0	0
Federal Funds	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Total Funds</b>	<b>\$21,496,775</b>	<b>\$20,514,081</b>	<b>\$20,458,878</b>	<b>\$22,908,217</b>
Full Time Equiv. Staff	135.1	127.9	133.0	139.0

## General Factors Driving the Budget

Funding for this department consists of 100.0 percent cash funds, primarily from business filing fees deposited into the Department of State Cash Fund. The other funding source for the Department is Federal Elections Assistance Fund, which supports the federal Help America Vote Act (HAVA) program. Moneys in the Federal Elections Assistance Fund are continuously appropriated and included in the budget for informational purposes only. Some of the major factors driving the Department's budget are discussed below.

## **Information Technology Services**

The Information Technology Services division provides technical services, development, and support to the Department, including the electronic filing and online services that are offered to the public by the Business and Licensing Division. Its functions also include: (1) ensuring the Department is compliant with rules and policies as set forth by the Colorado Information Security Act; and (2) managing the State of Colorado Registration and Elections system (SCORE), which is the statewide computerized voter registration system. The Division's budget drivers include keeping up with the information technology system requirements for an expanding population of registered voters, changes in federal and state law, and the number of businesses required to file reports with the Department.

## **Elections Division**

Pursuant to Section 1-1-107 (1), C.R.S., the Secretary of State is the State's Chief Election Official with the responsibility to:

- Supervise the conduct of primary, general, congressional vacancy, and statewide ballot issue elections;
- Enforce the provisions of Title 1 (Elections);
- Make, with the assistance of the Attorney General, uniform interpretations of Title 1;
- Coordinate the responsibilities of the State under the federal National Voter Registration Act of 1993; and
- Serve as the Chief State Election Official within the meaning of the federal Help America Vote Act of 2002.

The Department also collects, stores, and provides access to disclosure statements filed by public officials and lobbyists under Colorado's Sunshine Law and Fair Campaign Practices Act.

The Local Election Reimbursement line item reimburses counties for a portion of the costs related to conducting and election with one or more statewide ballot issues. Section 1-5-505.5 (3), C.R.S., requires the Secretary of State to reimburse counties for the costs of running an election with a statewide issue. Those counties with fewer than 10,000 active registered voters at a rate of \$0.90 per active registered voter, and counties with more than 10,000 active registered voters are reimbursed at a rate of \$0.80 per active registered voter. This is the only state reimbursement to the counties for election costs.

The Initiative and Referendum line item provides funding for the costs of verifying signatures on ballot and initiative petitions. When verifying signatures on petitions, Section 1-40-116, C.R.S. requires the Secretary of State to use a random sampling method of verification, verifying no less than 5.0 percent of the signatures. If the random sampling of signatures shows that the number of valid signatures on the petition is sufficient for the initiative to be placed on the ballot, the signatures are approved. If the sampling does not show a sufficient number of signatures, then each signature must be verified, driving up the costs for performing this task.

The appropriation for the Initiative and Referendum line item is normally set at \$150,000 for fiscal years ending in even numbers and \$250,000 for fiscal years ending in odd numbers. The odd numbered fiscal years include general elections which generally have more petitions to verify. In some years, petitions are turned in early, and/or if line-by-line signature verification is required, the Department may need an additional appropriations to enable it to verify signatures.

<b>DEPARTMENT OF STATE - ELECTIONS DIVISION</b>						
<b>Local Election Reimbursement/Initiative and Referendum Recent Expenditures and Appropriations</b>						
	<b>FY 2008-09 Actual</b>	<b>FY 2009-10 Actual</b>	<b>FY 2010-11 Actual</b>	<b>FY 2011-12 Actual</b>	<b>FY 2012-13 Approp.</b>	<b>FY 2013-14 Approp.</b>
Local Election Reimbursement	\$2,042,250	\$0	\$1,666,033	\$1,541,360	\$1,962,427	\$2,226,707
Initiative and Referendum	301,007	149,420	40,493	184,253	250,000	150,000

#### *Help America Vote Act Program*

The goals of the federal Help America Vote Act of 2002 (HAVA) are to:

- Improve the administration of federal elections by creating a centralized, computerized statewide voter registration system;
- Replace punch-card ballots and lever voting machines;
- Ensure accessibility for disabled voters to polling places and voting equipment; and
- Adopt new rules for provisional ballots.

In 2003, the Colorado General Assembly created the Federal Elections Assistance Fund to receive federal and state moneys appropriated for HAVA-related purposes. The Fund has received approximately \$44.7 million in federal funds as well as the State's required \$1.9 million match. Pursuant to Section 1-1.5-106 (2) (b), C.R.S., moneys in the Federal Elections Assistance Fund are continuously appropriated to the Department and are included in the Long Bill for informational purposes only. The moneys in the Fund have largely been expending, and no additional federal funding expected.

<b>DEPARTMENT OF STATE - ELECTIONS DIVISION</b>						
<b>Help America Vote Act Program Recent Expenditures and Appropriations</b>						
	<b>FY 2008-09 Actual</b>	<b>FY 2009-10 Actual</b>	<b>FY 2010-11 Actual</b>	<b>FY 2011-12 Actual</b>	<b>FY 2012-13 Approp.</b>	<b>FY 2013-14 Approp.</b>
Expenditures/Appropriations	\$9,405,516	\$2,972,923	\$2,681,433	\$3,018,274	\$349,222	\$349,222
FTE	9.5	10.9	6.0	11.0	0.0	0.0

## **Business and Licensing Division**

Businesses and other entities are required to register their organization and to file certain information with the Department. As the State's primary record keeper of business records and filings, the main driver for the budget of the Business and Licensing Division are the number of business filings received, including articles of incorporation, annual reports, and liens.

The Department is required to maintain these records and make them accessible to the public. During FY 2011-12, the Department received a total of 632,488 business filings and 99,546 Uniform Commercial Code filings. The overwhelming majority of the filings received now are on-line, which drives technological and storage capability for the Department's information technology systems. The Division is also charged with regulating and enforcing laws related to charitable solicitations, charitable gaming, and notaries public.

## Appropriation Highlights – 2013 Legislative Session

	Department of State					
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2012-13 Appropriation:</b>						
HB 12-1335	\$18,871,474	\$0	\$18,871,474	\$0	\$0	133.0
SB 12-123	525,788	0	525,788	0	0	0.0
HB 12-1143	233,128	0	233,128	0	0	0.0
HB 12-1209	198,912	0	198,912	0	0	0.0
HB 12-1236	41,440	0	41,440	0	0	0.0
HB 12-1274	22,400	0	22,400	0	0	0.0
SB 13-104	297,856	0	297,856	0	0	0.0
SB 13-230	<u>267,880</u>	<u>0</u>	<u>267,880</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$20,458,878</b>	<b>0</b>	<b>\$20,458,878</b>	<b>\$0</b>	<b>\$0</b>	<b>133.0</b>
<b>FY 2013-14 Appropriation:</b>						
FY 2012-13 Appropriation	\$20,458,878	\$0	\$20,458,878	\$0	\$0	133.0
Business intelligence suite	750,000	0	750,000	0	0	1.0
Centrally appropriated line items	458,285	0	458,285	0	0	0.0
SharePoint software	329,261	0	329,261	0	0	1.0
Extend spending authority for H.B. 12-1209	198,912	0	198,912	0	0	0.0
Election night reporting	177,816	0	177,816	0	0	0.0
Statewide IT common policy adjustments	170,821	0	170,821	0	0	0.0
Secure file transfer	31,200	0	31,200	0	0	0.0
Department reorganization	0	0	0	0	0	0.0
Annualize prior year funding	(1,147,498)		(1,147,498)	0	0	0.0
Appropriation adjustment	(54,791)	0	(54,791)	0	0	0.0
<b>SB 13-230</b>	<b>\$21,372,884</b>	<b>\$0</b>	<b>\$21,372,884</b>	<b>\$0</b>	<b>\$0</b>	<b>135.0</b>
HB 13-1101	25,160	0	25,160	0	0	0.0
HB 13-1135	26,640	0	26,640	0	0	0.0
HB 13-1138	91,760	0	91,760	0	0	0.0
HB 13-1167	74,592	0	74,592	0	0	0.0

Department of State						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
HB 13-1303	<u>1,317,181</u>	<u>0</u>	<u>1,317,181</u>	<u>0</u>	<u>0</u>	<u>4.0</u>
<b>TOTAL</b>	<b>\$22,908,217</b>	<b>\$0</b>	<b>\$22,908,217</b>	<b>\$0</b>	<b>\$0</b>	<b>139.0</b>
<b>Increase/(Decrease)</b>	\$2,449,339	\$0	\$2,449,339	\$0	\$0	6.0
Percentage Change	12.0%	n/a	12.0%	n/a	n/a	4.5%

### FY 2012-13 Appropriation - Mid-year Adjustments

Senate Bill 13-104 modifies FY 2012-13 appropriations to add: \$219,000 cash funds for the mailing of notifications to potential voters to encourage them to register to vote, \$69,090 cash funds for contract programming services to facilitate the preparation of the voting abstract, and \$9,766 cash funds to add billings to fix a fund balance shortfall.

Senate Bill 13-230 modifies FY 2012-13 appropriations to add \$267,880 cash funds to increase funding for the reimbursement of the counties for the costs of statewide elections due to increased numbers of persons registering to vote.

### FY 2013-14 Appropriation Highlights

**Business intelligence suite:** The appropriation includes funding and FTE to implement a "business intelligence suite" that will facilitate the dissemination of information already collected in the State's existing databases.

**Centrally appropriated line items:** The appropriation includes adjustments to centrally appropriated line items for the following: state contributions for health, life, and dental benefits; merit pay; salary survey; short-term disability; supplemental state contributions to the Public Employees Retirement Association (PREA) pension fund; workers' compensation; legal services; administrative law judges; and payment to risk management and property funds.

**SharePoint software:** The appropriation includes additional funding and FTE to purchase, install, and implement the Microsoft SharePoint software suite to facilitate the sharing of information with employees inside the Department, as well as interested members of the public.

**Extend spending authority for H.B. 12-1209:** The appropriation includes funding to allow the Department to expend the FY 2012-13 appropriation in H.B. 12-1209 (Uniform Electronic Legal Material Act) over a two-year period from FY 2012-13 to FY 2013-14.

**Election night reporting:** The appropriation includes funding for the implementation of an election night reporting system.

**Statewide IT common policy adjustments:** The appropriation includes adjustments to line items appropriated for: the purchase services from the computer center; Colorado state network; communication services payments; information technology security; and COFRS modernization.



**Secure file transfer:** The appropriation includes funding to replace the Department's secure file transfer system with a modern, user-friendly, and secure system.

**Department reorganization:** The appropriation creates two new divisions, the Elections Division and the Business and Licensing Division, transferring funding and FTE from the Administration and the Special Purpose Divisions. There is no increase in funding or FTE to implement this appropriation.

**Annualize prior year funding:** The appropriation includes adjustments related to prior year legislation and budget actions.

**Appropriation adjustment:** The appropriation includes a decrease in funding to reflect adjustments to the Local Elections Reimbursement and Initiative and Referendum line items, due to the 2013 election being limited to TABOR issues.

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

# DEPARTMENT OF TRANSPORTATION

The Department of Transportation is responsible for operating and maintaining Colorado's 9,134-mile state highway system, including 3,406 bridges, and maintaining the aviation system plan, under the policy direction of the eleven-member Transportation Commission. The Department's responsibilities include managing highway construction projects, implementing the State's Highway Safety Plan, repairing and maintaining roads, providing technical support to local airports regarding aviation safety, and administering the reimbursement of aviation fuel tax revenues and discretionary grants to local airports. The Department's section of the Long Bill corresponds with legislative authority over particular areas of the Department's budget and does not exactly match the Department's administrative organization.

Most policy and budget authority for the Department rests with the Transportation Commission, pursuant to Section 43-1-113 (1), C.R.S. Funds controlled by the Transportation Commission are reflected for informational purposes in three Long Bill line items: Construction, Maintenance, and Operations; the High Performance Transportation Enterprise (created by S.B. 09-108); and the Statewide Bridge Enterprise (created by S.B. 09-108). These line items represent the "non-appropriated" portion of the budget and are included in the Long Bill as estimates of the anticipated revenues available to the Commission.

The General Assembly appropriates funding to two Long Bill line items: Administration (primarily from the State Highway Fund) and the First Time Drunk Driving Offenders Account (created pursuant to H.B. 08-1194 and funded with driver's license reinstatement fees connected with alcohol-related driving offenses). Finally, the General Assembly has statutory oversight of revenue-raising measures and the approval of the Governor's appointments to the Transportation Commission.

## Department Budget: Recent Appropriations

Funding Source	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14
General Fund	\$0	\$0	\$0	\$0
Cash Funds	658,329,628	699,088,197	706,181,582	759,829,076
Reappropriated Funds	4,986,153	4,886,656	3,763,059	19,775,304
Federal Funds	<u>369,101,388</u>	<u>404,145,023</u>	<u>409,409,045</u>	<u>488,142,984</u>
<b>Total Funds</b>	<b>\$1,032,417,169</b>	<b>\$1,108,119,876</b>	<b>\$1,119,353,686</b>	<b>\$1,267,747,364</b>
Full Time Equiv. Staff	3,307.5	3,315.5	3,308.8	3,317.5

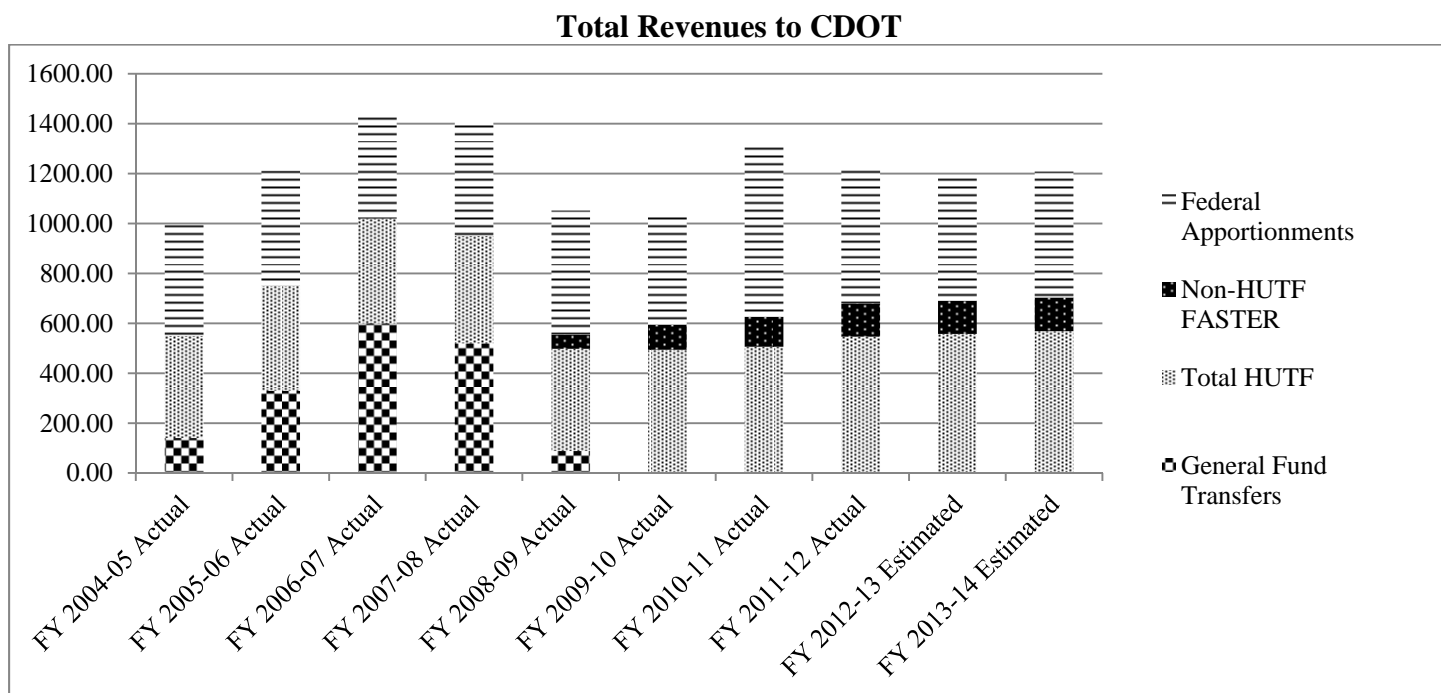
## General Factors Driving the Budget

Funding for this department consists of 59.9 percent cash funds, 1.6 percent reappropriated funds, and 38.5 percent federal funds. Some of the major factors driving the Department's budget are discussed below.

## Highway Users Tax Fund (HUTF) Revenues and S.B. 09-108

The primary source of state revenue for the Department is the Highway Users Tax Fund (HUTF). The major source of revenue for the HUTF is the State's motor fuel tax, which generates approximately two-thirds of the annual revenue collections for the HUTF. The remainder comes from motor vehicle registrations and other fees. The Department receives approximately half of the State's total HUTF collections. Fluctuations in HUTF revenues resulting from changes in behavior (e.g., increasing or decreasing vehicle miles of travel which affects fuel tax revenues) or policies affect the revenues available to the Department.

The following chart displays HUTF revenues and total state funding (including General Fund transfers to the HUTF, which are discussed on the next page) since FY 2004-05. Total state funding for the Department has fluctuated substantially, primarily as a result of changes in the amount of General Fund transferred to the HUTF. Non-General Fund HUTF revenues have remained relatively flat over the same time period, with the exception of a significant jump in FY 2009-10 related to fees, fines, and surcharges authorized in S.B. 09-108 (also known as FASTER).



The Department estimates that FASTER fees, fines, and surcharges will generate \$192.4 million in revenues for the Department in FY 2013-14. This includes \$84.3 million in the HUTF for highway purposes, \$15.0 million in the HUTF for transit purposes (including \$5.0 million for local entities), and \$93.1 million in the Statewide Bridge Enterprise Fund (collected through bridge safety surcharges authorized in the act and provided to the Statewide Bridge Enterprise). The estimate represents an increase of approximately \$3.0 million above FASTER-associated revenues assumed in the FY 2012-13 Long Bill. FASTER also required changes in the Department's Long Bill format, including the creation of the Statewide Bridge Enterprise and the replacement of the Statewide Tolling Enterprise with the High Performance Transportation Enterprise.

## General Fund Expenditures for Highway Construction

Since 1997, the General Assembly has passed a variety of legislation to assist in the completion of transportation projects. This legislation has provided additional funds to the State Highway Fund from General

Fund sources, including: (1) Capital Construction Fund appropriations (which originate in the General Fund); (2) diversions of sales and use taxes from the General Fund to the Highway Users Tax Fund (S.B. 97-001); (3) Limited Gaming Fund appropriations (which use cash funds that would otherwise be credited to the Clean Energy Fund); and (4) two-thirds of the year-end General Fund surplus (H.B. 02-1310). Additional legislation (H.B. 99-1325) has permitted the Department to issue bonds to accelerate projects and to use future federal and state revenues to repay bondholders over time.

Transfers from the General Fund to the State Highway Fund under the legislation discussed above fluctuated with the economy. For example, economic conditions precluded most such transfers from FY 2002-03 through FY 2004-05, although there were limited transfers under H.B. 02-1310 in FY 2003-04 and FY 2004-05. As shown in the table below, transfers pursuant to S.B. 97-001 and H.B. 02-1310 increased in FY 2006-07 (a total of \$520.2 million) and FY 2007-08 (a total of \$407.2 million) but declined to \$88.0 million in FY 2008-09.

<b>General Fund Diversions to the HUTF Pursuant to S.B. 97-001 and H.B. 02-1310</b>									
<b>(\$ millions)</b>									
<b>Legislation</b>	<b>FY 02</b>	<b>FY 03</b>	<b>FY 04</b>	<b>FY 05</b>	<b>FY 06</b>	<b>FY 07</b>	<b>FY 08</b>	<b>FY 09</b>	<b>Totals</b>
S.B. 97-001	\$35.2	\$0.0	\$0.0	\$0.0	\$220.4	\$229.0	\$241.0	\$59.0	\$784.6
H.B. 02-1310	<u>n/a</u>	<u>n/a</u>	<u>5.6</u>	<u>81.2</u>	<u>65.3</u>	<u>291.2</u>	<u>166.2</u>	<u>29.0</u>	<u>638.5</u>
<b>Totals</b>	\$35.2	\$0.0	\$5.6	\$81.2	\$285.7	\$520.2	\$407.2	\$88.0	\$1,423.1

Senate Bill 09-228 repealed the transfers of General Fund associated with S.B. 97-001 and H.B. 02-1310, making transfers from the General Fund to the HUTF subject to annual appropriation by the General Assembly. Senate Bill 09-228 requires that 2.0 percent of General Fund revenues be transferred to the HUTF in fiscal years 2012-13 through 2016-17 under certain conditions, but it does not require any General Fund transfers prior to FY 2012-13. The five-year block of transfers is subject to a trigger based on growth in statewide personal income. The latest Legislative Council Economic Forecast indicates that personal income will grow by 5.0 percent in calendar year 2013. If that forecast is actually realized and personal income grows by 5.0 percent, the five-year block of transfers will be triggered starting in FY 2014-15.

## Availability of Federal Funds

The Department receives federal funding for four basic purposes, including:

- highways (Federal Highway Administration (FHWA) funds);
- highway safety (National Highway Traffic Safety Administration (NHTSA) funds);
- transit (Federal Transit Administration (FTA) funds); and
- aviation (Federal Aviation Administration (FAA) funds).

## Federal Funding

Federal funds provide a significant share of the Department's resources (38.5 percent of the Department's actual appropriations for FY 2013-14), and fluctuations in the availability of federal funds affect the Department's annual budgetary outlook. The availability of federal funds is determined by multi-year federal authorization bills. In July 2012, the Federal government enacted the Moving Ahead for Progress in the 21<sup>st</sup> Century Act (MAP-21) to authorize and fund transportation projects.

Some of the major provisions of MAP-21 are summarized below:

- Provides spending authority through September 30, 2014 and extends the three federal motor fuel taxes that support the Highway Trust Fund through September 30, 2016.
- Continues existing funding levels with a small inflationary adjustment. Colorado's federal highway apportionments are estimated to be \$517.0 million in FY 2013 and \$522.4 million in FY 2014. By comparison, Colorado's apportionment in FY 2012 was \$517.0 million.
- Consolidates 90 federal transportation programs into 30 programs, providing state DOTs with more discretion.
- Increases funding for the Transportation Infrastructure Finance and Innovation Act (TIFIA) for innovative financing from \$122 million in FY 2012 to \$750 million in FY 2013 and \$1.0 billion in FY 2014.
- Streamlines environmental reviews and removes administrative barriers, allowing states more responsibility with regard to environmental regulations.

The Department's total share of federal funds has fluctuated in recent years, increasing from \$359.7 million in FY 2000-01 to \$957.4 million in FY 2008-09, but declining to an estimated \$409.4 million in FY 2012-13 (see table below). Of note, the Department received \$404.2 million in FY 2008-09 and \$12.5 million in FY 2009-10 as a result of the American Recovery and Reinvestment Act (ARRA). In recent years, federal budgetary conditions, including the depletion of the surplus in the federal Highway Trust Fund, have resulted in "obligation limits" that reduce the State's portion of federal funding below the full amounts authorized in law.

Federal Program <sup>/1</sup>	Federal Funding to CDOT (\$ millions)								
	FY 06 Actual	FY 07 Actual	FY 08 Actual	FY 09 Actual	FY 10 Actual	FY 11 Actual	FY 12 Actual	FY 13 Estimated	FY 14 Estimated
FHWA	\$434.2	\$527.6	\$533.9	\$536.9	\$568.8	\$349.3	\$526.3	\$487.4	\$486.4
FTA	9.1	10.9	10.2	13.9	13.3	13.2	13.3	13.0	16.0
FAA	0.3	0.2	0.3	0.3	0.3	0.3	0.3	0.3	0.3
NHTSA	5.0	3.4	8.1	2.1	6.3	6.3	1.6	1.6	1.7
ARRA	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>404.2</u>	<u>12.5</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
<b>Total</b>	<b>\$448.6</b>	<b>\$542.1</b>	<b>\$552.5</b>	<b>\$957.4</b>	<b>\$601.2</b>	<b>\$369.1</b>	<b>\$541.5</b>	<b>\$502.3</b>	<b>\$504.4</b>

<sup>/1</sup> The acronyms used are: FHWA – Federal Highway Administration; FTA – Federal Transit Administration; FAA – Federal Aviation Administration; NHTSA – National Highway Traffic Safety Administration; ARRA – American Recovery and Reinvestment Act of 2009.

## Federal Budget Sequestration

In August 2011, the Federal government enacted the Budget Control Act of 2011. That legislation required the Joint Select Committee on Deficit Reduction to propose, and Congress to enact, by January 2, 2013, legislation reducing the deficit by \$1.2 trillion. The deadline was postponed by two months by the American Taxpayers Relief Act of 2012. Ultimately, Congress failed to enact legislation and sequestration began.

The State will not know how much it will lose in federal transportation funds until sometime in FY 2013-14. Although the Highway Trust Fund is exempt from sequestration, the Fund has been backfilled from the General Fund, which is subject to sequestration. The Department's estimate of reduced federal transfers to the State is in the neighborhood of \$20 to \$40 million dollars.

## Appropriation Highlights – 2013 Legislative Session

	Department of Transportation					
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2012-13 Appropriation:</b>						
HB 12-1335	\$1,119,353,686	\$0	\$706,181,582	\$3,763,059	\$409,409,045	3,308.8
SB 13-105	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$1,119,353,686</b>	<b>\$0</b>	<b>\$706,181,582</b>	<b>\$3,763,059</b>	<b>\$409,409,045</b>	<b>3,308.8</b>
<b>FY 2013-14 Appropriation:</b>						
FY 2012-13 Appropriation	\$1,119,353,686	\$0	\$706,181,582	\$3,763,059	\$409,409,045	3,308.8
Updated revenue projections	103,381,433	0	23,647,494	1,000,000	78,733,939	0.0
RTD payment for US 36 HOT lanes	30,000,000	0	30,000,000	0	0	0.0
Transfer of federal funds to Statewide Bridge Enterprise	15,000,000	0	0	15,000,000	0	0.0
Centrally appropriated line items	12,245	0	0	12,245	0	0.0
Technical adjustment	0	0	0	0	0	0.0
Statewide IT common policy adjustments	0	0	0	0	0	0.0
Annualize prior year funding	0	0	0	0	0	8.7
<b>SB 13-230</b>	<b><u>\$1,267,747,364</u></b>	<b><u>\$0</u></b>	<b><u>\$759,829,076</u></b>	<b><u>\$19,775,304</u></b>	<b><u>\$488,142,984</u></b>	<b><u>3,317.5</u></b>
<b>TOTAL</b>	<b>\$1,267,747,364</b>	<b>\$0</b>	<b>\$759,829,076</b>	<b>\$19,775,304</b>	<b>\$488,142,984</b>	<b>3,317.5</b>
<b>Increase/(Decrease)</b>	\$148,393,678	\$0	\$53,647,494	\$16,012,245	\$78,733,939	8.7
<b>Percentage Change</b>	13.3%	n/a	7.6%	425.5%	19.2%	0.3%

### FY 2012-13 Appropriation - Mid-year Adjustments

Senate Bill 13-105 adds billing to fix a fund balance shortfall in the state's risk management account, which includes an increase in the Administration Division which is offset in Construction, Maintenance and Operations.

### FY 2013-14 Appropriation Highlights

**Updated revenue projections:** The appropriation includes a projected increase in funding from the State Highway Fund, an increase in reappropriated funds that reflects a loan from the Transportation Commission to the High Performance Transportation Enterprise, and an increase in estimated revenue from the Federal government.

**RTD payment for US 36 HOT lanes:** The appropriation reflects a \$30.0 million increase in cash funds for the Regional Transportation District's (RTD) contribution for the construction of high-occupancy tolling (HOT) lanes on U.S. Highway 36 between Interstate 25 and Boulder.

**Transfer of federal funds to Statewide Bridge Enterprise:** The appropriation reflects a \$15.0 million transfer of Federal funds to the Statewide Bridge Enterprise.

**Centrally appropriated line items:** The appropriation includes adjustments to centrally appropriated line items for the following: state contributions for health, life, and dental benefits; merit pay; salary survey; short-term disability; supplemental state contributions to the Public Employees Retirement Association (PERA) pension fund; workers' compensation; legal services; and payment to risk management and property funds.

**Technical adjustment:** The appropriation includes offsetting technical adjustments in the Administration and Construction, Maintenance, and Operations divisions.

**Statewide IT common policy adjustments:** The appropriation includes adjustments to line items appropriated for: the purchase services from the computer center; information technology security; and COFRS modernization.

**Annualize prior year funding:** The appropriation includes adjustments related to prior year legislation and budget actions.

# DEPARTMENT OF THE TREASURY

The State Treasurer is one of five independently elected constitutional officers of the State. As the Chief Executive Officer of the Department of the Treasury, the State Treasurer has the following primary duties: (1) acts as the State's banker and investment officer, providing investment, accounting, and cash management services and preparing related reports; (2) administers the Unclaimed Property Program; (3) reimburses local governments for property tax revenues foregone due to the senior citizen and disabled veteran property tax exemption; (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; (8) distributes federal "mineral leasing funds" received for the State's share of sales, bonuses, royalties, and rentals of public lands within Colorado; and, (9) manages certain state public financing transactions.

## Department Budget: Recent Appropriations

Funding Source	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14
General Fund <sup>1</sup>	\$2,362,955	\$7,903,000	\$109,314,351	\$106,171,325
Cash Funds	354,602,533	358,523,119	369,594,954	327,531,656
Reappropriated Funds	0	0	0	0
Federal Funds	0	0	0	0
<b>Total Funds</b>	<b>\$356,965,488</b>	<b>\$366,426,119</b>	<b>\$478,909,305</b>	<b>\$433,702,981</b>
Full Time Equiv. Staff	31.5	31.5	31.5	31.9

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

## General Factors Driving the Budget

The Department's funding for FY 2013-14 consists of 24.5 percent General Fund and 75.5 percent cash funds. The General Fund appropriation primarily supports the senior citizen and disabled veterans property tax exemption and the State's payments to the Fire and Police Pension Association "old-hire" pension plan, with the remainder covering department administrative expenses. The Department's cash fund appropriation includes: (1) transaction fee revenue, which supports department administrative expenses; (2) moneys in the Unclaimed Property Trust Fund, which support the Unclaimed Property Program; and (3) distributions from the Highway Users Tax Fund to counties and municipalities.



## **Senior Citizen and Disabled Veteran Property Tax Exemption**

Section 3.5 of Article X of the Colorado Constitution grants a property tax exemption to qualifying senior citizens and disabled veterans. A senior citizen is eligible for the property tax exemption if the property owner-occupier is at least 65 years of age on the assessment date and has occupied the residence for at least ten years, or is the surviving spouse of a person who previously qualified for the exemption. A disabled veteran is eligible for the property tax exemption if the owner-occupier has a 100.0 percent service-connected disability (as determined by the U.S. Department of Veterans Affairs) on the assessment date.

The value of the property tax exemption is 50.0 percent of the first \$200,000 of actual property value for qualifying homeowners. The State Treasurer is required to reimburse local governments for the resulting lost property tax revenues. The Constitution grants the General Assembly the power to raise or lower the maximum amount of residence value that is exempt from taxation.

For tax year 2002, the exemption was limited to the first \$200,000 of actual residence value. The General Assembly lowered this amount from \$200,000 to \$0 for tax years 2003 through 2005, thereby eliminating the associated state expenditures for the associated fiscal years. State payments resumed in FY 2006-07. The General Assembly passed several bills during the 2009 and 2010 sessions that reduced the senior citizen exemption to \$0 for FY 2009-10 through FY 2011-12. These bills did not modify the exemption for disabled veterans.

These state payments are subject to the Taxpayer's Bill of Rights (TABOR) limitation on fiscal year spending<sup>1</sup>, but are not subject to the statutory restriction on General Fund appropriations pursuant to Section 24-75-201.1 (1) (a) (II) through (IV), C.R.S. Estimated General Fund expenditures for the property tax exemption are included in the Department of Treasury's budget for informational purposes.

## **State Contributions for Local Fire and Police Pension Plans and the State Education Fund**

Senate Bill 13-234 provided for the transfer to the Fire and Police Pension Association (FPPA) of \$132,409,339 General Fund on May 31, 2013. This transfer paid off the balance of the State's obligation to the FPPA for *old hire* plans. Prior to the bill, Section 31-30.5-307, C.R.S., required the State to pay a portion of the unfunded liability of retirement plans that cover police officers and firefighters who were hired before 1978. Senate Bill 13-234 also provides that the transfers that would have gone to the FPPA will be paid to the State Education Fund including \$45,321,079 General Fund on April 30, 2014, \$25,321,079 on April 30<sup>th</sup> of 2015 through 2018, and \$24,991,739 on April 30, 2019.

## **CoverColorado**

The General Assembly created CoverColorado in 1990 to offer health insurance to high risk individuals unable to obtain health insurance except at prohibitive rates or with restrictive exclusions. With the implementation of the federal Affordable Care Act and the Colorado Health Benefit Exchange the purpose for CoverColorado has ended. CoverColorado was previously funded by contributions from insurance companies of up to \$5.0 million per year provided in exchange for a 100.0 percent premium tax credit; interest and principal from the

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<sup>1</sup> The provision specified that voter approval of the measure constituted a voter-approved revenue change, thereby allowing the TABOR limit for FY 2001-02 to increase by \$44.1 million. The provision further specified that such an amount should be included for the purpose of calculating subsequent fiscal year spending limits. However, by the time the State was required to pay the first year reimbursement in April 2003, state revenues no longer exceeded the TABOR limit. Thus, this measure never increased the State's TABOR limit.

Unclaimed Property Trust Fund; and insurance carrier assessments. House Bill 13-1115 provides for the repeal of the CoverColorado program, including the elimination of the informational cash fund figure shown in the FY 2013-14 Long Bill from the Unclaimed Property Trust Fund.

## Highway Users Tax Fund Disbursements

The Department distributes revenues from the Highway Users Tax Fund (HUTF) to counties and municipalities for use on local transportation projects pursuant to statutory formulas in Sections 43-4-207 and 208, C.R.S. The amounts anticipated to be distributed to counties and municipalities are reflected as cash funds appropriations within the Special Purpose section of the Long Bill for informational purposes. The following table details recent distributions of HUTF revenues, as well as projections for FY 2012-13 and FY 2013-14.

<b>Highway Users Tax Fund (HUTF) Revenues<sup>/1</sup> and Distributions</b>						
	(\$ millions)					
	<b>FY 08-09 Actual</b>	<b>FY09-10 Actual</b>	<b>FY 10-11 Actual</b>	<b>FY 11-12 Actual</b>	<b>FY 2012-13 Estimated</b>	<b>FY 2013-14 Estimated</b>
<b><u>Total Revenues</u></b>	\$774.7	\$919.9	\$936.9	\$941.1	\$948.6	\$950.6
<i>Annual Percent Change</i>	(3.6%)	18.7%	1.8%	0.4%	0.8%	0.2%
<b><u>Treasury Distributions</u></b>						
Counties	\$155.4	\$182.9	\$185.4	\$187.1	\$190.0	\$192.9
Municipalities	101.1	125.0	127.3	127.4	130.5	131.4

<sup>/1</sup> Legislative Council Staff June 2013 Revenue Forecast.

## Appropriation Highlights – 2013 Legislative Session

<b>Department of the Treasury</b>						
	<b>Total Funds</b>	<b>General Fund<sup>/1/2</sup></b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2012-13 Appropriation:</b>						
HB 12-1335	\$478,908,151	\$109,331,708	\$369,576,443	\$0	\$0	31.5
HB 12-1246	794	794	0	0	0	0.0
SB 13-106	<u>360</u>	<u>(18,151)</u>	<u>18,511</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$478,909,305</b>	<b>\$109,314,351</b>	<b>\$369,594,954</b>	<b>\$0</b>	<b>\$0</b>	<b>31.5</b>
<b>FY 2013-14 Appropriation:</b>						
FY 2012-13 Appropriation	\$478,909,305	\$109,314,351	\$369,594,954	\$0	\$0	31.5
FPPA old-hire pension plan payments	15,321,079	15,321,079	0	0	0	0.0
Senior citizen and disabled veteran property tax exemption	6,700,000	6,700,000	0	0	0	0.0
HUTF disbursements	3,886,256	0	3,886,256	0	0	0.0
Centrally appropriated line items	151,212	83,988	67,224	0	0	0.0

Department of the Treasury						
	Total Funds	General Fund <sup>1/2</sup>	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Statewide IT common policy adjustments	54,035	54,035	0	0	0	0.0
Annualize prior year funding	2,173	18,951	(16,778)	0	0	0.4
Transfer to CoverColorado	(9,488,306)	0	(9,488,306)	0	0	0.0
<b>SB 13-230</b>	<b>\$495,535,754</b>	<b>\$131,492,404</b>	<b>\$364,043,350</b>	<b>\$0</b>	<b>\$0</b>	<b>31.9</b>
SB 13-234	(25,321,079)	(\$25,321,079)	0	0	0	0.0
HB 13-1115	<u>(36,511,694)</u>	<u>0</u>	<u>(36,511,694)</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$433,702,981</b>	<b>\$106,171,325</b>	<b>\$327,531,656</b>	<b>\$0</b>	<b>\$0</b>	<b>31.9</b>
<b>Increase/(Decrease)</b>	(\$45,206,324)	(\$3,143,026)	(\$42,063,298)	\$0	\$0	0.4
Percentage Change	(9.4%)	(2.9%)	(11.4%)	n/a	n/a	1.3%

<sup>1</sup> Includes General Fund amounts (\$98,500,000 for FY 2012-13 and \$105,200,000 for FY 2013-14) for reimbursements for the Senior Citizen and Disabled Veteran Property Tax Exemption that are exempt from the statutory limit on state General Fund appropriations pursuant to Section 24-75-201.1 (1) (a) (III) (A), C.R.S. See Special Purpose Division detail for more information.

<sup>2</sup> Includes General Fund Exempt amounts (\$10,000,000 for FY 2012-13) for payments to the Fire and Police Pension Association old-hire pension plans. See Special Purpose Division detail for more information.

## FY 2012-13 Appropriation - Mid-year Adjustments

Senate Bill 13-106 includes an \$18,511 decrease in General Fund offset by an increase in cash funds from Cash Management Transaction Fees and an increase of \$360 General Fund for the Department's share of the Liability Premiums common policy supplemental bill appropriation.

## FY 2013-14 Appropriation Highlights

**FPPA old-hire pension plan payments:** The appropriation reflects a \$15,321,079 increase in payments to the Fire and Police Pension Association (FPPA) pursuant to S.B. 11-221.

**Senior citizen and disabled veteran property tax exemption:** The appropriation reflects an increase in payments to local governments to offset the local property tax revenues that will be foregone for tax year 2013.

**HUTF disbursements:** The appropriation reflects an increase in the projected disbursements of Highway Users Tax Fund (HUTF) revenues to counties and municipalities.

**Centrally appropriated line items:** The appropriation includes adjustments to centrally appropriated line items for the following: state contributions for health, life, and dental benefits; merit pay; salary survey; short-term disability; supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund; workers' compensation and payment to risk management and property funds; legal services; and Capitol complex leased space.

**Statewide IT common policy adjustments:** The appropriation includes adjustments to line items appropriated for: purchase of services from the computer center; Colorado state network; and information technology security.

**Annualize prior year funding:** The appropriation includes adjustments related to prior year legislation and budget actions.

**Transfer to CoverColorado:** The appropriation reflects a decrease in the amount that is anticipated to be transferred from the Unclaimed Property Trust Fund to CoverColorado. The appropriation in the bill is based on projections of program costs and other sources of revenue available to CoverColorado.

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

# CAPITAL CONSTRUCTION

This section summarizes state agency capital construction and controlled maintenance projects. Many of the appropriations are from the Capital Construction Fund. The primary source of revenue to the Capital Construction Fund is transfers and appropriations from the General Fund.

## Department Budget: Recent Appropriations

Appropriations for Capital Construction and Controlled Maintenance Projects <sup>/1</sup>				
Funding Source	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14
Capital Construction Funds	\$19,954,062	\$50,514,800	\$63,100,367	\$188,069,493
Cash Funds	77,000,821	106,832,988	87,257,625	86,218,813
Reappropriated Funds	0	0	8,626,790	7,113,670
Federal Funds	<u>10,172,610</u>	<u>33,393,709</u>	<u>11,913,436</u>	<u>2,266,990</u>
<b>Total Funds</b>	<b>\$107,127,493</b>	<b>\$190,741,497</b>	<b>\$170,898,218</b>	<b>\$283,668,966</b>

/1 Does not include appropriations and transfers to the Capital Construction Fund or Controlled Maintenance Trust Fund. See Part III Department Details for Capital Construction for this information.

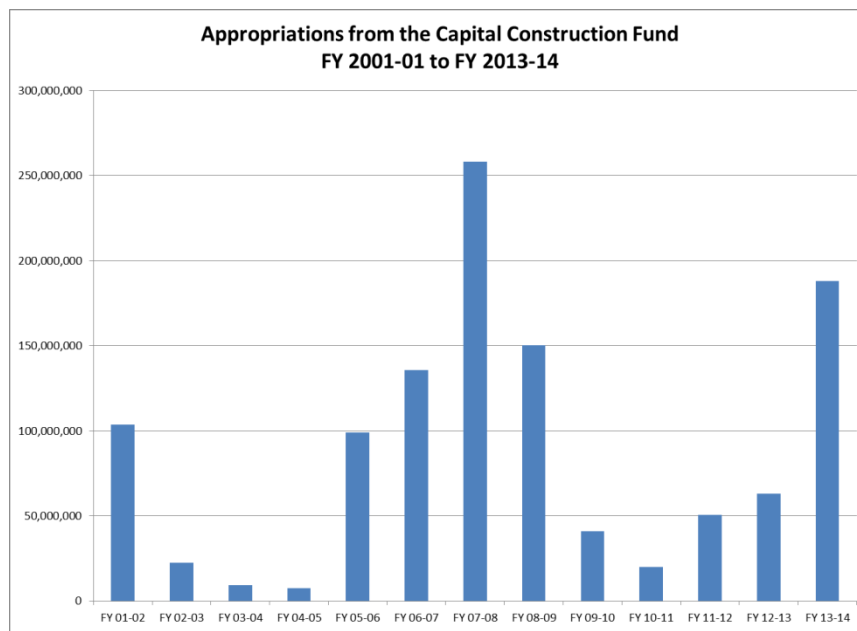
## General Factors Driving the Budget

Funding for capital construction in FY 2013-14 consists of 66.3 percent Capital Construction Funds, 30.4 percent cash funds, 2.5 percent reappropriated funds, and 0.8 percent federal funds. Capital Construction Funds generally derive from transfers to the Capital Construction Fund from the General Fund.

### Revenue Available for Capital Construction

The amount appropriated for capital construction is primarily based on the recommendations of the Capital Development Committee and the most recent forecast of revenues available for capital construction given constitutional and statutory constraints on the budget. The Capital Construction Fund provides the primary source of capital construction funding for most state departments, and appropriations from the Fund vary substantially from year-to-year. For FY 2012-13 and FY 2013-14, Capital Construction Fund appropriations were supported almost entirely by one-time, discretionary General Fund transfers to the Fund authorized in H.B. 12-1344 and S.B. 13-236.

In some years, statutory formulas trigger automatic transfers to the Capital Construction Fund. For example, H.B. 02-1310 provided automatic transfers to the Capital Construction Fund and the Highway Users Tax Fund of excess General Fund revenue. These transfers were replaced in S.B. 09-228. This bill authorizes five years of transfers to the Capital Construction Fund of 0.5 percent for two years followed by 1.0 percent for three years. While these transfers were originally authorized to begin in FY 2012-13, they are delayed until a personal income trigger is met. Transfers begin in the first fiscal year in which, for the calendar year that ends before the start of the fiscal year (e.g., CY 2014 for FY 2015-16), personal income increases by at least five percent. The trigger was not met and therefore no automatic transfers were provided in FY 2012-13 or FY 2013-14.



Other sources of revenue for capital construction projects include the Corrections Expansion Reserve Fund, Tobacco Master Settlement Agreement revenue, various cash funds administered by the Department of Higher Education and the Department of Natural Resources, and federal funds. However, higher education projects that are funded entirely through cash funds and federal funds are not included in state appropriation bills. Higher education cash funds projects that exceed \$2.0 million are, however, subject to legislative oversight through the Capital Development Committee and, under certain circumstances, the Joint Budget Committee.

## Appropriation Highlights – 2013 Legislative Session

Capital construction projects are typically classified in two categories: state-funded projects that are largely supported by the Capital Construction Fund and cash-funded projects that are appropriated in the Long Bill but do not include moneys from the Capital Construction Fund and are separately prioritized by the Capital Development Committee. All FY 2013-14 capital construction appropriations were included in S.B. 13-230.

FY 2013-14 Capital Construction Appropriations - S.B. 13-230					
	Total	Capital Construction Funds	Cash Funds	Reappropriated Funds	Federal Funds
State-funded Projects by Fund Source	\$206,913,530	\$188,069,493	\$18,084,297	\$0	\$759,740
Cash-funded Projects by Fund Source	<u>76,755,436</u>	<u>0</u>	<u>68,134,516</u>	<u>7,113,670</u>	<u>1,507,250</u>
Total Capital Construction Appropriations	\$283,668,966	\$188,069,493	\$86,218,813	\$7,113,670	\$2,266,990

## State-funded Projects

The table below identifies the state-funded capital construction projects appropriated in the FY 2013-14 Long Bill (S.B. 13-230) and the sources of funds used for these projects, including a transfer of \$186.7 million from the General Fund to the Capital Construction Fund authorized in S.B. 13-236.

State-funded Capital Construction Projects and Revenue Sources					
	Fund Source				
	Capital Construction Fund Projects Total	Capital Construction Fund	Cash & Federal Matching Funds	Federal Mineral Lease Revenue Fund	Fitzsimons Trust Fund
<b><u>Revenue Sources for State-funded Projects</u></b>					
Uncommitted balance from prior year	\$754,000	\$754,000	\$0	\$0	\$0
Interest (projection of FY 2012-13 earnings)	600,000	600,000	0	0	0
Tobacco Master Settlement Agreement distribution	7,334,297	0	0	0	7,334,297
Federal match for Military Affairs projects	759,740	0	759,740	0	0
Various cash funds (institutional funds; gifts, grants donations)	10,750,000	0	10,750,000	0	0
Higher Education Federal Mineral Lease Revenues Fund	0	0	0	0	0
General Fund transfer to Capital Construction Fund (S.B. 13-236) /1	<u>186,715,493</u>	<u>186,715,493</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Revenue Sources for State-funded Projects</b>	<b>\$206,913,530</b>	<b>\$188,069,493</b>	<b>\$11,509,740</b>	<b>\$0</b>	<b>\$7,334,297</b>
<b><u>State-funded Projects Appropriated</u></b>					
<b><i>Lease Purchase and Certificate of Participation Payments</i></b>					
Lease purchase of academic facilities at Anschutz Medical Center	\$14,472,263	\$7,137,966	\$0	\$0	\$7,334,297
Lease purchase of Colorado State Penitentiary II	18,431,100	18,431,100	0	0	0
Lease purchase of various higher education academic buildings	18,587,975	18,587,975	0	0	0
<b><i>Controlled Maintenance</i></b>					
Level I (life safety) controlled maintenance	22,737,562	21,977,822	759,740	0	0
Level II controlled maintenance	22,948,867	22,948,867	0	0	0
<b><i>Capital Construction</i></b>					
Tax Processing Pipeline	3,335,732	3,335,732	0	0	0
Colorado Territorial Correctional Facility, Wastewater Pre-Treatment Plant	1,648,885	1,648,885	0	0	0
Georgetown Loop Business Capitalization	400,000	300,000	100,000	0	0

State-funded Capital Construction Projects and Revenue Sources					
	Capital Construction Fund Projects Total	Fund Source			
		Capital Construction Fund	Cash & Federal Matching Funds	Federal Mineral Lease Revenue Fund	Fitzsimons Trust Fund
Wastewater Pre-Treatment Plant, Arkansas Valley Correctional Facility	1,448,260	1,448,260	0	0	0
Ute Indian Museum Expansion	2,806,789	2,406,789	400,000	0	0
Colorado State University Pueblo - General Classroom Building	16,179,939	16,179,939	0	0	0
Adams State University - Richardson Hall Renovation	18,885,628	18,885,628	0	0	0
Northeastern Junior College, E.S. French Renovation	13,128,000	13,128,000	0	0	0
Colorado Mesa University, Academic Classroom II	19,791,760	9,791,760	10,000,000	0	0
University of Colorado, Boulder - Systems Biotechnology Building, Academic Wing	6,021,946	6,021,946	0	0	0
Digital Trunked Radio Software Upgrade	3,726,190	3,726,190	0	0	0
Capitol Complex Master Plan	2,000,000	2,000,000	0	0	0
Otero Junior College - Nursing/Science Improvements	1,978,300	1,978,300	0	0	0
University of Colorado at Colorado Springs - Visual and Performing Arts Building	4,684,334	4,684,334	0	0	0
Trinidad State Junior College, Alamosa Campus Expansion	1,950,000	1,950,000	0	0	0
Capitol Dome Restoration	5,250,000	5,000,000	250,000	0	0
Capitol House and Senate Chambers Renovations	2,000,000	2,000,000	0	0	0
Auraria Higher Education Center Library	4,000,000	4,000,000	0	0	0
Transportation Projects (General Fund Exempt)	<u>500,000</u>	<u>500,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>State-funded Projects Appropriated</b>	<b>\$206,913,530</b>	<b>\$188,069,493</b>	<b>\$11,509,740</b>	<b>\$0</b>	<b>\$7,334,297</b>

/1 This includes a General Fund Exempt transfer.

## Cash-funded Projects

The table below reflects all capital construction projects in S.B. 13-230 that did not require an appropriation from the Capital Construction Fund. Funding for these projects comes from various sources such as user-fees and grant revenue. Specific sources include, among others, Great Outdoors Colorado grants and lottery proceeds, the Wildlife Cash Fund, the Justice Center Cash Fund, the State Museum Cash Fund, the Highway Users Tax Fund, Correctional Industries revenue, and moneys reappropriated from state agency operating budgets.



<b>Cash-funded Projects</b>					
	<b>Total Funds</b>	<b>Capital Construction Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>
Department of Agriculture, Office Consolidation	\$2,800,000	\$0	2,800,000	\$0	\$0
Colorado History Museum – Certificate of Participation (COP) Payment	3,021,000	0	3,021,000	0	0
New Colorado History Museum - exhibit build-out	3,000,000	0	3,000,000	0	0
History Colorado, Regional Museum Preservation Projects	700,000	0	700,000	0	0
Correctional Industries, Miscellaneous Projects	660,000	0	660,000	0	
Ralph L. Carr Judicial Center - COP Payment	21,634,566	0	21,634,566	0	0
Beaver Park Dam Rehabilitation	15,050,000	0	15,050,000	0	0
Park Infrastructure and Facilities	11,959,200	0	10,451,950	0	1,507,250
Parks and Wildlife Asset Development and Land and Water Acquisitions, State Parks and Wildlife Areas	7,900,000	0	7,900,000	0	0
Colorado Financial Reporting System Modernization	7,113,670	0	0	7,113,670	0
Infrared Cameras for Air-Fugitives Project	567,000	0	567,000	0	0
Brownfields Cleanup	250,000	0	250,000	0	0
Water Quality Improvement Projects	600,000	0	600,000	0	0
Ports of Entry Business System Replacement	<u>1,500,000</u>	<u>0</u>	<u>1,500,000</u>	<u>0</u>	<u>0</u>
<b>Total - Cash-funded Projects</b>	<b>\$76,755,436</b>	<b>\$0</b>	<b>\$68,134,516</b>	<b>\$7,113,670</b>	<b>\$1,507,250</b>



# **PART III**

## **DEPARTMENT DETAILS**



# Department Details

## DEPARTMENT OF AGRICULTURE

### FY 2012-13 and FY 2013-14 Appropriations by Division and Bill

Department of Agriculture						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2012-13 Total Appropriation:</b>	<b>\$39,679,233</b>	<b>\$6,863,921</b>	<b>\$27,838,161</b>	<b>\$1,090,001</b>	<b>\$3,887,150</b>	<b>282.4</b>
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Commissioner's Office and Administrative Services	8,903,051	2,153,919	5,421,092	1,045,001	283,039	18.7
Agricultural Services Division	12,116,054	3,432,445	6,497,768	0	2,185,841	123.9
Agricultural Markets Division	4,670,561	646,832	3,060,459	45,000	918,270	41.4
Brand Board	4,012,052	0	4,012,052	0	0	66.3
Colorado State Fair	8,396,790	0	8,396,790	0	0	26.9
Conservation Board	1,580,725	630,725	450,000	0	500,000	5.2
<u>Breakdown of Total Appropriation by Bill</u>						
HB 12-1335	39,146,901	6,850,576	27,319,174	1,090,001	3,887,150	282.4
HB 12-1246	9,456	9,456	0	0	0	0.0
HB 12-1334	500,000	0	500,000	0	0	0.0
SB 13-085	22,876	3,889	18,987	0	0	0.0
<b>FY 2013-14 Total Appropriation:</b>	<b>\$42,670,244</b>	<b>\$7,723,805</b>	<b>\$29,176,366</b>	<b>\$1,632,203</b>	<b>\$4,137,870</b>	<b>274.1</b>
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Commissioner's Office and Administrative Services	10,834,135	2,556,503	6,388,690	1,503,203	385,739	18.7
Agricultural Services Division	12,493,350	3,464,745	6,610,744	84,000	2,333,861	122.9
Agricultural Markets Division	4,754,867	646,832	3,144,765	45,000	918,270	41.4
Brand Board	4,159,945	0	4,159,945	0	0	59.0
Colorado State Fair	8,422,222	0	8,422,222	0	0	26.9
Conservation Board	2,005,725	1,055,725	450,000	0	500,000	5.2
<u>Breakdown of Total Appropriation by Bill</u>						
SB 13-230	42,649,039	7,702,600	29,176,366	1,632,203	4,137,870	274.1
SB 13-241	21,205	21,205	0	0	0	0.0
<b>Increase/(Decrease)</b>	<b>\$2,991,011</b>	<b>\$859,884</b>	<b>\$1,338,205</b>	<b>\$542,202</b>	<b>\$250,720</b>	<b>(8.3)</b>
Percentage Change	7.5%	12.5%	4.8%	49.7%	6.4%	(2.9%)

**Informational Funds:** The FY 2013-14 Long Bill and other legislation indicates when an amount is shown solely for informational purposes through an "(I)" notation. The following amounts in the Department of Agriculture are annotated with the "(I)". For additional information, see Appendix J.

	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>
FY 2013-14 Appropriations containing an (I) notation	\$5,687,209	\$0	\$1,549,339	\$0	\$4,137,870

## Detail of Appropriation by Administrative Section

### Commissioner's Office and Administrative Services

The Commissioner's Office, in conjunction with the Colorado Agricultural Commission, is responsible for the development and implementation of agricultural policies throughout Colorado. The Administrative Services section provides administrative and technical support for Department programs including: accounting, budgeting, and human resources. Funding sources for this division include General Fund, various cash funds, and federal grants. Reappropriated funds are received from various cash funds within the Department for centrally appropriated line items and indirect cost assessments.

<b>Commissioner's Office and Administrative Services</b>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2012-13 Appropriation:</b>						
HB 12-1335	\$8,870,719	\$2,140,574	\$5,402,105	\$1,045,001	\$283,039	18.7
HB 12-1246	9,456	9,456	0	0	0	0.0
SB 13-085	<u>22,876</u>	<u>3,889</u>	<u>18,987</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$8,903,051</b>	<b>\$2,153,919</b>	<b>\$5,421,092</b>	<b>\$1,045,001</b>	<b>\$283,039</b>	<b>18.7</b>
<b>FY 2013-14 Appropriation:</b>						
FY 2012-13 Appropriation	\$8,903,051	\$2,153,919	\$5,421,092	\$1,045,001	\$283,039	18.7
Centrally appropriated line items	1,420,956	465,541	868,584	(23,405)	110,236	0.0
Indirect cost assessment	304,722	(221,986)	108,486	418,222	0	0.0
Statewide IT common policy adjustments	173,506	148,996	32,046	0	(7,536)	0.0
License and permit business manager	63,385	0	0	63,385	0	1.0
OIT staff transfer	0	0	0	0	0	(1.0)
Annualize prior year funding	(45,390)	(3,872)	(41,518)	0	0	0.0
<b>SB 13-230</b>	<b>\$10,820,230</b>	<b>\$2,542,598</b>	<b>\$6,388,690</b>	<b>\$1,503,203</b>	<b>\$385,739</b>	<b>18.7</b>
SB 13-241	<u>13,905</u>	<u>13,905</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$10,834,135</b>	<b>\$2,556,503</b>	<b>\$6,388,690</b>	<b>\$1,503,203</b>	<b>\$385,739</b>	<b>18.7</b>

Commissioner's Office and Administrative Services						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Increase/(Decrease)	\$1,931,084	\$402,584	\$967,598	\$458,202	\$102,700	0.0
Percentage Change	21.7%	18.7%	17.8%	43.8%	36.3%	0.0%

### **FY 2012-13 Appropriation – Mid-year Adjustments**

Senate Bill 13-085 makes mid-year funding adjustments for common policy line items.

### **FY 2013-14 Appropriation – S.B. 13-230 (Long Bill) Issue Descriptions**

**Centrally appropriated line items:** The appropriation includes adjustments to centrally appropriated line items for the following: state contributions for health, life, and dental benefits; merit pay; salary survey; short-term disability; supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund; vehicle lease payments; workers' compensation; legal services; administrative law judges; payment to risk management and property funds; Capitol complex leased space; and statewide indirect cost assessments.

**Indirect cost assessment:** The appropriation includes a net increase in funds to reflect a new indirect cost methodology within the Division which includes a standard collection based on cash fund spending authority.

**Statewide IT common policy adjustments:** The appropriation includes adjustments to line items appropriated for: purchase of services from the computer center; Colorado state network; management and administration of the Governor's Office of Information Technology (OIT); communication services payments; COFRS modernization; and information technology security.

**License and permit business manager:** The appropriation includes a transfer of 1.0 FTE from the Agricultural Services Division to the Commissioner's Office and Administrative Services Division, and an associated increase of \$63,385 reappropriated funds.

**OIT staff transfer:** The appropriation reflects a budget neutral adjustment for technical changes related to transfers of Office of Information Technology staff.

**Annualize prior year funding:** The appropriation includes adjustments related to prior year funding including S.B. 13-085 (Supplemental Appropriation).

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

### **Agricultural Services Division**

This division administers four major Department programs outlined below. Three cash funds provide the majority of the funding for the division including: the Agricultural Products Inspection Fund, the Inspection and Consumer Services Cash Fund; and the Plant Health, Pest Control and Environmental Protection Fund.

- The Inspection and Consumer Services programs ensure compliance with product quality standards through licensing and inspection; certify commercial (large and small) weights and measurement devices; and analyze fertilizer and animal feed for chemical contaminants.
- Animal Industry programs provide for the: monitoring of the health of livestock and other animals used in various fields of agriculture; prevention and control of livestock disease; licensing and inspection of pet animal facilities; implementation of pest control; and investigation of animal cruelty claims.
- The Plant Industry programs manage statewide pest control programs; register pesticides and pesticide applicators; inspect plants and plant byproducts intended for domestic use or international export; oversee the organic certification program; and inspect nursery stock for quality and health.
- Conservation Services provides technical and financial support, leadership, statewide coordination, and regulatory oversight to public and private landowners statewide on an array of natural resource management challenges including noxious weed management and biological pest control.

<b>Agricultural Services Division</b>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2012-13 Appropriation:</b>						
HB 12-1335	<u>\$12,116,054</u>	<u>\$3,432,445</u>	<u>\$6,497,768</u>	<u>\$0</u>	<u>\$2,185,841</u>	<u>123.9</u>
<b>TOTAL</b>	<b>\$12,116,054</b>	<b>\$3,432,445</b>	<b>\$6,497,768</b>	<b>\$0</b>	<b>\$2,185,841</b>	<b>123.9</b>
<b>FY 2013-14 Appropriation:</b>						
FY 2012-13 Appropriation	\$12,116,054	\$3,432,445	\$6,497,768	\$0	\$2,185,841	123.9
Indirect cost assessment	260,996	0	112,976	0	148,020	0.0
Technical adjustment	109,000	25,000	0	84,000	0	0.0
License and permit business manager	0	0	0	0	0	(1.0)
<b>SB 13-230</b>	<b>\$12,486,050</b>	<b>\$3,457,445</b>	<b>\$6,610,744</b>	<b>\$84,000</b>	<b>\$2,333,861</b>	<b>122.9</b>
SB 13-241	<u>7,300</u>	<u>7,300</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$12,493,350</b>	<b>\$3,464,745</b>	<b>\$6,610,744</b>	<b>\$84,000</b>	<b>\$2,333,861</b>	<b>122.9</b>
<b>Increase/(Decrease)</b>	<b>\$377,296</b>	<b>\$32,300</b>	<b>\$112,976</b>	<b>\$84,000</b>	<b>\$148,020</b>	<b>(1.0)</b>
Percentage Change	3.1%	0.9%	1.7%	n/a	6.8%	(0.8%)

### **FY 2013-14 Appropriation – S.B. 13-230 (Long Bill) Issue Descriptions**

**Indirect cost assessment:** The appropriation includes a net increase in funds to reflect a new indirect cost methodology within the Division which includes a standard collection based on cash fund spending authority.

**Technical adjustment:** The appropriation includes an increase of reappropriated funds related to pesticide samples analysis and an increase of General Fund for noxious weed grant programs.



**License and permit business manager:** The appropriation includes a transfer of 1.0 FTE from the Agricultural Services Division to the Commissioner's Office and Administrative Services Division.

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

## Agricultural Markets Division

The Agricultural Markets Division is organized into two subdivisions:

- The Agricultural Markets section provides marketing assistance and related support to Colorado agricultural-based businesses competing in local, national, and international arenas through coordination of various market orders, promotion of Colorado agricultural products, and assistance to start-up or expanding food processing companies within Colorado. The primary sources of funding are the General Fund and the Wine Promotion Cash Fund.
- The Agricultural Products Inspection section administers the agricultural products inspection program, performing mandatory and non-mandatory inspections to determine grade, size, and quality of fruits and vegetables. This subdivision receives \$200,000 General Fund in addition to agricultural products inspection fees.

<b>Agricultural Markets Division</b>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2012-13 Appropriation:</b>						
HB 12-1335	\$4,170,561	\$646,832	\$2,560,459	\$45,000	\$918,270	41.4
HB 12-1334	<u>500,000</u>	<u>0</u>	<u>500,000</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$4,670,561</b>	<b>\$646,832</b>	<b>\$3,060,459</b>	<b>\$45,000</b>	<b>\$918,270</b>	<b>41.4</b>
<b>FY 2013-14 Appropriation:</b>						
FY 2012-13 Appropriation	\$4,670,561	\$646,832	\$3,060,459	\$45,000	\$918,270	41.4
Indirect cost assessment	84,306	0	84,306	0	0	0.0
<b>SB 13-230</b>	<b><u>\$4,754,867</u></b>	<b><u>\$646,832</u></b>	<b><u>\$3,144,765</u></b>	<b><u>\$45,000</u></b>	<b><u>\$918,270</u></b>	<b><u>41.4</u></b>
<b>TOTAL</b>	<b>\$4,754,867</b>	<b>\$646,832</b>	<b>\$3,144,765</b>	<b>\$45,000</b>	<b>\$918,270</b>	<b>41.4</b>
<b>Increase/(Decrease)</b>	\$84,306	\$0	\$84,306	\$0	\$0	0.0
Percentage Change	1.8%	0.0%	2.8%	0.0%	0.0%	0.0%

### FY 2013-14 Appropriation – S.B. 13-230 (Long Bill) Issue Descriptions

**Indirect cost assessment:** The appropriation includes a net increase in funds to reflect a new indirect cost methodology within the Division which includes a standard collection based on cash fund spending authority.

## Brand Board

The Brand Board serves the livestock industry and assists the public with problems related to livestock management. The Brand Board also administers and records livestock brands, and inspects cattle, horse, and alternative livestock brands (such as deer and elk) to verify ownership at the time of sale, transport, or slaughter. The Brand Board is cash funded from the Brand Inspection Fund and the Alternative Livestock Farm Cash Fund. Pursuant to Section 35-41-101 (5) (a), C.R.S., the Brand Board constitutes an enterprise for the purposes of Section 20 of Article X of the Colorado Constitution (TABOR).

	Brand Board					
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2012-13 Appropriation:</b>						
HB 12-1335	\$4,012,052	\$0	\$4,012,052	\$0	\$0	66.3
<b>TOTAL</b>	<b>\$4,012,052</b>	<b>\$0</b>	<b>\$4,012,052</b>	<b>\$0</b>	<b>\$0</b>	<b>66.3</b>
<b>FY 2013-14 Appropriation:</b>						
FY 2012-13 Appropriation	\$4,012,052	\$0	\$4,012,052	\$0	\$0	66.3
Brand board vehicle replacement	120,000	0	120,000	0	0	0.0
Indirect cost assessment	27,893	0	27,893	0	0	0.0
Technical adjustment	0	0	0	0	0	(7.3)
<b>SB 13-230</b>	<b>\$4,159,945</b>	<b>\$0</b>	<b>\$4,159,945</b>	<b>\$0</b>	<b>\$0</b>	<b>59.0</b>
<b>TOTAL</b>	<b>\$4,159,945</b>	<b>\$0</b>	<b>\$4,159,945</b>	<b>\$0</b>	<b>\$0</b>	<b>59.0</b>
<b>Increase/(Decrease)</b>	\$147,893	\$0	\$147,893	\$0	\$0	(7.3)
Percentage Change	3.7%	n/a	3.7%	n/a	n/a	(11.0%)

### FY 2013-14 Appropriation – S.B. 13-230 (Long Bill) Issue Descriptions

**Brand board vehicle replacement:** The appropriation includes an increase of \$120,000 cash funds from the Brand Inspection Cash Fund for replacement vehicles used by brand inspectors.

**Indirect cost assessment:** The appropriation includes a net increase in funds to reflect a new indirect cost methodology within the Division which includes a standard collection based on cash fund spending authority.

**Technical adjustment:** The appropriation includes a net decrease of FTE for a base adjustment to reflect actual FTE usage.

## Colorado State Fair

This program includes personal services and operating expenses associated with the Colorado State Fair, which is administered by the eleven member State Fair Authority. The division is entirely cash funded from the Colorado State Fair Authority Cash Fund, Agriculture Management Fund. Revenues are collected from rental fees and ticket sales during the eleven day state fair and from non-fair events held at the fairgrounds during the rest of the year. Fair attendance for the 2012 State Fair was 515,995, which was a slight decrease from 2011.

Colorado State Fair						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2012-13 Appropriation:</b>						
HB 12-1335	<u>\$8,396,790</u>	<u>\$0</u>	<u>\$8,396,790</u>	<u>\$0</u>	<u>\$0</u>	<u>26.9</u>
<b>TOTAL</b>	<b>\$8,396,790</b>	<b>\$0</b>	<b>\$8,396,790</b>	<b>\$0</b>	<b>\$0</b>	<b>26.9</b>
<b>FY 2013-14 Appropriation:</b>						
FY 2012-13 Appropriation	\$8,396,790	\$0	\$8,396,790	\$0	\$0	26.9
Indirect cost assessment	25,432	0	25,432	0	0	0.0
<b>SB 13-230</b>	<b><u>\$8,422,222</u></b>	<b><u>\$0</u></b>	<b><u>\$8,422,222</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>26.9</u></b>
<b>TOTAL</b>	<b>\$8,422,222</b>	<b>\$0</b>	<b>\$8,422,222</b>	<b>\$0</b>	<b>\$0</b>	<b>26.9</b>
<b>Increase/(Decrease)</b>	\$25,432	\$0	\$25,432	\$0	\$0	0.0
Percentage Change	0.3%	n/a	0.3%	n/a	n/a	0.0%

### FY 2013-14 Appropriation – S.B. 13-230 (Long Bill) Issue Descriptions

**Indirect cost assessment:** The appropriation includes a net increase in funds to reflect a new indirect cost methodology within the Division which includes a standard collection based on cash fund spending authority.

### 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. The primary sources of funding are General Fund, federal grant dollars from the U.S. Department of Agriculture Natural Resources Conservation Service, and cash funds transferred from the Severance Tax Operational Fund.

Conservation Board						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2012-13 Appropriation:</b>						
HB 12-1335	<u>\$1,580,725</u>	<u>\$630,725</u>	<u>\$450,000</u>	<u>\$0</u>	<u>\$500,000</u>	<u>5.2</u>
<b>TOTAL</b>	<b>\$1,580,725</b>	<b>\$630,725</b>	<b>\$450,000</b>	<b>\$0</b>	<b>\$500,000</b>	<b>5.2</b>
<b>FY 2013-14 Appropriation:</b>						
FY 2012-13 Appropriation	\$1,580,725	\$630,725	\$450,000	\$0	\$500,000	5.2
Technical adjustment	200,000	200,000	0	0	0	0.0
<b>SB 13-230</b>	<b><u>\$2,005,725</u></b>	<b><u>\$1,055,725</u></b>	<b><u>\$450,000</u></b>	<b><u>\$0</u></b>	<b><u>\$500,000</u></b>	<b><u>5.2</u></b>
<b>TOTAL</b>	<b>\$2,005,725</b>	<b>\$1,055,725</b>	<b>\$450,000</b>	<b>\$0</b>	<b>\$500,000</b>	<b>5.2</b>

Conservation Board						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>Increase/(Decrease)</b>	\$425,000	\$425,000	\$0	\$0	\$0	0.0
Percentage Change	26.9%	67.4%	0.0%	n/a	0.0%	0.0%

### **FY 2013-14 Appropriation – S.B. 13-230 (Long Bill) Issue Descriptions**

**Technical adjustment:** The appropriation includes a net increase of funds to restore prior year funding reductions for conservation grant programs.

## **Recent Legislation**

### **2012 Session Bills**

**H.B. 12-1246:** Reverses the June pay-day shift for bi-weekly employees. For FY 2012-13, increases General Fund appropriations by \$9,456.

**H.B. 12-1334:** Extends the repeal of a transfer of \$500,000 cash funds from the Severance Tax Operational Fund to the Agriculture Value-Added Cash Fund from FY 2012-13 through FY 2016-17. Moneys in the Agriculture Value-Added Cash Fund are appropriated for agricultural production and research projects that aid the economy of rural Colorado.

**H.B. 12-1335:** General appropriations act for FY 2012-13.

### **2013 Session Bills**

**S.B. 13-085:** Makes mid-year adjustments to the Department's FY 2012-13 appropriations.

**S.B. 13-230:** General appropriations act for FY 2013-14.

**S.B. 13-241:** Repeals H.B. 12-1099, the Industrial Hemp Remediation Pilot Program in the DPHE, and establishes a registration program in the Department of Agriculture for people cultivating industrial hemp either commercially or for research and development purposes. For FY 2013-14, provides \$21,205 General Fund to the Department of Agriculture

# Department Details

## DEPARTMENT OF CORRECTIONS

### FY 2012-13 and FY 2013-14 Appropriations by Division and Bill

	Department of Corrections					
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2012-13 Total Appropriation:</b>	<b>\$740,960,074</b>	<b>\$654,682,235</b>	<b>\$39,619,027</b>	<b>\$45,644,484</b>	<b>\$1,014,328</b>	<b>6,077.1</b>
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Management	180,075,551	174,397,221	5,108,876	276,542	292,912	83.5
Institutions	378,115,932	376,635,639	1,335,494	64,799	80,000	4,662.4
Support Services	33,768,584	32,805,197	921,524	41,318	545	239.6
Inmate Programs	38,078,844	32,495,426	3,425,627	2,059,068	98,723	527.9
Community Services	38,811,253	36,757,899	10,000	2,004,256	39,098	367.2
Parole Board	1,590,853	1,590,853	0	0	0	13.5
Correctional Industries	55,807,140	0	14,105,589	41,198,501	503,050	155.0
Canteen Operation	14,711,917	0	14,711,917	0	0	28.0
<u>Breakdown of Total Appropriation by Bill</u>						
HB 12-1335	736,945,972	650,697,073	40,835,214	44,399,357	1,014,328	6,020.9
SB 08-239	175,424	175,424	0	0	0	0.0
HB 08-1115	28,758	28,758	0	0	0	0.0
HB 08-1194	31,634	31,634	0	0	0	0.0
HB 08-1352	217,566	217,566	0	0	0	0.0
HB 10-1081	28,800	28,800	0	0	0	0.0
HB 10-1277	4,482	4,482	0	0	0	0.0
HB 12-1223	0	0	0	0	0	2.0
HB 12-1246	136,460	136,460	0	0	0	0.0
HB 12-1310	11,840	11,840	(1,245,127)	1,245,127	0	0.0
SB 13-086	3,379,138	3,350,198	28,940	0	0	54.2
<b>FY 2013-14 Total Appropriation:</b>	<b>\$751,232,064</b>	<b>\$664,148,559</b>	<b>\$40,179,999</b>	<b>\$45,892,992</b>	<b>\$1,010,514</b>	<b>6,019.6</b>
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Management	192,425,875	185,912,983	5,943,438	276,542	292,912	83.9
Institutions	371,250,472	369,823,763	1,281,910	64,799	80,000	4,597.3
Support Services	37,818,072	36,717,776	599,995	500,301	0	233.8

Department of Corrections						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Inmate Programs	38,065,354	32,493,219	3,419,705	2,059,068	93,362	526.5
Community Services	39,499,319	37,625,965	10,000	1,824,256	39,098	381.6
Parole Board	1,574,853	1,574,853	0	0	0	13.5
Correctional Industries	55,855,156	0	14,181,988	41,168,026	505,142	155.0
Canteen Operation	14,742,963	0	14,742,963	0	0	28.0
<u>Breakdown of Total Appropriation by Bill</u>						
SB 13-230	752,626,223	665,542,718	40,179,999	45,892,992	1,010,514	6,019.2
SB 10-128	28,014	28,014	0	0	0	0.0
HB 10-1081	28,800	28,800	0	0	0	0.0
SB 13-007	56,160	56,160	0	0	0	0.0
SB 13-200	(2,471,751)	(2,471,751)	0	0	0	0.4
SB 13-210	963,168	963,168	0	0	0	0.0
SB 13-250	521,850	521,850	0	0	0	0.0
HB 13-1160	(520,400)	(520,400)	0	0	0	0.0
<b>Increase/(Decrease)</b>	\$10,271,990	\$9,466,324	\$560,972	\$248,508	(\$3,814)	(57.5)
Percentage Change	1.4%	1.4%	1.4%	0.5%	(0.4%)	(0.9%)

**Informational Funds:** The FY 2013-14 Long Bill and other legislation indicates when an amount is shown solely for informational purposes through an "(I)" notation. The following amounts in the Department of Corrections are annotated with the "(I)". For additional information, see Appendix J.

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds
FY 2013-14 Appropriations containing an (I) notation	\$15,753,477	\$0	\$14,742,963	\$0	\$1,010,514

## Detail of Appropriation by Administrative Section

### Management

The Management Division contains the main departmental management functions including the Executive Director's Office, the External Capacity Subprogram, and the Inspector General Subprogram. The Executive Director's Office provides general administrative oversight for the Department. The External Capacity Subprogram 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 unit that monitors private prisons for compliance with contractual provisions. The Inspector General Subprogram is responsible for investigating crimes in prisons. Cash funds and reappropriated funds are primarily from

Correctional Industries sales revenue, Canteen Operation sales revenue, the Sex Offender Surcharge Fund, and Victims Assistance and Law Enforcement funds.

	<b>Management</b>					
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2012-13 Appropriation:</b>						
HB 12-1335	\$179,879,421	\$174,233,360	\$5,076,607	\$276,542	\$292,912	76.6
HB 12-1223	(331,766)	(331,766)	0	0	0	0.0
HB 12-1246	45,486	45,486	0	0	0	0.0
SB 13-086	<u>482,410</u>	<u>450,141</u>	<u>32,269</u>	<u>0</u>	<u>0</u>	<u>6.9</u>
<b>TOTAL</b>	<b>\$180,075,551</b>	<b>\$174,397,221</b>	<b>\$5,108,876</b>	<b>\$276,542</b>	<b>\$292,912</b>	<b>83.5</b>
<b>FY 2013-14 Appropriation:</b>						
FY 2012-13 Appropriation	\$180,075,551	\$174,397,221	\$5,108,876	\$276,542	\$292,912	83.5
Centrally appropriated line items	19,639,865	18,805,303	834,562	0	0	0.0
Community provider rate	1,783,687	1,783,687	0	0	0	0.0
Kitchen security posts	387,223	387,223	0	0	0	0.0
Parole caseload	300,340	300,340	0	0	0	0.0
Insurance for Fort Lyon after shutdown	55,000	55,000	0	0	0	0.0
Sex offender treatment	18,242	18,242	0	0	0	0.0
Private prison reductions	(8,187,751)	(8,187,751)	0	0	0	0.0
Annualize prior year funding	(942,733)	(942,733)	0	0	0	0.0
Reduce utilities, maintenance, and security for Fort Lyon	(93,303)	(93,303)	0	0	0	0.0
Administrative reductions	(87,054)	(87,054)	0	0	0	0.0
Community supervision caseload	(59,631)	(59,631)	0	0	0	0.0
End funding for CCJJ	(56,160)	(56,160)	0	0	0	0.0
<b>SB 13-230</b>	<b>\$192,833,276</b>	<b>\$186,320,384</b>	<b>\$5,943,438</b>	<b>\$276,542</b>	<b>\$292,912</b>	<b>83.5</b>
SB 13-007	56,160	56,160	0	0	0	0.0
SB 13-200	28,249	28,249	0	0	0	0.4
SB 13-210	28,590	28,590	0	0	0	0.0
HB 13-1160	<u>(520,400)</u>	<u>(520,400)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$192,425,875</b>	<b>\$185,912,983</b>	<b>\$5,943,438</b>	<b>\$276,542</b>	<b>\$292,912</b>	<b>83.9</b>
<b>Increase/(Decrease)</b>	\$12,350,324	\$11,515,762	\$834,562	\$0	\$0	0.4
Percentage Change	6.9%	6.6%	16.3%	0.0%	0.0%	0.5%

## **FY 2012-13 Appropriation - Mid-year Adjustments**

Senate Bill 13-086 modifies FY 2012-13 appropriations to:

- Increase General Fund by \$774,465 and cash funds by \$32,269 for the Liability Premiums Technical True-up, which fixed a shortfall in the State's liability fund.
- Increase General Fund by \$67,489 due to added parole caseload.
- Increase General Fund by \$41,774 to provide maintenance, utilities and security for Fort Lyon Correctional Facility.
- Reduce General Fund by \$433,587 due to the early closure of beds at two correctional facilities.
- Provide an additional 6.9 FTE to align the FTE appropriation with FTE use.

## **FY 2013-14 Appropriation – S.B. 13-230 (Long Bill) Issue Descriptions**

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

**Community provider rate:** The appropriation includes an increase of \$1,783,687 total funds for the 2.0 percent community-provider-rate increase, which applies to private prisons, jails that house offenders sentenced to prison, and community-return-to-custody facilities for parolees who have their parole revoked.

**Kitchen security posts:** The appropriation increases funding for kitchen security.

**Parole caseload:** The appropriation increases funding for the Parole and Parole Intensive Supervision programs, reflecting increased caseload.

**Insurance for Fort Lyon after shutdown:** The appropriation provides \$55,000 for insurance at Fort Lyon following shutdown. Note that S.B. 13-210 designates Fort Lyon as a transitional residential community for the homeless and provides funding for that purpose. See the "Recent Legislation" section at the end of Part III of this department for more information.

**Sex offender treatment:** The appropriation funds a psychologist and a clinician for the Department's sex offender treatment and management program.

**Private prison reductions:** The appropriation reduces funding for private prisons, reflecting reduced caseload.

**Annualize prior year funding:** The appropriation includes adjustments related to prior year legislation and budget actions. In this division it includes the second year impact of the FY 2012-13 decision to close Colorado State Penitentiary II (CSP II) and living units at three state prisons, H.B. 12-1310 (Omnibus Crime), and H.B. 12-1223 (Earned Time).



**Reduce utilities, maintenance, and security for Fort Lyon:** The appropriation eliminates utilities and maintenance for Fort Lyon following shutdown of the facility and reduces security expenditures to \$35,000 annually. Note that S.B. 13-210 designates Fort Lyon as a transitional residential community for the homeless and provides funding for that purpose.

**Administrative reductions:** The appropriation reduces the Department's administrative staff.

**Community supervision caseload:** The appropriation reduces funding for supervising transition inmates in community corrections and on Intensive Supervision (ISP-Inmate) status, reflecting reduced caseload.

**End funding for CCJJ:** The Long Bill appropriation eliminates funding for the Colorado Commission on Criminal and Juvenile Justice because authorization for the Commission is expiring. Senate Bill 13-007 continues the Commission.

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

## Institutions

The Institutions division includes all cost centers directly attributable to the operation of the State's adult correctional facilities. These subprogram cost centers include utilities, maintenance, housing and security, food services, medical services, superintendents, the Youthful Offender System, and the specialized San Carlos Correctional Facility. The cash funds are primarily from fees charged for inmate medical costs and utilities costs associated with Correctional Industries programs. The federal funds are primarily from donated U.S. Department of Agriculture foods.

	Institutions					
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2012-13 Appropriation:</b>						
HB 12-1335	\$375,108,567	\$373,628,274	\$1,335,494	\$64,799	\$80,000	4,707.1
SB 08-239	175,424	175,424	0	0	0	0.0
HB 08-1115	28,758	28,758	0	0	0	0.0
HB 08-1194	31,634	31,634	0	0	0	0.0
HB 08-1352	217,566	217,566	0	0	0	0.0
HB 10-1081	28,800	28,800	0	0	0	0.0
HB 10-1277	4,482	4,482	0	0	0	0.0
HB 12-1223	(24,972)	(24,972)	0	0	0	0.0
HB 12-1246	45,487	45,487	0	0	0	0.0
SB 13-086	<u>2,500,186</u>	<u>2,500,186</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(44.7)</u>
<b>TOTAL</b>	<b>\$378,115,932</b>	<b>\$376,635,639</b>	<b>\$1,335,494</b>	<b>\$64,799</b>	<b>\$80,000</b>	<b>4,662.4</b>

	<b>Institutions</b>					
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2013-14 Appropriation:</b>						
FY 2012-13 Appropriation	\$378,115,932	\$376,635,639	\$1,335,494	\$64,799	\$80,000	4,662.4
Mental health expansion	2,848,786	2,848,786	0	0	0	0.0
Kitchen security posts	2,588,745	2,588,745	0	0	0	56.1
Food service inflation	441,612	441,612	0	0	0	0.0
Shutdown Fort Lyon	326,500	326,500	0	0	0	0.0
Annualize prior year funding	(5,162,119)	(5,162,119)	0	0	0	(87.6)
Medical and pharmaceutical expenditures for offenders	(3,176,313)	(3,176,313)	0	0	0	0.0
Reduce utilities, maintenance, and security for Fort Lyon	(1,644,798)	(1,644,798)	0	0	0	(10)
State prison reductions	(1,186,470)	(1,186,470)	0	0	0	(20.6)
Administrative reductions	(202,046)	(202,046)	0	0	0	(2.7)
Five-year statutory appropriations for FY 2012-13	(56,814)	(56,814)	0	0	0	0.0
Indirect cost assessment	(53,584)	0	(53,584)	0	0	0.0
Parole caseload	(23,635)	(23,635)	0	0	0	0.0
<b>SB 13-230</b>	<b>\$372,815,796</b>	<b>\$371,389,087</b>	<b>\$1,281,910</b>	<b>\$64,799</b>	<b>\$80,000</b>	<b>4,597.3</b>
SB 10-128	28,014	28,014	0	0	0	0.0
HB 10-1081	28,800	28,800	0	0	0	0.0
SB 13-200	(2,500,000)	(2,500,000)	0	0	0	0.0
SB 13-210	<u>877,862</u>	<u>877,862</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$371,250,472</b>	<b>\$369,823,763</b>	<b>\$1,281,910</b>	<b>\$64,799</b>	<b>\$80,000</b>	<b>4,597.3</b>
<b>Increase/(Decrease)</b>	(\$6,865,460)	(\$6,811,876)	(\$53,584)	\$0	\$0	(65.1)
Percentage Change	(1.8%)	(1.8%)	(4.0%)	0.0%	0.0%	(1.4%)

### **FY 2012-13 Appropriation - Mid-year Adjustments**

Senate Bill 13-086 modifies FY 2012-13 appropriations to:

- Increase General Fund by \$5,008,531 for external medical expenses.
- Increase General Fund by \$797,238 and 4.3 FTE to provide maintenance, utilities and security for Fort Lyon Correctional Facility.
- Increase General Fund by \$32,480 due to added parole caseload.
- Reduce General Fund by \$3,338,063 and 53.5 FTE due to the early closure of beds at two facilities.
- Provide 4.5 FTE to align the FTE appropriation with FTE use.

## **FY 2013-14 Appropriation – S.B. 13-230 (Long Bill) Issue Descriptions**

**Mental health expansion:** The appropriation increases funding for contract psychiatrists who will treat offenders with mental illness.

**Kitchen security posts:** The appropriation increases funding and FTE for kitchen security.

**Food service inflation:** The appropriation increases funding for raw food; the Department has not received an inflationary food increase since FY 2007.

**Shutdown Fort Lyon:** The appropriation provides funding for a full shutdown of Fort Lyon.

**Annualize prior year funding:** The appropriation includes adjustments related to prior year legislation and budget actions. In this division it includes the second year impact of the FY 2012-13 decision to close CSP II and living units at three state prisons, H.B. 12-1310 (Omnibus Crime), and H.B. 12-1223 (Earned Time).

**Medical and pharmaceutical expenditures for offenders:** The appropriation reduces funding for inpatient and outpatient medical care for offenders outside of prison facilities and for pharmaceuticals, reflecting the declining caseload.

**Reduce utilities, maintenance, and security for Fort Lyon:** The appropriation eliminates utilities and maintenance for Fort Lyon following shutdown of the facility and reduces security expenditures to \$35,000 annually.

**State prison reductions:** The appropriation reduces funding for staff and support at Denver Women's Correctional Facility and Sterling Correctional Facility, reflecting reduced caseload.

**Administrative reductions:** The appropriation reduces the Department's administrative staff.

**Five-year statutory appropriations for FY 2013-14:** The appropriation uses the FY 2013-14 funding provided in five-year sentencing bills to finance part of the cost of operating this division.

**Indirect cost assessment:** The appropriation includes a net decrease in the division's indirect cost assessment.

**Parole caseload:** The appropriation decreases funding for the Parole and Parole Intensive Supervision programs. A parole expansion began late in FY 2012-13 and the negative adjustment for FY 2013-14 reflects the end of one-time FY 2012-13 start-up costs for a portion of the expansion.

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

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## **Support Services**

The Support Services division includes business operations, personnel, offender services, communications, transportation, training, information systems, and facility services. The cash funds and reappropriated funds are primarily from sales revenue from Canteen Operations and Correctional Industries.

Support Services						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2012-13 Appropriation:</b>						
HB 12-1335	\$33,602,407	\$32,639,020	\$921,524	\$41,318	\$545	223.2
HB 12-1223	184,977	184,977	0	0	0	2.0
HB 12-1310	11,840	11,840	0	0	0	0.0
SB 13-086	<u>(30,640)</u>	<u>(30,640)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>14.4</u>
<b>TOTAL</b>	<b>\$33,768,584</b>	<b>\$32,805,197</b>	<b>\$921,524</b>	<b>\$41,318</b>	<b>\$545</b>	<b>239.6</b>
<b>FY 2013-14 Appropriation:</b>						
FY 2012-13 Appropriation	\$33,768,584	\$32,805,197	\$921,524	\$41,318	\$545	239.6
Statewide IT common policy adjustments	3,578,719	3,549,324	29,940	0	(545)	0.0
Centrally appropriated line items	187,589	161,903	25,686	0	0	0.0
Parole caseload	120,198	120,198	0	0	0	0.0
Kitchen security posts	37,868	37,868	0	0	0	0.0
Sex offender treatment	1,350	1,350	0	0	0	0.0
Use of indirect cost assessment	0	(81,828)	(377,155)	458,983	0	0.0
Administrative reductions	(274,625)	(274,625)	0	0	0	(5.8)
Annualize prior year funding	(116,031)	(116,031)	0	0	0	0.0
Community supervision caseload	(6,953)	(6,953)	0	0	0	0.0
State prison reductions	(477)	(477)	0	0	0	0.0
<b>SB 13-230</b>	<b>\$37,296,222</b>	<b>\$36,195,926</b>	<b>\$599,995</b>	<b>\$500,301</b>	<b>\$0</b>	<b>233.8</b>
SB 13-250	<u>521,850</u>	<u>521,850</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$37,818,072</b>	<b>\$36,717,776</b>	<b>\$599,995</b>	<b>\$500,301</b>	<b>\$0</b>	<b>233.8</b>
<b>Increase/(Decrease)</b>	\$4,049,488	\$3,912,579	(\$321,529)	\$458,983	(\$545)	(5.8)
Percentage Change	12.0%	11.9%	(34.9%)	1,110.9%	(100.0%)	(2.4%)

### FY 2012-13 Appropriation - Mid-year Adjustments

Senate Bill 13-086 increases the FTE appropriation to align it with expected FTE use, provides \$45,321 for added parole caseload, and reduces the appropriation by \$75,961 due to the early closure of beds at two correctional facilities.

### FY 2013-14 Appropriation – S.B. 13-230 (Long Bill) Issue Descriptions

**Statewide IT common policy adjustments:** The appropriation includes adjustments to line items appropriated for purchase of services from the computer center; Colorado state network; management and administration of

the Governor's Office of Information Technology (OIT); communication services payments; information technology security, and COFRS modernization.

**Centrally appropriated line items:** The appropriation increases funding for vehicle lease payments.

**Parole caseload:** The appropriation increases funding for the Parole and Parole Intensive Supervision programs, reflecting increased caseload.

**Kitchen security posts:** The appropriation increases funding for kitchen security.

**Sex offender treatment:** The appropriation funds a psychologist and a clinician for the Department's sex offender treatment and management program.

**Use of indirect cost assessment:** The appropriation decreases General Fund appropriations in response to increased revenue from indirect cost assessments.

**Administrative reductions:** The appropriation reduces the Department's administrative staff.

**Annualize prior year funding:** The appropriation includes adjustments related to prior year legislation and budget actions. In this division, it includes the second year impact of the FY 2012-13 decision to close CSP II and living units at three state prisons, H.B. 12-1310 (Omnibus Crime), and H.B. 12-1223 (Earned Time).

**Community supervision caseload:** The appropriation reduces funding for supervising transition offenders in community corrections and on ISP-Inmate status, reflecting reduced caseload.

**State prison reductions:** The appropriation reduces funding for staff and support at Denver Women's Correctional Facility and Sterling Correctional Facility, reflecting reduced caseload.

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

## Inmate Programs

The Inmate Programs division includes all educational, vocational, recreational, and inmate labor programs operated by the Department. This division also includes the Sex Offender Treatment Subprogram and the Drug and Alcohol Treatment Subprogram. The cash funds are primarily from the Drug Offender Surcharge Fund. The reappropriated funds and federal funds are primarily from educational grants.

	Inmate Programs					FTE
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	
FY 2012-13 Appropriation:						
HB 12-1335	\$37,877,645	\$32,290,898	\$4,674,083	\$813,941	\$98,723	491.9
HB 12-1223	193,900	193,900	0	0	0	0.0
HB 12-1246	45,487	45,487	0	0	0	0.0
HB 12-1310	0	0	(1,245,127)	1,245,127	0	0.0

<b>Inmate Programs</b>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
SB 13-086	<u>(38,188)</u>	<u>(34,859)</u>	<u>(3,329)</u>	<u>0</u>	<u>0</u>	<u>36.0</u>
<b>TOTAL</b>	<b>\$38,078,844</b>	<b>\$32,495,426</b>	<b>\$3,425,627</b>	<b>\$2,059,068</b>	<b>\$98,723</b>	<b>527.9</b>
<b>FY 2013-14 Appropriation:</b>						
FY 2012-13 Appropriation	\$38,078,844	\$32,495,426	\$3,425,627	\$2,059,068	\$98,723	527.9
Sex offender treatment	174,065	174,065	0	0	0	2.0
Parole caseload	92,410	92,410	0	0	0	0.0
Annualize prior year funding	(169,665)	(167,189)	(2,476)	0	0	(2)
State prison reductions	(78,004)	(74,558)	(3,446)	0	0	(1.2)
Community supervision caseload	(26,935)	(26,935)	0	0	0	0.0
Indirect cost assessment	(5,361)	0	0	0	(5,361)	0.0
<b>SB 13-230</b>	<b><u>\$38,065,354</u></b>	<b><u>\$32,493,219</u></b>	<b><u>\$3,419,705</u></b>	<b><u>\$2,059,068</u></b>	<b><u>\$93,362</u></b>	<b><u>526.5</u></b>
<b>TOTAL</b>	<b>\$38,065,354</b>	<b>\$32,493,219</b>	<b>\$3,419,705</b>	<b>\$2,059,068</b>	<b>\$93,362</b>	<b>526.5</b>
<b>Increase/(Decrease)</b>	<b>(\$13,490)</b>	<b>(\$2,207)</b>	<b>(\$5,922)</b>	<b>\$0</b>	<b>(\$5,361)</b>	<b>(1.4)</b>
<b>Percentage Change</b>	<b>(0.0%)</b>	<b>(0.0%)</b>	<b>(0.2%)</b>	<b>0.0%</b>	<b>(5.4%)</b>	<b>(0.3%)</b>

### **FY 2012-13 Appropriation - Mid-year Adjustments**

Senate Bill 13-086 provides 37.3 FTE to align the FTE appropriation with expected FTE use and reduces the General Fund appropriation by \$67,949 and the cash fund appropriation by \$3,329 to reflect the early closure of beds at two correctional facilities.

### **FY 2013-14 Appropriation – S.B. 13-230 (Long Bill) Issue Descriptions**

**Sex offender treatment:** The appropriation funds a psychologist and a clinician for the Department's sex offender treatment and management program.

**Parole caseload:** The appropriation increases funding for the Parole and Parole Intensive Supervision programs, reflecting increased caseload.

**Annualize prior year funding:** The appropriation includes adjustments related to prior year legislation and budget actions. In this division it includes the second year impact of the FY 2012-13 decision to close CSP II and living units at three state prisons, and H.B. 12-1246 (Biweekly pay date shift).

**State prison reductions:** The appropriation reduces funding for staff and support at Denver Women's Correctional Facility and Sterling Correctional Facility, reflecting reduced caseload.

**Community supervision caseload:** The appropriation reduces funding for supervising transition offenders in community corrections and on ISP-Inmate status, reflecting reduced caseload.

**Indirect cost assessment:** The appropriation includes a net decrease in the division's indirect cost assessment.

## Community Services

The Community Services division includes the parole, parole intensive supervision program (ISP), community supervision (transition), and community ISP (transition) subprograms. This major program area is designed to isolate most costs associated with supervising inmates and parolees in a community setting. Other costs associated with residential community corrections placements are appropriated to the Department of Public Safety, Division of Criminal Justice (DCJ). The reappropriated funds are moneys transferred from the DCJ.

Community Services						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2012-13 Appropriation:</b>						
HB 12-1335	\$38,368,022	\$36,314,668	\$10,000	\$2,004,256	\$39,098	340.6
HB 12-1223	(22,139)	(22,139)	0	0	0	0.0
SB 13-086	<u>465,370</u>	<u>465,370</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>26.6</u>
<b>TOTAL</b>	<b>\$38,811,253</b>	<b>\$36,757,899</b>	<b>\$10,000</b>	<b>\$2,004,256</b>	<b>\$39,098</b>	<b>367.2</b>
<b>FY 2013-14 Appropriation:</b>						
FY 2012-13 Appropriation	\$38,811,253	\$36,757,899	\$10,000	\$2,004,256	\$39,098	367.2
Parole caseload	1,413,592	1,413,592	0	0	0	22.9
Move parolee substance abuse program	0	180,000	0	(180,000)	0	0.0
Community supervision caseload	(711,288)	(711,288)	0	0	0	(6.6)
Administrative reductions	(69,132)	(69,132)	0	0	0	(1.9)
Centrally appropriated line items	(1,822)	(1,822)	0	0	0	0.0
<b>SB 13-230</b>	<b>\$39,442,603</b>	<b>\$37,569,249</b>	<b>\$10,000</b>	<b>\$1,824,256</b>	<b>\$39,098</b>	<b>381.6</b>
SB 13-210	<u>56,716</u>	<u>56,716</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$39,499,319</b>	<b>\$37,625,965</b>	<b>\$10,000</b>	<b>\$1,824,256</b>	<b>\$39,098</b>	<b>381.6</b>
<b>Increase/(Decrease)</b>	\$688,066	\$868,066	\$0	(\$180,000)	\$0	14.4
<b>Percentage Change</b>	1.8%	2.4%	0.0%	(9.0%)	0.0%	3.9%

## FY 2012-13 Appropriation - Mid-year Adjustments

Senate Bill 13-086 adds 21.0 FTE to align the FTE appropriation with expected FTE use and provides additional General Fund and 5.6 FTE to deal with an increase of the parole caseload.

## FY 2013-14 Appropriation – S.B. 13-230 (Long Bill) Issue Descriptions

**Parole caseload:** The appropriation increases funding and FTE for the Parole and Parole Intensive Supervision programs, reflecting increased caseload.

**Move parolee substance abuse program:** The appropriation moves funding for a parolee substance abuse program from the Division of Criminal Justice in the Department of Public Safety to the Department of Corrections. These moneys were formerly appropriated to the Department of Public Safety and transferred to the Department of Corrections.

**Community supervision caseload:** The appropriation reduces funding and FTE for supervising transition offenders in community corrections and on ISP-Inmate status, reflecting reduced caseload.

**Administrative reductions:** The appropriation reduces the Department's administrative staff.

**Centrally appropriated line items:** The appropriation reduces funding for administrative law judge services.

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

## 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 the conditions of parole for discretionary and mandatory parolees. When the conditions of parole are violated, the Board can revoke a person's parole.

	Parole Board					
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2012-13 Appropriation:</b>						
HB 12-1335	\$1,590,853	\$1,590,853	\$0	\$0	\$0	12.5
SB 13-086	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1.0</u>
<b>TOTAL</b>	<b>\$1,590,853</b>	<b>\$1,590,853</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>13.5</b>
<b>FY 2013-14 Appropriation:</b>						
FY 2012-13 Appropriation	\$1,590,853	\$1,590,853	\$0	\$0	\$0	13.5
Annualize prior year funding	(16,000)	(16,000)	0	0	0	0.0
<b>SB 13-230</b>	<b><u>\$1,574,853</u></b>	<b><u>\$1,574,853</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>13.5</u></b>
<b>TOTAL</b>	<b>\$1,574,853</b>	<b>\$1,574,853</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>13.5</b>
<b>Increase/(Decrease)</b>	<b>(\$16,000)</b>	<b>(\$16,000)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
Percentage Change	(1.0%)	(1.0%)	n/a	n/a	n/a	0.0%

## FY 2012-13 Appropriation - Mid-year Adjustments

Senate Bill 13-086 increases the FTE appropriation to align it with expected FTE use.



## FY 2013-14 Appropriation – S.B. 13-230 (Long Bill) Issue Descriptions

**Annualize prior year funding:** The appropriation includes adjustments related to prior year legislation and budget actions. In this division it includes the second year impact of SB 11-241 (Parole Board Changes).

### Correctional Industries

Correctional Industries manages profit-oriented work programs to provide inmates with training in various job skills while generating revenues to cover its 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. The Correctional Industries division is fully supported by cash funds and reappropriated funds from sales of Correctional Industries products and services. Because Correctional Industries is an enterprise, appropriations in this area are exempt from Section 20 of Article X of the State Constitution (Section 17-24-104 (1), C.R.S.).

Correctional Industries						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2012-13 Appropriation:</b>						
HB 12-1335	\$55,807,140	\$0	\$14,105,589	\$41,198,501	\$503,050	142.1
SB 13-086	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>12.9</u>
<b>TOTAL</b>	<b>\$55,807,140</b>	<b>\$0</b>	<b>\$14,105,589</b>	<b>\$41,198,501</b>	<b>\$503,050</b>	<b>155.0</b>
<b>FY 2013-14 Appropriation:</b>						
FY 2012-13 Appropriation	\$55,807,140	\$0	\$14,105,589	\$41,198,501	\$503,050	155.0
Indirect cost assessment	48,016	0	76,399	(30,475)	2,092	0.0
<b>SB 13-230</b>	<b><u>\$55,855,156</u></b>	<b><u>\$0</u></b>	<b><u>\$14,181,988</u></b>	<b><u>\$41,168,026</u></b>	<b><u>\$505,142</u></b>	<b><u>155.0</u></b>
<b>TOTAL</b>	<b>\$55,855,156</b>	<b>\$0</b>	<b>\$14,181,988</b>	<b>\$41,168,026</b>	<b>\$505,142</b>	<b>155.0</b>
<b>Increase/(Decrease)</b>	\$48,016	\$0	\$76,399	(\$30,475)	\$2,092	0.0
Percentage Change	0.1%	n/a	0.5%	(0.1%)	0.4%	0.0%

### FY 2012-13 Appropriation - Mid-year Adjustments

Senate Bill 13-086 aligns the FTE appropriation with expected FTE use.

## FY 2013-14 Appropriation – S.B. 13-230 (Long Bill) Issue Descriptions

**Indirect cost assessment:** The appropriation includes a net increase in the division's indirect cost assessment.

## Canteen Operation

The Canteen Operation provides various personal items for purchase by inmates including toiletries, snack foods, phone services, and other approved items. Per court order, all funds remaining after expenses are to be used to provide inmates with additional educational or recreational resources including library materials and cable television services. The Canteen Operation is fully supported by cash funds from sales of canteen products to inmates. Because the Canteen Operation is an enterprise, appropriations in this area are exempt from Section 20 of Article X of the Colorado Constitution (Section 17-24-126, C.R.S.).

	Canteen Operation					
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2012-13 Appropriation:</b>						
HB 12-1335	\$14,711,917	\$0	\$14,711,917	\$0	\$0	\$26.9
SB 13-086	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1.1</u>
<b>TOTAL</b>	<b>\$14,711,917</b>	<b>\$0</b>	<b>\$14,711,917</b>	<b>\$0</b>	<b>\$0</b>	<b>28.0</b>
<b>FY 2013-14 Appropriation:</b>						
FY 2012-13 Appropriation	\$14,711,917	\$0	\$14,711,917	\$0	\$0	28.0
Indirect cost assessment	31,046	0	31,046	0	0	0.0
<b>SB 13-230</b>	<b><u>\$14,742,963</u></b>	<b><u>\$0</u></b>	<b><u>\$14,742,963</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>28.0</u></b>
<b>TOTAL</b>	<b>\$14,742,963</b>	<b>\$0</b>	<b>\$14,742,963</b>	<b>\$0</b>	<b>\$0</b>	<b>28.0</b>
<b>Increase/(Decrease)</b>	\$31,046	\$0	\$31,046	\$0	\$0	0.0
Percentage Change	0.2%	n/a	0.2%	n/a	n/a	0.0%

### FY 2012-13 Appropriation - Mid-year Adjustments

Senate Bill 13-086 aligns the FTE appropriation with expected FTE use.

### FY 2013-14 Appropriation – S.B. 13-230 (Long Bill) Issue Descriptions

**Indirect cost assessment:** The appropriation includes a net increase in the division's indirect cost assessment.

## Recent legislation

### 2012 Session Bills

**H.B. 12-1084:** Increases from a class 5 felony to a class 4 felony the penalty for a vehicle driver who leaves the scene of an accident resulting in serious bodily injury. Has a five-year fiscal impact of \$1,743,070, but includes a provision making an exception to the statutory five-year appropriation requirement and therefore does not make any appropriations.

**H.B. 12-1223:** Allows offenders in the DOC to receive additional earned time while in prison, while on parole, and while temporarily reincarcerated for a parole violation, thus reducing the average time that offenders are in prison and on parole while providing increased incentives for offenders to behave appropriately. Appropriates the resulting FY 2012-13 General Fund savings of \$193,900 to offender education programs within the Department.

**H.B. 12-1246:** Reverses the annual pay date shift for state employees who are paid on a biweekly basis. Appropriates \$136,460 General Fund to the DOC for FY 2012-13. For additional information see the corresponding bill description in the "Recent Legislation" section of the Department of Personnel.

**H.B. 12-1271:** Raises to 16 the minimum age at which juveniles charged with certain serious crimes may be prosecuted in adult court, a process known as "direct filing", while limiting the offenses for which direct filing is available to class 1 and 2 felonies, violent sex offenses, crimes of violence committed by prior felony offenders, and certain sex offenses committed by prior felony offenders. Reduces expenditures for the Department's Youthful Offender System by a projected \$1,856,160 over four years, beginning in FY 2013-14. For more information see the corresponding bill description in the "Recent Legislation" section of the Department of Human Services.

**H.B. 12-1310:** Addresses criminal justice matters in several areas including drug offenses and treatment, sentencing, court proceedings, sex offenses, probation, and parole. Contains the following provisions relevant to the DOC:

- Removes the term "cathinone" (also known as bath salts) from the statutory list of schedule 1 controlled substances and creates a detailed list of cathinones elsewhere in statute. Reduces penalties for cathinone possession to a misdemeanor. Creates a new class 3 felony for the distribution or production of cathinones, which has a five-year fiscal impact of \$82,826, but includes a provision making an exception to the statutory five-year appropriation requirement and therefore does not make any appropriations for the criminal penalties. Creates a new civil penalty for deceptive trade practices for distribution or production of cathinones.
- Establishes a ten-year mandatory period of parole under the supervision of the DOC for juvenile offenders who are adjudicated delinquent and sentenced for first degree murder. Includes a one-time FY 2012-13 General Fund appropriation of \$11,840 to DOC for computer programming changes and an equal reappropriation to the Governor's Office of Information Technology.
- Consolidates funding for substance-abuse treatment for adult and juvenile offenders, replacing multiple appropriations with a set of similar appropriations involving the Correctional Treatment Cash Fund, which is created by the bill. Implements a consistent appropriation format that initially appropriates all General Fund and cash funds made available by S.B. 03-318 and H.B. 10-1352 for treatment to a single department (Judicial). Transfers funds not used in the Judicial Department to other state agencies as reappropriated funds. Increases appropriations of reappropriated funds to the DOC by \$1,245,127 while reducing appropriations of cash funds by the same amount. For more information see the corresponding bill description in the "Recent Legislation" section of the Judicial Department.

**H.B. 12-1335:** General appropriations act for FY 2012-13.

**H.B. 12-1336:** Directs the Office of State Planning and Budgeting (OSPB) to contract for a system wide analysis of the DOC by July 1, 2012. Encourages the OSPB to convene an advisory group to assist the OSPB and the Joint Budget Committee (JBC) in developing options based on the study. Directs the OSPB, the JBC, and any advisory group convened to identify, evaluate, and prioritize state and private contract prison-bed utilization options for five fiscal years beginning with FY 2013-14. Appropriates \$350,000 General Fund to the Office of the Governor for FY 2012-13.

**H.B. 12-1337:** Closes the south campus of the Centennial correctional facility for state housing of inmates while allowing non-state entities to house inmates on the south campus. Allows the south campus to be maintained to provide support and services to the rest of the facility. The corresponding FY 2012-13 funding reductions for the DOC, comprised of \$4,533,632 General Fund, \$2,275 cash funds, and 71.2 FTE, are reflected in the Long Bill (H.B. 12-1335).

## 2013 Session Bills

**S.B. 13-007:** Changes the repeal date for the Colorado Commission on Criminal and Juvenile Justice from July 1, 2013 to July 1, 2018. Requires the Office of Legislative Legal Services to provide a staff member to attend meetings of the Commission upon request. Makes the following FY 2013-14 General Fund appropriations: \$255,433 to the Department of Public Safety, \$56,100 to the Department of Corrections, and \$6,061 to the Legislative Department.

**S.B. 13-086:** Supplemental appropriation to the Department of Corrections to adjust FY 2012-13 appropriations.

**S.B. 13-200:** Enables childless adults or adults without dependent children to qualify for Medicaid if their income is below 133% of the Federal Poverty Level. As a consequence, many Department of Correction's offenders will qualify for Medicaid when they receive inpatient medical care at facilities outside of the Department of Corrections. The bill appropriates \$28,249 General Fund and 0.4 FTE to the executive director's office for administration and reduces General Fund appropriations for external medical expenses by \$2,500,000.

**S.B. 13-210:** Requires the Department of Corrections to annually report to the General Assembly on corrections officer staffing levels. Requires work periods for correctional officers to be from 7 to 14 days in length and requires the Department to pay overtime when officers work more than 85 hours during a 14 day work period or when they work more than a proportionately smaller threshold if the work period is less than 14 days. Requires the Department to pay time and a half to corrections officers who work 12 or more hours in one 24 hour period for time worked in excess of 8.5 hours. Requires the DOC to

- Develop criteria for when a corrections officer can work a double shift,
- Provide pay stubs with detailed information,
- Establish rules that increase staffing flexibility, including but not limited to employee shift substitution, voluntary overtime lists, roving, and pool staff coverage.

Designates a portion of the former Fort Lyon Correctional Facility as a transitional residential community for the homeless. For FY 2013-14, appropriates \$963,168 General Fund to the Department of Corrections and \$2,788,851 General Fund to the Department of Local Affairs. For more information, see the corresponding bill description in the "Recent Legislation" section of the Department of Local Affairs.

**S.B. 13-230:** General appropriations act for FY 2013-14.

**S.B. 13-250:** Creates a new felony and misdemeanor drug sentencing structure, assigning each drug crime a new penalty based on new felony and misdemeanor drug sentencing categories. Directs the General Assembly to appropriate at least \$3.5 million in FY 2014-15 to the Correctional Treatment Cash Fund. Requires the Division of Criminal Justice in the Department of Public Safety to collect data on drug cases and issue a report by December 31, 2016. For FY 2013-14, appropriates \$521,850 General Fund to the Department of Corrections and reappropriates this amount to the Office of Information Technology. For more information, see the corresponding bill description in the "Recent Legislation" section of the Judicial Department.

**H.B. 13-1154:** Creates several new offenses against pregnant women, including unlawful termination of a pregnancy, aggravated vehicular unlawful termination of a pregnancy, and careless driving resulting in unlawful termination of a pregnancy. Includes a 5-year statutory General Fund appropriation to the Department of Corrections that provides \$124,063 for FY 2014-15, \$121,773 for FY 2015-16, and \$76,655 for FY 2016-17 and FY 2017-18.

**H.B. 13-1160:** Amends the penalties for criminal theft and amends criminal theft to include the existing statutory offenses of theft of rental property and theft by receiving. Repeals the existing statutory offenses of theft of rental property, theft by receiving, fuel piracy, and newspaper theft. These changes, on net, decrease the number of offenders and the duration of their stays in the Department of Corrections. Decreases the FY 2013-14 General Fund appropriation for payments to in-state private prisons by \$520,400. For more information, see the corresponding bill description in the "Recent Legislation" section of the Judicial Department.

**H.B. 13-1325:** States that in any DUI prosecution, and in any prosecution for vehicular homicide or vehicular assault, if at the time of driving (or within a reasonable time thereafter) the driver's blood contains five nanograms or more of delta 9-tetrahydrocannabinol per milliliter in whole blood such fact gives rise to a permissible inference that the defendant was under the influence of one or more drugs. Removes instances of the term "habitual user" from the traffic code. Appropriates \$12,000 General Fund to the Office of the State Public Defender for FY 2013-14. Makes statutory General Fund appropriations to the Department of Corrections of \$20,816 for FY 2014-15 and \$5,551 for FY 2015-16.

# Department Details

## DEPARTMENT OF EDUCATION

### FY 2012-13 and FY 2013-14 Appropriations by Division and Bill

Department of Education						
	Total Funds	General Fund <sup>1</sup>	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2012-13 Total Appropriation:</b>	<b>\$4,435,413,899</b>	<b>\$3,015,441,352</b>	<b>\$767,189,974</b>	<b>\$24,078,570</b>	<b>\$628,704,003</b>	<b>565.7</b>
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Management and Administration	80,098,637	8,072,207	38,249,668	13,449,947	20,326,815	150.2
Assistance to Public Schools	4,333,856,032	2,994,856,478	727,152,032	7,278,307	604,569,215	205.3
Library Programs	7,051,301	2,180,054	713,274	350,000	3,807,973	42.6
School for the Deaf and the Blind	14,407,929	10,332,613	1,075,000	3,000,316	0	167.6
<u>Breakdown of Total Appropriation by Bill</u>						
HB 12-1335	4,352,905,769	2,958,024,914	742,098,282	24,078,570	628,704,003	556.9
SB 12-068	6,800	6,800	0	0	0	0.0
HB 12-1238	169,473	0	169,473	0	0	8.8
HB 12-1246	173,373	173,373	0	0	0	0.0
HB 12-1261	604,800	0	604,800	0	0	0.0
HB 12-1345	67,850,747	57,232,000	10,618,747	0	0	0.0
SB 13-087	449,265	4,265	445,000	0	0	0.0
SB 13-108	13,253,672	0	13,253,672	0	0	0.0
SB 13-230	0	0	0	0	0	0.0
<b>FY 2013-14 Total Appropriation:</b>	<b>\$4,648,370,616</b>	<b>\$3,100,516,167</b>	<b>\$893,700,039</b>	<b>\$28,629,576</b>	<b>\$625,524,834</b>	<b>563.8</b>
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Management and Administration	80,435,288	10,030,548	33,138,508	15,913,467	21,352,765	159.4
Assistance to Public Schools	4,543,797,637	3,076,221,591	859,149,531	7,286,233	601,140,282	198.7
Library Programs	9,898,841	4,180,054	337,000	2,350,000	3,031,787	38.1
School for the Deaf and the Blind	14,238,850	10,083,974	1,075,000	3,079,876	0	167.6
<u>Breakdown of Total Appropriation by Bill</u>						
SB 13-230	4,562,558,440	3,100,348,494	808,055,536	28,629,576	625,524,834	561.6
SB 13-193	150,093	150,093	0	0	0	1.0
SB 13-217	17,580	17,580	0	0	0	0.2
SB 13-260	85,524,410	0	85,524,410	0	0	0.0

Department of Education						
	Total Funds	General Fund <sup>1</sup>	Cash Funds	Reappropriated Funds	Federal Funds	FTE
HB 13-1257	120,093	0	120,093	0	0	1.0
<b>Increase/(Decrease)</b>	\$212,956,717	\$85,074,815	\$126,510,065	\$4,551,006	(\$3,179,169)	(1.9)
Percentage Change	4.8%	2.8%	16.5%	18.9%	(0.5%)	(0.3%)

<sup>1</sup> Includes \$507,235,597 General Fund Exempt in FY 2012-13 and \$469,842,084 in FY 2013-14. See Division Detail for more information on General Fund Exempt appropriations.

**Informational Funds:** The FY 2013-14 Long Bill and other legislation indicates when an amount is shown solely for informational purposes through an "(I)" notation. The following amounts in the Department of Education are annotated with the "(I)". For additional information, see Appendix J.

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds
FY 2013-14 Appropriations containing an (I) notation	\$640,977,802	\$0	\$3,633,246	\$11,819,722	\$625,524,834

## Detail of Appropriation by Administrative Section

### Management and Administration

This section provides funding for the State Board of Education, the Commissioner of Education, and general department administrative responsibilities including: human resources, budgeting, accounting, information management, assessments, and data analyses. This section also includes funding for the Office of Professional Services, the Division of On-line Learning, activities associated with educator effectiveness, and the State Charter School Institute.

Cash funds primarily include the State Education Fund, the State Public School Fund, the Educator Licensure Cash Fund, the Institute Charter School Assistance Fund, general education development (GED) program fees, and the Public School Capital Construction Assistance Fund. Reappropriated funds consist primarily of indirect cost recoveries, the transfer of funds from various cash- and federally-funded line items, and the transfer of various grants and donations originally appropriated in the Assistance to Public Schools section.

Management and Administration						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2012-13 Appropriation:</b>						
HB 12-1335	\$76,094,372	\$8,067,942	\$34,249,668	\$13,449,947	\$20,326,815	150.2
HB 12-1345	4,000,000	0	4,000,000	0	0	0.0
SB 13-087	4,265	4,265	0	0	0	0.0
SB 13-230	0	0	0	0	0	0.0
<b>TOTAL</b>	<b>\$80,098,637</b>	<b>\$8,072,207</b>	<b>\$38,249,668</b>	<b>\$13,449,947</b>	<b>\$20,326,815</b>	<b>150.2</b>

	<b>Management and Administration</b>					
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2013-14 Appropriation:</b>						
FY 2012-13 Appropriation	\$80,098,637	\$8,072,207	\$38,249,668	\$13,449,947	\$20,326,815	150.2
Assessment update	6,771,403	0	4,192,802	0	2,578,601	0.0
Centrally appropriated line items	3,416,196	1,021,003	469,388	449,070	1,476,735	0.0
Continuous appropriation adjustments	2,014,450	0	0	2,014,450	0	1.0
Accountability planning	1,117,060	566,728	0	0	550,332	10.0
Statewide IT common policy adjustments	202,937	202,937	0	0	0	0.0
Indirect cost assessment	0	0	0	0	0	0.0
Annualize prior year funding	(10,814,961)	0	(10,093,443)	0	(721,518)	(3.0)
Federal fund adjustments	(2,858,200)	0	0	0	(2,858,200)	(1.0)
<b>SB 13-230</b>	<b>\$79,947,522</b>	<b>\$9,862,875</b>	<b>\$32,818,415</b>	<b>\$15,913,467</b>	<b>\$21,352,765</b>	<b>157.2</b>
SB 13-193	150,093	150,093	0	0	0	1.0
SB 13-217	17,580	17,580	0	0	0	0.2
SB 13-260	200,000	0	200,000	0	0	0.0
HB 13-1257	<u>120,093</u>	<u>0</u>	<u>120,093</u>	<u>0</u>	<u>0</u>	<u>1.0</u>
<b>TOTAL</b>	<b>\$80,435,288</b>	<b>\$10,030,548</b>	<b>\$33,138,508</b>	<b>\$15,913,467</b>	<b>\$21,352,765</b>	<b>159.4</b>
<b>Increase/(Decrease)</b>	\$336,651	\$1,958,341	(\$5,111,160)	\$2,463,520	\$1,025,950	9.2
Percentage Change	0.4%	24.3%	(13.4%)	18.3%	5.0%	6.1%

### **FY 2012-13 Appropriation - Mid-year Adjustments**

Senate Bill 13-087 adjusts the FY 2012-13 appropriation to the Payment to Risk Management and Property Funds line item.

Senate Bill 13-230 amends H.B. 12-1345 to allow the Department of Education to spend \$3,000,000 million cash funds appropriated in FY 2012-13 over two years (FY 2012-13 and FY 2013-14) to enable the Department to execute the contract for an early literacy assessment tool without an additional appropriation in FY 2013-14.

### **FY 2013-14 Appropriation – S.B. 13-230 (Long Bill) Issue Descriptions**

**Assessment update:** The appropriation includes an increase of \$4.2 million in state funding (from the State Education Fund) to continue to update statewide standardized assessments to align with the current statewide academic standards. The appropriation also reallocates \$2.6 million federal funds associated with the development and administration of alternate assessments for students with significant cognitive disabilities from the Special Education Programs for Children with Disabilities line item to the Colorado Student Assessment Program line item to consolidate assessment-related funding in a single line item.



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

**Continuous appropriation adjustments:** The appropriation includes adjustments to reflect anticipated expenditures of funds that are continuously appropriated to the Department.

**Accountability planning:** The appropriation includes an increase of \$566,728 General Fund and 3.2 FTE to support the implementation of accountability and improvement planning pursuant to S.B. 09-163. The appropriation also reallocates \$550,332 federal funds and 6.8 FTE associated with ongoing accountability and improvement planning efforts from other line items to the new Accountability and Improvement Planning line item to consolidate related resources and staff in a single line item.

**Statewide IT common policy adjustments:** The appropriation includes adjustments to line items appropriated for: purchase of services from the computer center; Colorado state network; and information technology security.

**Indirect cost assessment:** The appropriation reflects a change in the format for reflecting indirect cost assessments, with each division's appropriation reflecting the assessments that relate to fund sources that support that division. The bill reduces the appropriations to line items that included the assessed funds in prior years and reallocates those funds to a new line item for the division, resulting in no change to the division's total funding.

**Annualize prior year funding:** The appropriation includes adjustments related to prior year legislation and budget actions.

**Federal fund adjustments:** The appropriation includes other adjustments to federal funds to reflect anticipated available funding in FY 2013-14.

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

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## Assistance to Public Schools

This section includes funding that is distributed to public schools or is used to directly support public schools (e.g., federally-funded Department staff that provide technical assistance to districts concerning special education programs). This section is comprised of the following three subsections:

- **Public School Finance:** This subsection includes funding for the state share of districts' total program funding required under the School Finance Act, for other distributions that are directly related to school district pupil counts, and for administration of the School Finance Act and related programs.
- **Categorical Programs:** This subsection includes state and federal funding for all programs defined as "categorical programs" pursuant to Article IX, Section 17 of the Colorado Constitution.

- **Grant Programs, Distributions, and Other Assistance:** This subsection includes other state and federal funds that are distributed to schools and districts, or that are used to provide direct support and assistance to schools and districts.

The changes in appropriation by subdivision and the factors driving such changes are included in tables for each subdivision.

	<b>Assistance to Public Schools</b>					
	<b>Total Funds</b>	<b>General Fund<sup>1</sup></b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2012-13 Appropriation:</b>						
HB 12-1335	\$4,255,525,540	\$2,937,617,678	\$706,060,340	\$7,278,307	\$604,569,215	196.5
SB 12-068	6,800	6,800	0	0	0	0.0
HB 12-1238	169,473	0	169,473	0	0	8.8
HB 12-1261	604,800	0	604,800	0	0	0.0
HB 12-1345	63,850,747	57,232,000	6,618,747	0	0	0.0
SB 13-087	445,000	0	445,000	0	0	0.0
SB 13-108	13,253,672	0	13,253,672	0	0	0.0
SB 13-230	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$4,333,856,032</b>	<b>\$2,994,856,478</b>	<b>\$727,152,032</b>	<b>\$7,278,307</b>	<b>\$604,569,215</b>	<b>205.3</b>
<b>FY 2013-14 Appropriation:</b>						
SB 13-230	\$4,458,473,227	\$3,076,221,591	\$773,825,121	\$7,286,233	\$601,140,282	198.7
SB 13-260	<u>85,324,410</u>	<u>0</u>	<u>85,324,410</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$4,543,797,637</b>	<b>\$3,076,221,591</b>	<b>\$859,149,531</b>	<b>\$7,286,233</b>	<b>\$601,140,282</b>	<b>198.7</b>
<b>Increase/(Decrease)</b>	\$209,941,605	\$81,365,113	\$131,997,499	\$7,926	(\$3,428,933)	(6.6)
Percentage Change	4.8%	2.7%	18.2%	0.1%	(0.6%)	(3.2%)

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

### *Public School Finance*

This subsection of the Assistance to Public Schools section primarily consists of appropriations for the State's share of funding required under the School Finance Act of 1994, as amended. The local share of funding (35.9 percent of the amount required under the Act for FY 2013-14 or \$2.0 billion) is not reflected in appropriations to the Department. This subsection also includes funding for other distributions that are directly related to school district pupil counts, as well as funding for staff responsible for administering the School Finance Act and the Colorado Preschool Program, for providing technical assistance and making grants for full-day kindergarten programs, and for auditing school districts to ensure compliance with the federal school lunch, public school transportation, and English language proficiency programs.

For FY 2013-14, 83.0 percent of the State's share of districts' total program funding is from the General Fund. The remainder of the funding is appropriated from two cash funds: the State Education Fund and the State

Public School Fund. Administrative costs are primarily supported by transfers from the State Share of Districts' Total Program Funding, which has the effect of reducing funding that would otherwise be distributed to school districts.

### **School Finance Formula Overview: FY 2013-14 Funding for Public School Finance**

The annual Long Bill contains appropriations based on current law. Thus, for purposes of public school finance, the annual Long Bill contains appropriations to fund public schools based on projected student enrollment, the existing statutory public school finance funding formula, and the minimum constitutionally required increase in the statewide base per-pupil funding amount. The General Assembly also passes a separate bill each year, called the school finance bill, that modifies the statutory school finance formula for the upcoming fiscal year. The school finance bill always specifies, in statute, the constitutionally required increase in the statewide base per-pupil funding amount. In addition, the school finance bill often includes other statutory modifications that increase or decrease the cost of funding public schools. The school finance bill then includes an appropriation clause which increases or decreases Long Bill appropriations for the following fiscal year accordingly.

The FY 2013-14 Long Bill (S.B. 13-230) includes appropriations sufficient to fully fund public schools based on projected student enrollment for FY 2013-14, support the minimum constitutionally required increase in the statewide base per-pupil funding amount, and increase statewide average per pupil funding by the rate of inflation from 2012 (1.9 percent) as required by S.B. 13-108. Specifically, appropriations in the Public School Finance subsection of the Long Bill increased by \$101.1 million compared to FY 2012-13, as described below in the "FY 2013-14 Appropriation - S.B. 13-230 (Long Bill) Issue Descriptions" section.

The 2013 school finance bill (S.B. 13-260) includes formula modifications that increase the cost of funding the public school finance formula for FY 2013-14. Senate Bill 13-260 thus includes an appropriation clause that increases appropriations of state funds in the Public School Finance subsection of the Long Bill for FY 2013-14 by \$51.9 million. When both the Long Bill and H.B. 12-1345 are taken into account, appropriations in the Public School Finance subsection increased by \$153.1 million from FY 2012-13 to FY 2013-14.

The largest line item appropriation within this subsection provides the State Share of Districts' Total Program Funding. The table on the following page provides data related to this line item appropriation for both FY 2012-13 and FY 2013-14. As detailed in the table:

- Long Bill appropriations for districts' total program funding are based on the formula prior to S.B. 13-260. As directed by S.B. 13-108, the Long Bill appropriation provides the increase in state funds necessary to increase statewide average per pupil funding by the rate of inflation (1.9 percent based on the actual change in the Denver-Boulder consumer price index in 2012).
- Senate Bill 13-260 modifies the statutory school finance formula, increasing the costs of fully funding the formula for FY 2013-14. This bill increases districts' total program funding by \$51.8 million.

When both the Long Bill and S.B. 13-260 are taken into account, total state and local funding for school districts for FY 2013-14 is \$210.4 million (4.0 percent) higher than for FY 2012-13. This level of funding is anticipated to increase average per-pupil funding from \$6,479 in FY 2012-13 to \$6,652 in FY 2013-14 (an increase of \$173 or 2.7 percent).

### School Finance Formula Overview

#### Districts' Total Program Funding: FY 2012-13 and FY 2013-14

School Finance: Total Program	FY 2012-13 Amended Appropriation	Long Bill (SB 13-260) Appropriation	Adjustments in SB 13-260	FY 2013-14 Appropriation	Annual Change
Funded pupil count	817,659.7	828,045.2	0.0	828,045.20	10,385.50
<i>Annual percent change</i>					1.3%
Statewide <u>base</u> per-pupil funding	\$5,843	\$5,954	\$0	\$5,954	\$111
<i>Annual percent change</i>					1.9%
Total program funding ( <u>prior to</u> negative factor)	\$6,309,482,173	\$6,502,398,280	\$11,842,221	\$6,514,240,501	\$204,758,328
LESS: Negative factor reduction	(1,011,518,997)	(1,045,881,297)	40,026,919	(1,005,854,378)	5,664,619
<b>EQUALS: Adjusted total program funding</b>	<b>\$5,297,963,176</b>	<b>\$5,456,516,983</b>	<b>\$51,869,141</b>	<b>\$5,508,386,124</b>	<b>\$210,422,948</b>
<i>Annual percent change</i>					4.0%
<i>Total funds reduction as percent of "full" funding</i>	(16.0%)	(16.1%)		(15.44%)	
Statewide <u>average</u> per-pupil funding	\$6,479.42	\$6,589.64	\$62.64	\$6,652.28	\$172.85
<i>Annual percent change</i>					2.7%
<u>Local share</u> of adjusted total program funding	\$1,918,248,885	\$1,975,697,952	\$25,407	\$1,975,723,359	\$57,474,474
<i>Annual percent change</i>					3.0%
<u>State share</u> of adjusted total program funding	<b>\$3,379,714,291</b>	<b>\$3,480,819,031</b>	<b>\$51,843,734</b>	<b>\$3,532,662,765</b>	<b>\$152,948,474</b>
<i>Annual percent change</i>					4.5%
<i>State share as % of Districts' Total Program</i>	63.8%	63.8%		64.1%	

The next table provides the standard comparison of FY 2012-13 and FY 2013-14 appropriations for the Public School Finance subsection of the budget. This table is followed by descriptions of mid-year adjustments to FY 2012-13 appropriations and descriptions of the year-over-year funding changes that are reflected in the Long Bill (S.B. 13-230). Descriptions of the statutory changes and the appropriation changes included in S.B. 13-260 are included in the "Recent Legislation" section at the end of the Education section.

<i>Public School Finance</i>						
	Total Funds	General Fund <sup>1</sup>	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2012-13 Appropriation:</b>						
HB 12-1335	\$3,317,902,921	\$2,795,069,877	\$521,352,197	\$1,480,847	\$0	17.2
HB 12-1238	0	0	0	0	0	0.0
HB 12-1345	60,917,747	57,232,000	3,685,747	0	0	0.0
SB 13-108	13,253,672	0	13,253,672	0	0	0.0
SB 13-230	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$3,392,074,340</b>	<b>\$2,852,301,877</b>	<b>\$538,291,616</b>	<b>\$1,480,847</b>	<b>\$0</b>	<b>17.2</b>

<i>Public School Finance</i>						
	<b>Total Funds</b>	<b>General Fund<sup>1</sup></b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2013-14 Appropriation:</b>						
FY 2012-13 Appropriation	\$3,392,074,340	\$2,852,301,877	\$538,291,616	\$1,480,847	\$0	17.2
Annual total program adjustment	101,104,740	81,371,913	19,732,827	0	0	0.0
Hold-harmless full-day kindergarten	138,767	0	138,767	0	0	0.0
Juveniles held in jail adjustment	(75,000)	0	(75,000)	0	0	0.0
<b>SB 13-230</b>	<b>\$3,493,242,847</b>	<b>\$2,933,673,790</b>	<b>\$558,088,210</b>	<b>\$1,480,847</b>	<b>\$0</b>	<b>17.2</b>
SB 13-260	<u>51,894,982</u>	<u>0</u>	<u>51,894,982</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$3,545,137,829</b>	<b>\$2,933,673,790</b>	<b>\$609,983,192</b>	<b>\$1,480,847</b>	<b>\$0</b>	<b>17.2</b>
<hr/>						
<b>Increase/(Decrease)</b>	\$153,063,489	\$81,371,913	\$71,691,576	\$0	\$0	(0.0)
Percentage Change	4.5%	2.9%	13.3%	0.0%	n/a	(0.0%)

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

<b>General Fund Summary</b>	<b>Total General Fund</b>	<b>General Fund</b>	<b>General Fund Exempt</b>
<b>FY 2012-13 Appropriation</b>	\$2,852,301,877	\$2,540,099,253	\$312,202,624
Long Bill supplemental (S.B. 13-230)	<u>0</u>	<u>(195,033,333)</u>	<u>195,033,333</u>
<b>FY 2012-13 Adjusted Appropriation</b>	\$2,852,301,877	\$2,345,065,920	\$507,235,957
Fund state share of districts' total program funding based on current law	81,371,913	81,371,913	0
Adjust General Fund Exempt amount based on the March 2013 Office of State Planning and Budgeting revenue forecast	<u>0</u>	<u>37,393,873</u>	<u>(37,393,873)</u>
<b>Total FY 2013-14 Appropriation</b>	\$2,933,673,790	\$2,463,831,706	\$469,842,084

## General Fund Exempt

Referendum C, passed by Colorado voters in November 2005, allows the State to retain and spend all revenue that is collected in excess of the TABOR limit for FY 2005-06 through FY 2009-10. For FY 2010-11 and subsequent fiscal years, Referendum C allows the State to retain all revenues that are in excess of the TABOR limit, but less than the excess state revenues cap, for that fiscal year. This revenue must be placed in the General Fund Exempt Account. The above table shows the amount of General Fund that is appropriated for FY 2012-13 and FY 2013-14 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.

FY 2012-13 Appropriation - Mid-year Adjustments

Senate Bill 13-230 modified FY 2012-13 appropriations to reflect the portion of the General Fund appropriation that is from the General Fund Exempt Account based on the Office of State Planning and Budgeting March 2013 revenue forecast.

For information on S.B. 13-108, see the “Recent Legislation” section at the end of this department.

FY 2013-14 Appropriation – S.B. 13-230 (Long Bill) Issue Descriptions

**Annual total program adjustment:** The Long Bill appropriation reflects a \$101.1 million increase in state funding for the School Finance Act, comprised of \$81.4 million General Fund and \$19.7 million cash funds. The Long Bill appropriation reflects the increase in state funding necessary to increase statewide average per pupil funding by the rate of inflation from 2012 (1.9 percent) as required by S.B. 13-108.

**Hold-harmless full-day kindergarten:** The Long Bill appropriation increases funding for certain districts for full-day kindergarten based on changes in per pupil funding under the Long Bill appropriation.

**Juveniles held in jail adjustment:** The appropriation includes a reduction to the District Per Pupil Reimbursements for Juveniles Held in Jail line item based on actual and anticipated use of the program.

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

Categorical Programs

This subsection includes appropriations for all "categorical programs", a term that refers to programs designed to serve particular groups of students (e.g., students with limited proficiency in English) or particular student needs (e.g., transportation). Article IX, Section 17 of the Colorado Constitution defines categorical programs, and requires the General Assembly to increase total state funding for all categorical programs annually by at least the rate of inflation plus one percent for FY 2001-02 through FY 2010-11, and by at least the rate of inflation for subsequent fiscal years.

Categorical programs are funded primarily with General Fund and various sources of federal funds. Cash fund sources include the State Education Fund and the Public School Transportation Fund. Reappropriated funds include federal funds transferred from the Department of Human Services.

	Categorical Programs					FTE
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	
FY 2012-13 Appropriation:						
HB 12-1335	\$414,791,288	\$141,765,474	\$102,903,788	\$101,812	\$170,020,214	73.6
TOTAL	\$414,791,288	\$141,765,474	\$102,903,788	\$101,812	\$170,020,214	73.6

	<i>Categorical Programs</i>					
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2013-14 Appropriation:</b>						
FY 2012-13 Appropriation	\$414,791,288	\$141,765,474	\$102,903,788	\$101,812	\$170,020,214	73.6
Increase state funding by 1.9 percent	4,640,166	0	4,640,166	0	0	0.0
Alternate assessment reallocation	(2,578,601)	0	0	0	(2,578,601)	0.0
Indirect cost assessment	(949,542)	0	0	0	(949,542)	0.0
Accountability planning reallocation	(158,500)	0	0	0	(158,500)	(1.5)
<b>SB 13-230</b>	<b>\$415,744,811</b>	<b>\$141,765,474</b>	<b>\$107,543,954</b>	<b>\$101,812</b>	<b>\$166,333,571</b>	<b>72.1</b>
SB 13-260	<u>20,000,000</u>	<u>0</u>	<u>20,000,000</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$435,744,811</b>	<b>\$141,765,474</b>	<b>\$127,543,954</b>	<b>\$101,812</b>	<b>\$166,333,571</b>	<b>72.1</b>
<b>Increase/(Decrease)</b>	\$20,953,523	\$0	\$24,640,166	\$0	(\$3,686,643)	(1.5)
Percentage Change	5.1%	0.0%	23.9%	0.0%	(2.2%)	(2.0%)

### **FY 2013-14 Appropriation – S.B. 13-230 (Long Bill) Issue Descriptions**

**Increase state funding by 1.9 percent:** As required by Amendment 23, the FY 2013-14 appropriation includes a \$4,640,166 (1.9 percent) increase in *state funding* for categorical programs (based on the actual percent change in the Denver-Boulder consumer price index in 2011). The full amount of the increase is from the State Education Fund. The table following the description of incremental changes details the allocation of the required funding increase among categorical programs.

**Alternate assessment reallocation:** The appropriation reallocates federal funding associated with the development and administration of alternate assessments for students with significant cognitive disabilities from the Special Education Programs for Children with Disabilities line item to the Colorado Student Assessment Program line item within the Management and Administration division.

**Indirect cost assessment:** The appropriation reflects a change in the format for reflecting indirect cost assessments, with each division's appropriation reflecting the assessments that relate to fund sources that support that division. The appropriation reduces the appropriations to line items that included the assessed funds in prior years and reallocates those funds to a new subdivision, resulting in no change to the division's total funding.

**Accountability planning reallocation:** The appropriation reallocates federal funding associated with ongoing accountability and improvement planning efforts pursuant to S.B. 09-163 from the Special Education Programs for Children with Disabilities line item to a newly created Accountability and Improvement Planning line item within the Management and Administration division.

<b>Long Bill Appropriation Increase in State Funding for Categorical Programs for FY 2013-14</b>				
<b>Long Bill Line Item</b>	<b>FY 2012-13 Appropriation of State Funds</b>	<b>Allocation of FY 2013-14 Increases in State Funds</b>		<b>FY 2013-14 Long Bill Appropriation of State Funds/1</b>
		<b>\$ Change</b>	<b>% Change</b>	
<b>District Programs Required by Statute</b>				
Special education programs for children with disabilities	\$134,641,941	\$2,579,467	1.9%	\$137,221,408
English language proficiency programs	14,460,255	779,785	5.4%	15,240,040
<b>Other Categorical Programs</b>				
Public school transportation	51,967,107	844,231	1.6%	52,811,338
Career and technical education	24,218,018	310,289	1.3%	24,528,307
Special education programs for gifted and talented children	9,473,606	126,394	1.3%	9,600,000
Expelled and at-risk student services grant program	7,493,560	0	0.0%	7,493,560
Small attendance center aid	959,379	0	0.0%	959,379
Comprehensive health education	1,005,396	0	0.0%	1,005,396
<b>Totals</b>	<b>\$244,219,262</b>	<b>\$4,640,166</b>	<b>1.9%</b>	<b>\$248,859,428</b>

/1 Only reflects the Long Bill appropriation. Does not include \$20.0 million appropriated to Special Education Programs for Children with Disabilities in S.B. 13-260.

**Additional legislation:** Senate Bill 13-260 appropriates an additional \$20.0 million cash funds from the State Education Fund to the Special Education Programs for Children with Disabilities line item. For additional information on S.B. 13-260, see the "Recent Legislation" section at the end of this department.

#### *Grant Programs, Distributions, and Other Assistance*

This subsection includes state and federal funds that are distributed to schools and districts, or that are used to provide direct support and assistance to schools and districts, other than those programs that are defined as categorical programs. This subsection includes funding for the Public School Capital Construction Assistance Board and the Facility Schools Board.

Significant sources of cash funds include: the Public School Capital Construction Assistance Fund, the State Education Fund, moneys transferred from the Tobacco Litigation Settlement Cash Fund, the State Public School Fund, fees collected for workshops and training, and gifts, grants, and donations. Significant sources of reappropriated funds include federal child care funds transferred from the Department of Human Services, and federal Medicaid funds transferred from the Department of Health Care Policy and Financing that are used to administer the Public School Health Services Program.

The most significant sources of federal funds reflected in this subsection include the following:

- Title I of the Elementary and Secondary Education Act -- funding to improve education for children at risk of school failure, including those who live in low income communities, migrant children, and those who are neglected and delinquent;
- U.S. Department of Agriculture Food and Nutrition Service -- funding for the National School Lunch Program, which provides for reduced-cost or free meals to students; and



- Title II of the Elementary and Secondary Education Act -- funding for professional development and activities designed to improve educator quality.

<i>Grant Programs, Distributions, and Other Assistance</i>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2012-13 Appropriation:</b>						
HB 12-1335	\$522,831,331	\$782,327	\$81,804,355	\$5,695,648	\$434,549,001	105.7
SB 12-068	6,800	6,800	0	0	0	0.0
HB 12-1238	169,473	0	169,473	0	0	8.8
HB 12-1261	604,800	0	604,800	0	0	0.0
HB 12-1345	2,933,000	0	2,933,000	0	0	0.0
SB 13-087	<u>445,000</u>	<u>0</u>	<u>445,000</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$526,990,404</b>	<b>\$789,127</b>	<b>\$85,956,628</b>	<b>\$5,695,648</b>	<b>\$434,549,001</b>	<b>114.5</b>
<b>FY 2013-14 Appropriation:</b>						
FY 2012-13 Appropriation	\$526,990,404	\$789,127	\$85,956,628	\$5,695,648	\$434,549,001	114.5
BEST COP payment increase	13,000,000	0	13,000,000	0	0	0.0
Annualize prior year funding	9,254,811	(6,800)	9,261,611	0	0	0.2
Indirect cost assessment	(944,533)	0	(87,695)	(15,406)	(841,432)	0.0
Accountability planning reallocation	(391,832)	0	0	0	(391,832)	(5.3)
Other	(317,356)	0	(25,282)	7,926	(300,000)	0.0
<b>SB 13-230</b>	<b>\$547,591,494</b>	<b>\$782,327</b>	<b>\$108,105,262</b>	<b>\$5,688,168</b>	<b>\$433,015,737</b>	<b>109.4</b>
SB 13-260	<u>13,429,428</u>	<u>0</u>	<u>13,429,428</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$561,020,922</b>	<b>\$782,327</b>	<b>\$121,534,690</b>	<b>\$5,688,168</b>	<b>\$433,015,737</b>	<b>109.4</b>
<b>Increase/(Decrease)</b>	\$34,030,518	(\$6,800)	\$35,578,062	(\$7,480)	(\$1,533,264)	(5.1)
Percentage Change	6.5%	(0.9%)	41.4%	(0.1%)	(0.4%)	(4.5%)

### **FY 2012-13 Appropriation - Mid-year Adjustments**

Senate Bill 13-087 modifies FY 2012-13 appropriations to provide additional spending authority for private grant funds that were not anticipated in the original appropriation.

## FY 2013-14 Appropriation – S.B. 13-230 (Long Bill) Issue Descriptions

**BEST COP payment increase:** The appropriation includes an increase of \$13.0 million cash funds spending authority from the Public School Capital Construction Assistance Fund for the purpose of making payments on lease-purchase agreements associated with the Building Excellent Schools Today (BEST) program.

**Annualize prior year funding:** The appropriation includes adjustments related to prior year legislation and budget actions.

**Indirect cost assessment:** The appropriation reflects a change in the format for reflecting indirect cost assessments, with each division's appropriation reflecting the assessments that relate to fund sources that support that division. The appropriation reduces the appropriations to line items that included the assessed funds in prior years and reallocates those funds to a new subdivision, resulting in no change to the division's total funding.

**Accountability planning reallocation:** The appropriation reallocates federal funding associated with ongoing accountability and improvement planning efforts pursuant to S.B. 09-163 from the Appropriated Sponsored Programs line item to a newly created Accountability and Improvement Planning line item within the Management and Administration division.

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

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

### *Indirect Cost Assessment*

This subsection, created in the FY 2013-14 Long Bill, reflects all of the indirect cost assessments against fund sources within the Assistance to Public Schools division. Major fund sources include federal funds in the Special Education Programs for Children with Disabilities line item and the Appropriated Sponsored Programs line item, with relatively minor contributions from cash and reappropriated fund sources within the division.

	<i>Indirect Cost Assessment</i>			Reappropriated Funds	Federal Funds	FTE
	Total Funds	General Fund	Cash Funds			
<b>FY 2012-13 Appropriation:</b>						
<b>TOTAL</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
<b>FY 2013-14 Appropriation:</b>						
FY 2012-13 Appropriation	\$0	\$0	\$0	\$0	\$0	0.0
Indirect cost assessment	1,894,075	0	87,695	15,406	1,790,974	0.0
<b>SB 13-230</b>	<b><u>\$1,894,075</u></b>	<b><u>\$0</u></b>	<b><u>\$87,695</u></b>	<b><u>\$15,406</u></b>	<b><u>\$1,790,974</u></b>	<b><u>0.0</u></b>
<b>TOTAL</b>	<b>\$1,894,075</b>	<b>\$0</b>	<b>\$87,695</b>	<b>\$15,406</b>	<b>\$1,790,974</b>	<b>0.0</b>

<i>Indirect Cost Assessment</i>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>Increase/(Decrease)</b>	\$1,894,075	\$0	\$87,695	\$15,406	\$1,790,974	0.0
Percentage Change	n/a	n/a	n/a	n/a	n/a	n/a

## **FY 2013-14 Appropriation – S.B. 13-230 (Long Bill) Issue Descriptions**

**Indirect cost assessment:** The appropriation creates a new subdivision reflecting indirect cost assessments that relate to the funding sources in the Assistance to Public Schools division. The appropriation reduces funding provided to line items that included the assessed funds in prior years and reallocates those funds to the newly created subdivision, resulting in no net change to the *division's* total funding.

## **Library Programs**

This section contains appropriations for all library-related programs and staff. There are approximately 1,800 publicly-funded libraries in Colorado, including libraries operated by school districts, higher education institutions, and counties and municipalities, as well as institutional libraries (e.g., nursing homes, correctional institutions, etc.). State library programs, which provide support to locally-funded libraries, are primarily supported by General Fund and federal funds.

Cash fund sources include grants and donations. Reappropriated funds are transferred from the Colorado Disabled Telephone Users Fund to the Reading Services for the Blind Cash Fund and are used to support privately operated reading services for the blind.

<b>Library Programs</b>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2012-13 Appropriation:</b>						
HB 12-1335	<u>\$7,051,301</u>	<u>\$2,180,054</u>	<u>\$713,274</u>	<u>\$350,000</u>	<u>\$3,807,973</u>	<u>42.6</u>
<b>TOTAL</b>	<b>\$7,051,301</b>	<b>\$2,180,054</b>	<b>\$713,274</b>	<b>\$350,000</b>	<b>\$3,807,973</b>	<b>42.6</b>
<b>FY 2013-14 Appropriation:</b>						
FY 2012-13 Appropriation	\$7,051,301	\$2,180,054	\$713,274	\$350,000	\$3,807,973	42.6
State grants to libraries	4,000,000	2,000,000	0	2,000,000	0	0.0
Indirect cost assessment	0	0	0	0	0	0.0
Other	(1,152,460)	0	(376,274)	0	(776,186)	(4.5)
<b>SB 13-230</b>	<b><u>\$9,898,841</u></b>	<b><u>\$4,180,054</u></b>	<b><u>\$337,000</u></b>	<b><u>\$2,350,000</u></b>	<b><u>\$3,031,787</u></b>	<b><u>38.1</u></b>
<b>TOTAL</b>	<b>\$9,898,841</b>	<b>\$4,180,054</b>	<b>\$337,000</b>	<b>\$2,350,000</b>	<b>\$3,031,787</b>	<b>38.1</b>
<b>Increase/(Decrease)</b>	\$2,847,540	\$2,000,000	(\$376,274)	\$2,000,000	(\$776,186)	(4.5)
Percentage Change	40.4%	91.7%	(52.8%)	571.4%	(20.4%)	(10.6%)

## FY 2013-14 Appropriation – S.B. 13-230 (Long Bill) Issue Descriptions

**State grants to libraries:** The appropriation adds \$2.0 million General Fund to reinstate the State Grants to Publicly-Supported Libraries Program. The appropriation also provides a corresponding amount of spending authority from the State Grants to Publicly-Supported Libraries Fund to implement the program.

**Indirect cost assessment:** The appropriation reflects a change in the format for reflecting indirect cost assessments, with each division's appropriation reflecting the assessments that relate to fund sources that support that division. The appropriation reduces the appropriations to line items that included the assessed funds in prior years and reallocates those funds to a new line item for the division, resulting in no change to the division's total funding.

**Other:** The appropriation includes reductions of \$1.2 million total funds and 4.5 FTE to reflect decreases in private and federal grant funds available for library programs in FY 2013-14.

### School for the Deaf and the Blind

This section contains appropriations for the operation of the Colorado School for the Deaf and the Blind (CSDB), which is located in Colorado Springs. The CSDB provides educational services for children throughout the state who are deaf, hearing impaired, blind, or visually impaired, and under the age of 21. In FY 2011-12, the School had a total enrollment of 538 children, including 336 infants and toddlers and 202 students (ages 3 to 21) who received services on campus.

The primary source of funding for the CSDB is General Fund. However, the CSDB also receives State Education Fund moneys that are reappropriated from the Facility School Funding line item. The CSDB also receives other sources of state and federal funding (e.g., Medicaid and nutrition funding), tuition from other states that place children at CSDB, payments from school districts that place students at CSDB on a short-term basis for diagnostic purposes, and various grants and fees. The General Assembly appropriates state General Fund moneys to cover operating costs that are not covered by other funding sources.

	<b>School for the Deaf and the Blind</b>					
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2012-13 Appropriation:</b>						
HB 12-1335	\$14,234,556	\$10,159,240	\$1,075,000	\$3,000,316	\$0	167.6
HB 12-1246	<u>173,373</u>	<u>173,373</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$14,407,929</b>	<b>\$10,332,613</b>	<b>\$1,075,000</b>	<b>\$3,000,316</b>	<b>\$0</b>	<b>167.6</b>
<b>FY 2013-14 Appropriation:</b>						
FY 2012-13 Appropriation	\$14,407,929	\$10,332,613	\$1,075,000	\$3,000,316	\$0	167.6
Centrally appropriated line items	4,294	4,294	0	0	0	0.0
Fund source adjustment	0	(79,560)	0	79,560	0	0.0
Annualize prior year funding	(173,373)	(173,373)	0	0	0	0.0
<b>SB 13-230</b>	<b><u>\$14,238,850</u></b>	<b><u>\$10,083,974</u></b>	<b><u>\$1,075,000</u></b>	<b><u>\$3,079,876</u></b>	<b><u>\$0</u></b>	<b><u>167.6</u></b>

	<b>School for the Deaf and the Blind</b>					
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>TOTAL</b>	<b>\$14,238,850</b>	<b>\$10,083,974</b>	<b>\$1,075,000</b>	<b>\$3,079,876</b>	<b>\$0</b>	<b>167.6</b>
<b>Increase/(Decrease)</b>	(\$169,079)	(\$248,639)	\$0	\$79,560	\$0	0.0
Percentage Change	(1.2%)	(2.4%)	0.0%	2.7%	n/a	0.0%

## **FY 2013-14 Appropriation – S.B. 13-230 (Long Bill) Issue Descriptions**

**Centrally appropriated line items:** The appropriation includes adjustments to centrally appropriated line items for shift differential and vehicle lease payments.

**Fund source adjustment:** The appropriation includes an increase of funds transferred from the Facility Schools Funding line item and a commensurate decrease of General Fund.

**Annualize prior year funding:** The bill includes adjustments related to prior year legislation and budget actions.

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

## **Recent legislation**

### **2012 Session Bills**

**S.B. 12-068:** Prohibits public schools from making food or beverages that contain industrially produced trans fat available to students on school grounds during school days, except for foods and beverages provided as part of the federal meal program and foods involved in fundraising efforts. Appropriates \$6,800 General Fund to the Department of Education for FY 2012-13 for consulting services associated with rule making.

**S.B. 12-145:** For FY 2011-12 only, sets the following limits on transfers to the State Public School Fund: (1) caps transfer of royalty revenue and other income earned on state school lands at \$21.0 million and (2) caps the transfer of interest earned on the Public School (Permanent) Fund at \$15.0 million. Any such revenues above these amounts, excluding the share of state schools lands income transferred to the Public School Capital Construction Assistance Fund, are deposited into (or retained in) the Permanent Fund.

**H.B. 12-1146:** Allows a school district and community colleges to enter into an agreement to establish a dropout recovery program, allowing students who have dropped out of high school (and some students who are at-risk of dropping out) to complete their high school requirements exclusively at a community college or district junior college. Any participating student who is enrolled in at least seven credit hours per semester is counted as a full-time student for purposes of receiving funding through the School Finance Act. If the student completes the credit hours, the school district pays the college a portion of the student's tuition.

**H.B. 12-1201:** Increases total program funding for public schools for FY 2011-12 by \$19.8 million, based on the actual student count that occurred in October 2011. Absent legislative action, the Department of Education would have been required to increase the size of the statutory school finance formula's negative factor from 12.9 percent to 13.2 percent, causing per-pupil funding to decrease by \$18.44, on average, below the amount anticipated by districts. As detailed in the following table, makes mid-year adjustments to school finance-related appropriations of state funds for FY 2011-12. Local tax revenues for school finance did not decrease as much as initially projected, and are thus \$24.2 million higher than anticipated. Of this amount, \$19.8 million will cover the increase in total program funding, and the remaining \$4.4 million will reduce state expenditures.

<b>House Bill 12-1201: Adjustments to FY 2011-12 Appropriations for School Finance</b>			
	<b>Initial Appropriation</b>	<b>Mid-year Adjustment</b>	<b>Adjusted Appropriation</b>
<u>State Share of Districts' Total Program Funding</u>			
General Fund	\$2,671,845,744	\$0	\$2,671,845,744
Cash Funds: State Education Fund	515,485,287	(4,425,519)	511,059,768
Cash Funds: State Public School Fund	<u>149,016,643</u>	<u>0</u>	<u>149,016,643</u>
Total State Funds	\$3,336,347,674	(\$4,425,519)	\$3,331,922,155
<u>Hold-harmless Full-day Kindergarten Funding</u>			
Cash Funds: State Education Fund	6,869,056	44,857	6,913,913
<b>Total Adjustment (State Education Fund)</b>		<b>(\$4,380,662)</b>	

Also establishes a statutory total program funding floor for FY 2012-13 to serve as a starting point for purposes of preparing the FY 2012-13 Long Bill and calculating the fiscal impact of any 2012 school finance-related legislation. This preliminary funding floor matches the adjusted floor for FY 2011-12 (\$5,229.6 million).

**H.B. 12-1212:** Eliminates, effective July 1, 2012, the authority for a board of cooperative services (BOCES) to authorize a single-district on-line educational program. Thus, beginning in FY 2012-13, each student enrolled in a BOCES-authorized on-line program will be funded at the same per-pupil rate as other multi-district on-line programs.

**H.B. 12-1238:** Makes a number of changes to policies, programs, and procedures associated with early literacy skills, including new requirements for the State Board of Education, the Department of Education, and local education providers (LEPs). Creates the Early Literacy Grant Program in the Department of Education to provide funding to LEPs for literacy assessment, instructional support, and appropriate interventions for early-grade (kindergarten through third grade) learners and replaces the Read-to-Achieve Grant Program with the new program. Creates the Early Literacy Fund, including any remaining money in the Read-to-Achieve Fund after FY 2011-12 and 5.0 percent of tobacco settlement moneys (up to \$8.0 million) each year. Beginning in FY 2013-14, also diverts a portion of the interest earned on money in the Public School (Permanent) Fund to the Early Literacy Fund. Allows the Department of Education to use 1.0 percent of moneys appropriated from the fund for administrative costs. Beginning in FY 2013-14, requires that the Department of Education use:

- \$1.0 million to provide literacy support on a regional basis to LEPs;
- \$4.0 million for the Early Literacy Grant programs; and
- the remaining money to fund LEPs using per-pupil intervention moneys.

**H.B. 12-1246:** Reverses the annual pay date shift as it applies to state employees paid on a biweekly basis. Appropriates \$173,373 General Fund to the Department of Education for FY 2012-13. For additional information see the corresponding bill description in the "Recent Legislation" section of the Department of Personnel.

**H.B. 12-1261:** Extends an existing program that requires that the Colorado Department of Education (CDE), subject to available appropriations, to award annual stipends to employed public school teachers holding certifications from the National Board for Professional Teaching Standards. Expands the program to include principals holding such certifications. Allows for a stipend of \$1,600 per year for all qualified recipients and an additional \$3,200 per year for teachers and principals employed in low-performing, high-needs schools, as defined in the bill. Specifies that if funding is insufficient to support stipends for all qualified recipients then only teachers and principals in low-performing, high-needs schools shall receive stipends. Appropriates a total of \$604,800 cash funds from the State Education Fund to the Department of Education in FY 2012-13, the estimated amount required to fund stipends for teachers and principals in low-performing, high-needs schools.

**H.B. 12-1335:** General appropriations act for FY 2012-13. Also includes a supplemental adjustment to modify appropriations to the Department of Education included in the FY 2011-12 Long Bill (S.B. 11-209).

**H.B. 12-1338:** Requires the State Treasurer to transfer the following amounts from the General Fund to the State Education Fund:

- \$59.0 million of General Fund moneys that exceed the statutorily required reserve for FY 2011-12; and
- all General Fund moneys that exceed the statutorily required reserve for FY 2012-13.

Each transfer will be made when the State Controller publishes the Comprehensive Annual Financial Report of the State (*i.e.*, in December 2012 and December 2013, respectively).

**H.B. 12-1345:** Amends the "Public School Finance Act of 1994" and other statutory provisions to provide funding for school districts for FY 2012-13, making the following changes:

- Increases the *statewide base per-pupil funding* amount from \$5,634.77 to \$5,843.26 (3.7 percent) to account for the annual change in the Denver-Boulder consumer price index in CY 2011.
- For FY 2012-13, increases the specified minimum total program funding amount that results after the application of the *negative factor* by \$57.3 million; does not specify the total program funding amount for FY 2013-14 or any subsequent fiscal year.
- Increases the required annual appropriation from the State Education Fund for *state aid for charter school facilities* from \$5.0 million to \$6.0 million, beginning in FY 2012-13.
- Beginning in FY 2012-13, provides additional *moneys for boards of cooperative services* to assist their participating school districts in implementing and meeting the State's educational priorities. Of the amount annually appropriated for this purpose, allows the Department of Education to retain up to \$120,000 to support a departmental liaison for rural school districts and up to \$50,000 to support the Department's ongoing support of a council that advises the Commissioner of Education regarding the needs and concerns of rural school districts.

- Requires the Department to issue a request for proposals (RFP) for the purchase of an *early literacy assessment tool*, including software licenses and training for local personnel. Based on available appropriations and upon request of a school district, charter school, or board of cooperative services, requires the Department to purchase software licenses and associated training for use of the tool in all kindergarten, 1<sup>st</sup>, 2<sup>nd</sup>, and 3<sup>rd</sup> grade classes in the state. Requires the Department to submit information to the General Assembly in 2014 and 2016 concerning the use of the tool, its impact on students' reading skill levels, and the cost of providing the tool statewide.
- Provides additional state funding, called *at-risk supplemental aid*, for certain school districts and charter schools. First, for charter schools authorized by a district prior to July 1, 2004, in a district with more than 40 percent at-risk students: (a) school districts will receive at-risk supplemental aid for charter schools that have a smaller percentage of at-risk students than the district; and (b) a charter school will receive at-risk supplemental aid if it has a higher percentage of at-risk students than the authorizing district. Second, a charter school in a district with less than 40.0 percent at-risk students will receive at-risk supplemental aid if it has a higher percentage of at-risk students than the authorizing district. Third, a charter school authorized by the State Charter School Institute will receive at-risk supplemental aid if it has a lower percentage of at-risk students than the accounting school district.
- Permits school districts, charter schools, or the State Charter School Institute to administer basic skills placement tests to each student in grades 9 through 12. Requires the use of placement tests used by community colleges to place first-year freshman students in reading, writing, and mathematics. Allows administration of tests as often as necessary and provides for state reimbursement of testing costs once for each student during grades 9 through 12.

Increases the discretion of school administrators and local school boards regarding suspension and expulsion of students. Adds requirements for local school board disciplinary codes, training of school resource officers, and reporting of incidents involving students on school grounds by local law enforcement entities and school districts.

<b>House Bill 12-1345: FY 2012-13 Appropriations</b>		
<b>Purpose</b>	<b>Amount</b>	<b>Fund Source</b>
<b>Section 48: Long Bill Adjustments Related to School Finance Formula Changes</b>		
(c) and (d) State Share of Districts' Total Program Funding	\$57,232,000	General Fund
	<u>(228,551)</u>	Cash Funds - State Education Fund (SEF)
	<b>\$57,003,449</b>	<b>Total Funds</b>
(e) Hold-harmless Full-day Kindergarten Funding	74,671	Cash Funds - SEF
(f) Facility School Funding	153,000	Cash Funds - SEF
<i>Subtotal: Adjustments Related to Statutory Changes to School Finance Formula</i>	<i>\$57,232,000</i>	<i>General Fund</i>
	<u>(880)</u>	Cash Funds - SEF
	57,231,120	Total Funds
<b>Section 48: Other Long Bill Adjustments And Appropriations</b>		
(a) School Counselor Corps Program	480,000	Cash Funds - SEF
(b) State Aid for Charter School Facilities	1,000,000	Cash Funds - SEF



House Bill 12-1345: FY 2012-13 Appropriations		
Purpose	Amount	Fund Source
<b>Section 47 and 49: New Appropriations</b>		
47: Reimbursements to districts and charter schools for the costs of basic skills placement or assessment tests	1,000,000	Cash Funds - SEF
49: (1) Assistance to BOCES for implementing and meeting state educational priorities	1,300,000	Cash Funds - SEF
49: (2) At-risk supplemental aid to school districts, district charter schools, and Institute charter schools	3,839,627	Cash Funds - State Public School Fund
49: (3) Early literacy assessment tool	3,000,000	Cash Funds - SEF
<b>Total Appropriations</b>	57,232,000	General Fund
	6,779,120	State Education Fund
	<u>3,839,627</u>	State Public School Fund
	<b>\$67,850,747</b>	<b>Total Funds</b>

Also adjusts footnote #8 in the 2012-13 Long Bill (H.B. 12-1335) to increase the amount of funding that the Department may use to fund students in the Accelerating Students Through Concurrent Enrollment (ASCENT) Program from \$1,198,549 to \$1,211,689.

## 2013 Session Bills

**S.B. 13-087:** Supplemental appropriation to the Department of Education to modify FY 2012-13 appropriations included in the FY 2012-13 Long Bill (H.B. 12-1335).

**S.B. 13-108:** Makes mid-year adjustments to school finance-related appropriations of state funds for FY 2012-13. As detailed in the following table, increases *state* total program funding for public schools for FY 2012-13 by \$13.3 million. The increase is based on: (1) a \$7.1 million increase in total program funding for FY 2012-13 (including state and local shares) based on the actual student count that occurred in October 2012; and (2) a \$6.2 million shortfall in local tax revenues for school finance below the amount anticipated in the original FY 2012-13 appropriation. Absent legislative action, the combination of increased total program funding and reduced local tax revenues would have required the Department of Education to increase the size of the statutory school finance formula's negative factor by \$13.3 million (from 16.05 percent to 16.24 percent), causing per-pupil funding to decrease by \$16.21, on average, below the amount anticipated by districts.

Senate Bill 13-108: Adjustments to FY 2012-13 School Finance Appropriations			
	Initial Appropriation	Mid-year Adjustment	Adjusted Appropriation
<u>State Share of Districts' Total Program Funding</u>			
General Fund	\$2,852,301,877	\$0	\$2,852,301,877
Cash Funds: State Education Fund	324,236,331	13,253,672	337,490,003
Cash Funds: State Public School Fund	<u>189,922,411</u>	<u>0</u>	<u>189,922,411</u>
<b>Total State Funds</b>	<b>\$3,366,460,619</b>	<b>\$13,253,672</b>	<b>\$3,379,714,291</b>

Also makes the following statutory changes:

- Specifies that the minimum level of total program funding for the FY 2013-14 budget year and subsequent years is an amount equal to the total program funding for the immediately preceding budget year adjusted by the amount necessary to increase statewide average per-pupil funding by the rate of inflation.
- Prohibits the State Board of Education from designating more participants in the Accelerating Students through Concurrent Enrollment (ASCENT) program than the General Assembly approved in the annual Long Bill for that budget year.

**S.B. 13-193:** Expands the responsibilities of school district accountability committees (DAC), school accountability committees (SAC), and the State Advisory Council for Parent Involvement in Education (SACPIE) and requires those entities to take various steps to improve parent engagement in education. Requires SACPIE and the Department of Education to provide regional training programs for accountability committees regarding parent engagement. Changes prior law to allow members of SACPIE to receive reimbursements for expenses incurred when performing their duties as members. Appropriates \$150,093 General Fund and 1.0 FTE to the Department of Education for FY 2013-14.

**S.B. 13-213:** Creates a new school finance act, the implementation of which is conditional upon passage of a citizen-initiated statewide ballot measure to increase state tax revenues by a stated minimum amount for the purpose of funding preschool through twelfth-grade education. Requires the ballot measure to pass no later than the 2017 statewide election or the new act will not take effect. Creates a new calculation of the state and local shares of total program funding and a new funding formula for the distribution of state moneys. Although the Department will recalculate the new state and local shares during the first budget year following passage of the ballot measure, the new funding formula and the distribution of state moneys under the new act will not take effect until the second budget year following passage of the ballot measure.

Specifies that for the first budget year following passage of the ballot measure the General Assembly will appropriate the new tax revenues as follows:

- Up to 40 percent to the Preschool Through Twelfth Grade Education Reserve Fund, created in the new act, to fund the purposes specified in the new act;
- Up to 40 percent to the Public School Capital Construction Assistance Fund to provide financial assistance for public school capital construction projects;
- Up to 15 percent to the Educator Effectiveness Reserve Fund, created in the new act, for initiatives to recruit, prepare, and retain effective educators; and
- Up to 5 percent to the Education Technology Fund, created in the new act, to assist school districts and public schools in purchasing and maintaining technology needed to support educational reforms and programmatic enhancements.

Makes changes to the current school finance act in the following general areas:

- Calculation of pupil enrollment;
- Funding of preschool and kindergarten pupils;
- Factors included in the formula for calculating total program funding;
- Definition of at-risk pupils and the percentage increase (weight) for at-risk pupils and English language learners;
- Minimum per pupil funding;

- On-line pupil funding and ASCENT program funding;
- Calculation of total program for and state payments to institute charter schools;
- Calculation of state and local shares of total program;
- Authorized mill levy overrides;
- State moneys available to districts and institute charter schools in addition to total program funding;
- Allocations of funding by districts to charter schools and other schools of the district;
- Review of the return on the investment of funding and cost studies every four years; and
- Public financial reporting by districts and charter schools.

**S.B. 13-217:** Authorizes the State Board of Education to consider the unique circumstances and challenges posed by students enrolled in alternative education campuses when establishing the criteria used to determine the appropriate accreditation category for each school district and the State Charter School Institute. Appropriates \$17,580 General Fund and 0.2 FTE to the Department of Education for FY 2013-14.

**S.B. 13-230:** General appropriations act for FY 2013-14. Also includes a supplemental adjustment to modify appropriations to the Department of Education included in the FY 2012-13 Long Bill (H.B. 12-1335).

**S.B. 13-260:** Amends the "Public School Finance Act of 1994" and other statutory provisions to provide funding for school districts for FY 2013-14, making the following changes:

- Increases the *statewide base per-pupil funding* amount from \$5,843.26 to \$5,954.28 (1.9 percent) to account for the annual change in the Denver-Boulder consumer price index in CY 2012.
- For FY 2013-14, increases the specified minimum total program funding amount that results after the application of the *negative factor* by \$51.7 million.
- Provides an additional \$20.0 million cash funds from the State Education Fund for "Tier B" special education funding in FY 2013-14 and subsequent years.
- Increases the authorized number of participants in the Colorado Preschool Program (CPP) by 3,200 half-day slots and allows school districts flexibility to use the additional slots for half-day preschool, full-day preschool, or full-day kindergarten programs.
- Specifies that regardless of the statutory calculation of a school district's funded pupil count, for FY 2013-14 and subsequent years a district's funded pupil count will not be less than 50 pupils.
- For FY 2013-14, changes the fund source for at-risk supplemental aid funding from school district audit recoveries credited to the State Public School Fund to interest and income earned on the Public School (Permanent) Fund credited to the State Public School Fund.
- Increases the required annual appropriation from the State Education Fund for *state aid for charter school facilities* from \$6.0 million to \$7.0 million, beginning in FY 2013-14.
- Changes the formula to calculate per pupil funding for facility schools. Under prior law, facility schools received per pupil funding at 1.33 times the statewide average per pupil funding. The bill changes the formula to 1.73 times the statewide *base* per pupil funding amount.

- Changes the original fund source for “READ Act” funding beginning in FY 2013-14. Prior law required the transfer of up to \$16.0 million in interest and income earned on the Permanent Fund to the Early Literacy Fund to support READ Act implementation. Beginning in FY 2013-14, the bill eliminates the transfer from the Permanent Fund and instead directs the State Treasurer to transfer \$16.0 million per year from the State Education Fund to the Early Literacy Fund.
- Transfers \$200,000 from the State Education Fund to the Great Teachers and Leaders Fund for FY 2013-14 to implement the State Council for Educator Effectiveness.
- Creates the Quality Teacher Recruitment Program and requires the Department to contract with one or more external vendors to create and implement a program to recruit, select, train, and retain highly qualified teachers to teach in school districts that can demonstrate historic difficulty in recruiting and training highly qualified teachers. Sets specific requirements for the program and the contract with the external vendor.
- Requires the State Treasurer to transfer 75 percent of General Fund moneys in excess of the statutory reserve, after a required transfer to the Colorado Water Conservation Board Construction Fund, to the State Education Fund for FY 2013-14.

<b>Senate Bill 13-260: FY 2013-14 Appropriations</b>		
<b>Purpose</b>	<b>Amount</b>	<b>Fund Source</b>
<b><i>Section 14 (1): Long Bill Adjustments Related to School Finance Formula Changes</i></b>		
(a) and (b) State Share of Districts' Total Program Funding	\$51,843,734	Cash Funds - State Education Fund (SEF)
(c) Hold-harmless Full-day Kindergarten Funding	51,248	Cash Funds - SEF
(h) Facility School Funding	2,506,290	Cash Funds - SEF
Subtotal: Adjustments Related to Statutory Changes to School Finance Formula	54,401,272	Cash Funds - SEF
<b><i>Section 14 (1): Other Long Bill Adjustments And Appropriations</i></b>		
(d) State Aid for Charter School Facilities	1,000,000	Cash Funds - SEF
(e) and (f) Early Literacy Program	(10,416,062)	Cash Funds - Early Literacy Fund from interest earned on the Permanent Fund
(g) Special Education Programs for Children with Disabilities	20,000,000	Cash Funds - SEF
(i) Stipends for Nationally Board Certified Teachers	1,339,200	Cash Funds - SEF
(j) At-risk Supplemental Aid	(3,839,627)	Cash Funds - State Public School Fund (SPSF) from school district audit recoveries
<b><i>Section 14: New Appropriations</i></b>		
(2) Early Literacy Program	16,000,000	Cash Funds - Early Literacy Fund from the SEF
(3) Quality Teacher Recruitment Program	3,000,000	Cash Funds - SEF
(4) Educator Effectiveness Implementation	200,000	Cash Funds - Great Teachers and Leaders Fund from SEF
(5) Department of Human Services Child Care Licensing and Administration	43,898	General Fund
(6) At-risk Supplemental Aid	3,839,627	Cash Funds - SPSF from interest and income earned on the Permanent Fund
<b>Total Appropriations</b>	43,898	General Fund
	79,740,472	State Education Fund

Senate Bill 13-260: FY 2013-14 Appropriations		
Purpose	Amount	Fund Source
	<u>5,783,938</u>	Other Cash Funds
	<b>\$85,568,308</b>	<b>Total Funds</b>

Also adjusts footnote #4 in the FY 2013-14 Long Bill (S.B. 13-230) to increase the amount of funding that the Department may use to fund students in the Accelerating Students Through Concurrent Enrollment (ASCENT) Program from \$2,709,450 to \$2,727,900.

**H.B. 13-1257:** Allows any local board of education or board of cooperative services that develops its own evaluation system for licensed personnel to submit data to the Department regarding the evaluation system. Allows any interested party to submit such data, and allows the Department to solicit and collect such data from any local board or board of cooperative services implementing its own performance evaluation system. Requires the Department to monitor local implementation of performance evaluation systems and to require local boards of education and boards of cooperative services to take corrective action when evaluation systems are not in compliance with statutory or regulatory requirements. Appropriates \$120,093 cash funds from the State Education Fund and 1.0 FTE to the Department of Education for FY 2013-14.

## Department Details

# DEPARTMENT OF GOVERNOR - LIEUTENANT GOVERNOR - STATE PLANNING AND BUDGETING

## FY 2012-13 and FY 2013-14 Appropriations by Division and Bill

Governor - Lieutenant Governor - State Planning and Budgeting						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2012-13 Total Appropriation:</b>	<b>\$206,378,703</b>	<b>\$18,524,704</b>	<b>\$33,007,504</b>	<b>\$149,228,302</b>	<b>\$5,618,193</b>	<b>1,036.1</b>
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Office of the Governor	30,592,681	6,510,148	8,219,368	12,701,302	3,161,863	65.1
Office of the Lieutenant Governor	302,194	301,010	1,184	0	0	5.0
Office of State Planning and Budgeting	2,010,201	538,920	0	1,471,281	0	19.5
Economic Development Programs	37,133,745	11,174,626	23,536,024	87,765	2,335,330	49.0
Office of Information Technology	136,339,882	0	1,250,928	134,967,954	121,000	897.5
<u>Breakdown of Total Appropriation by Bill</u>						
HB 12-1335	186,267,091	17,968,186	23,086,596	128,513,469	16,698,840	1,022.7
HB 12-1023	2,960	0	0	2,960	0	0.0
HB 12-1038	32,000	0	0	32,000	0	0.0
HB 12-1041	78,940	0	0	78,940	0	0.0
HB 12-1052	35,520	0	0	35,520	0	0.0
HB 12-1131	2,960	0	0	2,960	0	0.0
HB 12-1153	2,960	0	0	2,960	0	0.0
HB 12-1162	2,960	0	0	2,960	0	0.0
HB 12-1223	100,640	0	0	100,640	0	0.0
HB 12-1246	1,895	1,895	0	0	0	0.0
HB 12-1275	68,080	0	0	68,080	0	0.0
HB 12-1283	(10,201,205)	0	0	0	(10,201,205)	(6.0)
HB 12-1286	3,000,000	0	3,000,000	0	0	0.0
HB 12-1295	2,960	0	0	2,960	0	0.0
HB 12-1302	2,960	0	0	2,960	0	0.0
HB 12-1303	1,184	0	0	1,184	0	0.0
HB 12-1310	11,840	0	0	11,840	0	0.0

Governor - Lieutenant Governor - State Planning and Budgeting						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
HB 12-1314	14,800	0	0	14,800	0	0.0
HB 12-1315	3,660,491	0	3,660,491	0	0	20.7
HB 12-1327	12,210	0	0	12,210	0	0.0
HB 12-1336	350,000	350,000	0	0	0	0.0
HB 12-1339	12,279,762	0	0	12,279,762	0	0.0
HB 12-1360	4,000,000	0	4,000,000	0	0	0.0
SB 12S-001	76,220	0	0	76,220	0	0.0
SB 13-088	6,571,475	204,623	(739,583)	7,985,877	(879,442)	(1.3)
<b>FY 2013-14 Total Appropriation:</b>	<b>\$225,366,541</b>	<b>\$22,073,247</b>	<b>\$36,740,540</b>	<b>\$159,797,133</b>	<b>\$6,755,621</b>	<b>1,060.9</b>
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Office of the Governor	39,084,750	4,446,094	11,443,396	18,895,969	4,299,291	65.1
Office of the Lieutenant Governor	302,194	301,010	1,184	0	0	5.0
Office of State Planning and Budgeting	2,746,931	1,275,650	0	1,471,281	0	19.5
Economic Development Programs	41,773,612	15,605,485	23,745,032	87,765	2,335,330	51.3
Office of Information Technology	141,459,054	445,008	1,550,928	139,342,118	121,000	920.0
<u>Breakdown of Total Appropriation by Bill</u>						
SB 13-230	223,462,739	19,858,574	38,584,806	158,263,738	6,755,621	1,057.9
SB 13-004	4,588	0	0	4,588	0	0.0
SB 13-039	10,993	0	0	10,993	0	0.0
SB 13-060	2,972	0	0	2,972	0	0.0
SB 13-120	2,960	0	0	2,960	0	0.0
SB 13-180	7,104	0	0	7,104	0	0.0
SB 13-188	51,800	0	0	51,800	0	0.0
SB 13-224	2,972	0	0	2,972	0	0.0
SB 13-250	521,850	0	0	521,850	0	1.5
SB 13-251	35,774	0	0	35,774	0	0.0
SB 13-276	300,000	0	300,000	0	0	0.0
SB 13-280	25,900	0	0	25,900	0	0.0
HB 13-1001	(2,463,016)	0	(2,463,016)	0	0	0.0
HB 13-1002	200,000	200,000	0	0	0	0.0
HB 13-1003	218,750	200,000	18,750	0	0	0.0
HB 13-1004	1,500,000	1,500,000	0	0	0	0.0
HB 13-1031	108,000	0	0	108,000	0	0.0
HB 13-1071	604	0	0	604	0	0.0

Governor - Lieutenant Governor - State Planning and Budgeting						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
HB 13-1079	99,673	99,673	0	0	0	1.5
HB 13-1110	68,212	0	0	68,212	0	0.0
HB 13-1111	5,180	0	0	5,180	0	0.0
HB 13-1119	7,800	0	0	7,800	0	0.0
HB 13-1135	31,672	0	0	31,672	0	0.0
HB 13-1193	300,000	0	300,000	0	0	0.0
HB 13-1240	26,714	0	0	26,714	0	0.0
HB 13-1271	529,800	0	0	529,800	0	0.0
HB 13-1301	215,000	215,000	0	0	0	0.0
HB 13-1317	88,500	0	0	88,500	0	0.0
<b>Increase/(Decrease)</b>	\$18,987,838	\$3,548,543	\$3,733,036	\$10,568,831	\$1,137,428	24.8
Percentage Change	9.2%	19.2%	11.3%	7.1%	20.2%	2.4%

**Informational Funds:** The FY 2013-14 Long Bill and other legislation indicates when an amount is shown solely for informational purposes through an "(I)" notation. The following amounts in the Department of Governor – Lieutenant Governor – State Planning and Budgeting are annotated with the "(I)". For additional information, see Appendix J.

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds
FY 2013-14 Appropriations containing an (I) notation	\$17,013,198	\$0	\$10,257,577	\$0	\$6,755,621

## Detail of Appropriation by Administrative Section

### Office of the Governor

As the chief executive of the state, the Governor is responsible for the overall operation of the executive branch of government. This office provides for coordination, direction, and planning of agency operations, as well as maintaining a liaison with local governments and the federal government. Offices within the Governor's Office include: the Colorado Energy Office, the Boards and Commissions Office, the Citizens' Advocate Office, and the Office of Policy and Initiatives. Approximately 11.4 percent of funds are from the General Fund for direct administration of the Governor's office and residence and for centrally appropriated line items such as employee benefits and risk management. Cash funds, which reflect 29.3 percent of the appropriations to the Office, are from various sources, including severance tax revenue in the Colorado Energy Office and rental fees for use of the Governor's Mansion. The reappropriated funds, which account for 48.3 percent of the Office's appropriations, are from other divisions within the Department and indirect cost recoveries for services. Federal funds reflect 11.0 percent of this division's funding, and are related to miscellaneous programs, primarily in the Colorado Energy Office.



Office of the Governor						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2012-13 Appropriation:</b>						
HB 12-1335	\$40,572,349	\$6,492,550	\$7,152,863	\$12,684,426	\$14,242,510	50.4
HB 12-1246	1,895	1,895	0	0	0	0.0
HB 12-1283	(10,201,205)	0	0	0	(10,201,205)	(6.0)
HB 12-1315	3,660,491	0	3,660,491	0	0	20.7
SB 13-088	<u>(3,440,849)</u>	<u>15,703</u>	<u>(2,593,986)</u>	<u>16,876</u>	<u>(879,442)</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$30,592,681</b>	<b>\$6,510,148</b>	<b>\$8,219,368</b>	<b>\$12,701,302</b>	<b>\$3,161,863</b>	<b>65.1</b>
<b>FY 2013-14 Appropriation:</b>						
FY 2012-13 Appropriation	\$30,592,681	\$6,510,148	\$8,219,368	\$12,701,302	\$3,161,863	65.1
Centrally appropriated line items	5,260,456	(251,746)	268,127	4,961,632	282,443	0.0
Annualize prior year funding	3,478,464	(17,598)	2,633,496	(16,876)	879,442	0.0
Revenue IT infrastructure	275,177	0	0	275,177	0	0.0
Indirect cost assessment	22,405	0	22,405	0	0	0.0
Statewide IT common policy adjustments	(870,333)	(1,794,710)	0	948,834	(24,457)	0.0
<b>SB 13-230</b>	<b>\$38,758,850</b>	<b>\$4,446,094</b>	<b>\$11,143,396</b>	<b>\$18,870,069</b>	<b>\$4,299,291</b>	<b>65.1</b>
SB 13-276	300,000	0	300,000	0	0	0.0
SB 13-280	<u>25,900</u>	<u>0</u>	<u>0</u>	<u>25,900</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$39,084,750</b>	<b>\$4,446,094</b>	<b>\$11,443,396</b>	<b>\$18,895,969</b>	<b>\$4,299,291</b>	<b>65.1</b>
<b>Increase/(Decrease)</b>	\$8,492,069	(\$2,064,054)	\$3,224,028	\$6,194,667	\$1,137,428	0.0
Percentage Change	27.8%	(31.7%)	39.2%	48.8%	36.0%	0.0%

### FY 2012-13 Appropriation - Mid-year Adjustments

Senate Bill 13-088 provides supplemental appropriations to the Department to modify FY 2012-13 appropriations included in the FY 2012-13 Long Bill (H.B. 12-1335). The bill decreases appropriations to the Colorado Energy Office by 25.0 percent and makes technical changes and corrections.

### FY 2013-14 Appropriation – S.B. 13-230 (Long Bill) Issue Descriptions

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

**Annualize prior year funding:** The appropriation includes adjustments related to prior year legislation and budget actions.

**Revenue IT infrastructure:** The appropriation includes an increase of \$0.3 million reappropriated funds transferred to the Governor’s Office of Information Technology by the Department of Revenue to increase the level of operational support services, including service desk staff, desk side support, network support, server support, security support, and project management functions.

**Indirect cost assessment:** The appropriation includes a net increase in the Colorado Energy Office’s indirect cost assessment.

**Statewide IT common policy adjustments:** The appropriation includes adjustments to line items appropriated for: purchase of services from the computer center; Colorado state network; information technology security; and COFRS modernization.

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

**Office of the Lieutenant Governor**

Colorado's Constitution provides for the Lieutenant Governor to become Governor in the case of the death, impeachment, felony conviction, incapacitation, or resignation of the Governor. The Lieutenant Governor serves as chairperson of the Colorado Commission of Indian Affairs, and handles additional responsibilities assigned by the Governor. Approximately 99.6 percent of the funding for the Office of the Lieutenant Governor is General Fund.

	Office of the Lieutenant Governor					
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2012-13 Appropriation:</b>						
HB 12-1335	\$302,194	\$301,010	\$1,184	\$0	\$0	5.0
<b>TOTAL</b>	<b>\$302,194</b>	<b>\$301,010</b>	<b>\$1,184</b>	<b>\$0</b>	<b>\$0</b>	<b>5.0</b>
<b>FY 2013-14 Appropriation:</b>						
FY 2012-13 Appropriation	\$302,194	\$301,010	\$1,184	\$0	\$0	5.0
<b>SB 13-230</b>	<b>\$302,194</b>	<b>\$301,010</b>	<b>\$1,184</b>	<b>\$0</b>	<b>\$0</b>	<b>5.0</b>
<b>TOTAL</b>	<b>\$302,194</b>	<b>\$301,010</b>	<b>\$1,184</b>	<b>\$0</b>	<b>\$0</b>	<b>5.0</b>
<b>Increase/(Decrease)</b>	\$0	\$0	\$0	\$0	\$0	0.0
Percentage Change	0.0%	0.0%	0.0%	n/a	n/a	0.0%

**FY 2013-14 Appropriation – S.B. 13-230 (Long Bill) Issue Descriptions**

**No Changes:** The appropriation does not contain changes from the FY 2012-13 Appropriation.

## 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. The Office is funded primarily with reappropriated funds from Statewide indirect cost recoveries and General Fund moneys for special projects.

Office of State Planning and Budgeting						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2012-13 Appropriation:</b>						
HB 12-1335	\$1,471,281	\$0	\$0	\$1,471,281	\$0	19.5
HB 12-1336	350,000	350,000	0	0	0	0.0
SB 13-088	<u>188,920</u>	<u>188,920</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$2,010,201</b>	<b>\$538,920</b>	<b>\$0</b>	<b>\$1,471,281</b>	<b>\$0</b>	<b>19.5</b>
<b>FY 2013-14 Appropriation:</b>						
FY 2012-13 Appropriation	\$2,010,201	\$538,920	\$0	\$1,471,281	\$0	19.5
Continuous improvement program (Lean)	965,650	965,650	0	0	0	0.0
IT Common policy allocations study	300,000	300,000	0	0	0	0.0
Annualize prior year funding	(528,920)	(528,920)	0	0	0	0.0
<b>SB 13-230</b>	<b><u>\$2,746,931</u></b>	<b><u>\$1,275,650</u></b>	<b><u>\$0</u></b>	<b><u>\$1,471,281</u></b>	<b><u>\$0</u></b>	<b><u>19.5</u></b>
<b>TOTAL</b>	<b>\$2,746,931</b>	<b>\$1,275,650</b>	<b>\$0</b>	<b>\$1,471,281</b>	<b>\$0</b>	<b>19.5</b>
<b>Increase/(Decrease)</b>	\$736,730	\$736,730	\$0	\$0	\$0	0.0
Percentage Change	36.6%	136.7%	n/a	0.0%	n/a	0.0%

### FY 2012-13 Appropriation - Mid-year Adjustments

Senate Bill 13-088 provides supplemental appropriations to the Office to modify FY 2012-13 appropriations included in the FY 2012-13 Long Bill (H.B. 12-1335). The bill provides additional funding for Lean projects administered by the Office.

### FY 2013-14 Appropriation – S.B. 13-230 (Long Bill) Issue Descriptions

**Continuous improvement program (Lean):** The appropriation includes an increase of \$1.0 million General Fund to continue the implementation of Lean operational process improvements in executive branch agencies.

**IT Common policy allocations study:** The appropriation includes an increase of \$0.3 million General Fund to conduct an information technology billing study.

**Annualize prior year funding:** The appropriation includes adjustments related to prior year legislation and budget actions.

## Economic Development Programs

The Office of Economic Development is the central coordination office for the State's business assistance, retention, expansion, and recruitment programs. The Office includes the Economic Development Commission, the Global Business Development Office, Small Business Development Centers, Colorado Welcome Centers, the Colorado Tourism Office, the Creative Industries Council, and the Colorado Office of Film, Television, and Media. The Office also coordinates programs related to Bioscience Discovery Evaluation. The largest portion of the unit's funding is from cash funds, which receive statutory transfers from the Limited Gaming Fund. Reappropriated funds in the Office are from the Department of Regulatory Agencies and Statewide indirect cost assessments. Federal funds in the Office are from various sources, including the National Endowment for the Arts.

	<b>Economic Development Programs</b>					
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2012-13 Appropriation:</b>						
HB 12-1335	\$28,279,342	\$11,174,626	\$14,681,621	\$87,765	\$2,335,330	49.0
HB 12-1286	3,000,000	0	3,000,000	0	0	0.0
HB 12-1360	4,000,000	0	4,000,000	0	0	0.0
SB 13-088	<u>1,854,403</u>	<u>0</u>	<u>1,854,403</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$37,133,745</b>	<b>\$11,174,626</b>	<b>\$23,536,024</b>	<b>\$87,765</b>	<b>\$2,335,330</b>	<b>49.0</b>
<b>FY 2013-14 Appropriation:</b>						
FY 2012-13 Appropriation	\$37,133,745	\$11,174,626	\$23,536,024	\$87,765	\$2,335,330	49.0
Gaming revenue adjustment	8,722,245	0	8,722,245	0	0	0.0
Economic Development Commission increase	2,915,515	2,915,515	0	0	0	0.0
Tourism promotion and branding	2,000,000	2,000,000	0	0	0	0.0
Film incentives	800,000	800,000	0	0	0	0.0
Prospect pipeline and branding	313,354	313,354	0	0	0	1.8
Economic impact analysis	175,000	175,000	0	0	0	0.0
Leased space increase	114,985	114,985	0	0	0	0.0
Indirect cost assessment	22,416	0	22,416	0	0	0.0
Annualize prior year funding	(6,391,387)	0	(6,391,387)	0	0	0.5
General Fund reduction	(4,000,000)	(4,000,000)	0	0	0	0.0
Centrally appropriated line items	(2,995)	(2,995)	0	0	0	0.0
<b>SB 13-230</b>	<b>\$41,802,878</b>	<b>\$13,490,485</b>	<b>\$25,889,298</b>	<b>\$87,765</b>	<b>\$2,335,330</b>	<b>51.3</b>
HB 13-1001	(2,463,016)	0	(2,463,016)	0	0	0.0
HB 13-1002	200,000	200,000	0	0	0	0.0

	<b>Economic Development Programs</b>			<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>			
HB 13-1003	218,750	200,000	18,750	0	0	0.0
HB 13-1004	1,500,000	1,500,000	0	0	0	0.0
HB 13-1193	300,000	0	300,000	0	0	0.0
HB 13-1301	<u>215,000</u>	<u>215,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$41,773,612</b>	<b>\$15,605,485</b>	<b>\$23,745,032</b>	<b>\$87,765</b>	<b>\$2,335,330</b>	<b>51.3</b>
<b>Increase/(Decrease)</b>	\$4,639,867	\$4,430,859	\$209,008	\$0	\$0	2.3
Percentage Change	12.5%	39.7%	0.9%	0.0%	0.0%	4.7%

### **FY 2012-13 Appropriation - Mid-year Adjustments**

Senate Bill 13-088 provides supplemental appropriations to the Office to modify FY 2012-13 appropriations included in the FY 2012-13 Long Bill (H.B. 12-1335). The bill provides additional funding for economic development programs due to increased limited gaming tax revenue collections.

### **FY 2013-14 Appropriation – S.B. 13-230 (Long Bill) Issue Descriptions**

**Gaming revenue adjustment:** The appropriation includes an increase of \$8.7 million cash funds from limited gaming tax revenue based on current law, as amended by S.B. 13-133 (Steadman/Gerou).

**Economic Development Commission increase:** The appropriation includes \$2.9 million General Fund to maintain the prior-year level of funding for economic development incentives for companies relocating to Colorado or adding jobs in Colorado.

**Tourism promotion and branding:** The appropriation includes an increase of \$2.0 million General Fund for the Colorado Tourism Office to promote tourism in the state and launch a branding campaign.

**Film incentives:** The appropriation includes \$0.8 million General Fund for the continuation of the performance-based film incentives program.

**Prospect pipeline and branding:** The appropriation includes an increase of \$0.3 million General Fund and 1.8 FTE to support business retention and prospecting activities.

**Economic impact analysis:** The appropriation includes an increase of \$0.2 million General Fund to study the impact of the federal budget sequestration and potential military facility spending reductions on Colorado's economy.

**Leased space increase:** The appropriation includes an increase of \$0.1 million General Fund for the new lease agreement for the Office of Economic Development and International Trade's 1625 Broadway location in Denver.

**Indirect cost assessment:** The appropriation includes a net increase in the division's indirect cost assessment.

**Annualize prior year funding:** The appropriation includes adjustments related to prior year legislation and budget actions.

**General Fund reduction:** The appropriation includes a decrease of \$4.0 million General Fund due to an increase in limited gaming tax revenue cash funds for economic development programs contained in S.B. 13-133.

**Centrally appropriated line items:** The appropriation includes an adjustment to the centrally appropriated line item for vehicle lease payments.

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

## Office of Information Technology

The Governor's Office of Information Technology (OIT) oversees executive department technology initiatives and recommends strategies to maximize service delivery efficiency through the application of enterprise technology solutions. OITs' responsibilities were expanded significantly by S.B. 08-155. The bill formally provided OIT with authority over the management and delivery of consolidated information technology services for executive departments. Additionally, between July 1, 2008 and July 1, 2012, statute allowed for the transfer of any other information technology employees and functions to OIT as designated by the director of OIT, acting jointly with the affected agency's executive director and the agency's chief information officer. The Department's FY 2010-11 budget included the transfer of \$57.7 million and 680.7 FTE from State agencies to OIT as part of the consolidation process. OIT's FY 2013-14 budget consists of 98.5 percent reappropriated funds transferred from agencies for services provided by OIT.

	Office of Information Technology					
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2012-13 Appropriation:</b>						
HB 12-1335	\$115,641,925	\$0	\$1,250,928	\$114,269,997	\$121,000	898.8
HB 12-1023	2,960	0	0	2,960	0	0.0
HB 12-1038	32,000	0	0	32,000	0	0.0
HB 12-1041	78,940	0	0	78,940	0	0.0
HB 12-1052	35,520	0	0	35,520	0	0.0
HB 12-1131	2,960	0	0	2,960	0	0.0
HB 12-1153	2,960	0	0	2,960	0	0.0
HB 12-1162	2,960	0	0	2,960	0	0.0
HB 12-1223	100,640	0	0	100,640	0	0.0
HB 12-1275	68,080	0	0	68,080	0	0.0
HB 12-1295	2,960	0	0	2,960	0	0.0
HB 12-1302	2,960	0	0	2,960	0	0.0
HB 12-1303	1,184	0	0	1,184	0	0.0

Office of Information Technology						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
HB 12-1310	11,840	0	0	11,840	0	0.0
HB 12-1314	14,800	0	0	14,800	0	0.0
HB 12-1327	12,210	0	0	12,210	0	0.0
HB 12-1339	12,279,762	0	0	12,279,762	0	0.0
SB 12S-001	76,220	0	0	76,220	0	0.0
SB 13-088	<u>7,969,001</u>	<u>0</u>	<u>0</u>	<u>7,969,001</u>	<u>0</u>	<u>(1.3)</u>
<b>TOTAL</b>	<b>\$136,339,882</b>	<b>\$0</b>	<b>\$1,250,928</b>	<b>\$134,967,954</b>	<b>\$121,000</b>	<b>897.5</b>
<b>FY 2013-14 Appropriation:</b>						
FY 2012-13 Appropriation	\$136,339,882	\$0	\$1,250,928	\$134,967,954	\$121,000	897.5
CBMS modernization continuation	14,571,587	0	0	14,571,587	0	0.0
Revenue IT infrastructure	2,981,490	0	0	2,981,490	0	22.0
Unemployment insurance initiatives	2,872,000	0	0	2,872,000	0	0.0
Network implementation funding	1,394,368	0	0	1,394,368	0	0.0
IT security	1,075,700	0	0	1,075,700	0	0.0
Behavioral health data system	480,000	0	0	480,000	0	0.0
Enterprise asset management	437,600	0	0	437,600	0	0.0
Operating expenses transfer	345,335	345,335	0	0	0	0.0
Microwave infrastructure assessment	300,000	0	300,000	0	0	0.0
Adult Protective Services system	250,000	0	0	250,000	0	0.0
Grants management system upgrade	150,000	0	0	150,000	0	0.0
Child care licensing system	131,620	0	0	131,620	0	0.0
Indirect cost assessment	17,177	0	0	17,177	0	0.0
CBMS technical corrections	10,009	0	0	10,009	0	0.0
Centrally appropriated line items	6,763	0	0	6,763	0	0.0
Annualize prior year funding	(21,245,989)	0	0	(21,245,989)	0	1.3
OIT staff transfer	(265,656)	0	0	(265,656)	0	(3.8)
<b>SB 13-230</b>	<b>\$139,851,886</b>	<b>\$345,335</b>	<b>\$1,550,928</b>	<b>\$137,834,623</b>	<b>\$121,000</b>	<b>917.0</b>
SB 13-004	4,588	0	0	4,588	0	0.0
SB 13-039	10,993	0	0	10,993	0	0.0
SB 13-060	2,972	0	0	2,972	0	0.0
SB 13-120	2,960	0	0	2,960	0	0.0
SB 13-180	58,904	0	0	58,904	0	0.0
SB 13-224	2,972	0	0	2,972	0	0.0
SB 13-250	521,850	0	0	521,850	0	1.5

	<b>Office of Information Technology</b>					
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
SB 13-251	35,774	0	0	35,774	0	0.0
HB 13-1031	108,000	0	0	108,000	0	0.0
HB 13-1071	604	0	0	604	0	0.0
HB 13-1079	99,673	99,673	0	0	0	1.5
HB 13-1110	68,212	0	0	68,212	0	0.0
HB 13-1111	5,180	0	0	5,180	0	0.0
HB 13-1119	7,800	0	0	7,800	0	0.0
HB 13-1135	31,672	0	0	31,672	0	0.0
HB 13-1240	26,714	0	0	26,714	0	0.0
HB 13-1271	529,800	0	0	529,800	0	0.0
HB 13-1317	<u>88,500</u>	<u>0</u>	<u>0</u>	<u>88,500</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$141,459,054</b>	<b>\$445,008</b>	<b>\$1,550,928</b>	<b>\$139,342,118</b>	<b>\$121,000</b>	<b>920.0</b>
<b>Increase/(Decrease)</b>	\$5,119,172	\$445,008	\$300,000	\$4,374,164	\$0	22.5
Percentage Change	3.8%	0.0%	24.0%	3.2%	0.0%	2.5%

### **FY 2012-13 Appropriation - Mid-year Adjustments**

Senate Bill 13-088 provides supplemental appropriations to the Office to modify FY 2012-13 appropriations included in the FY 2012-13 Long Bill (H.B. 12-1335). The bill provides additional funding for the Colorado Benefits Management System (CBMS) modernization project.

### **FY 2013-14 Appropriation – S.B. 13-230 (Long Bill) Issue Descriptions**

**CBMS modernization continuation:** The appropriation includes \$14.6 million reappropriated funds transferred from the Department of Human Services and the Department of Health Care Policy and Financing to OIT to continue the CBMS modernization project.

**Revenue IT infrastructure:** The appropriation includes an increase of \$3.0 million reappropriated funds transferred to OIT by the Department of Revenue and 22.0 FTE to increase operational support services, including service desk staff, desk side support, network support, server support, security support, and project management functions.

**Unemployment insurance initiatives:** The appropriation includes an increase of \$2.9 million reappropriated funds transferred from the Department of Labor and Employment to OIT for services related to the multi-state WyCAN project to manage unemployment taxes and benefits.

**Network implementation funding:** The appropriation includes an increase of \$1.4 million reappropriated funds transferred from State agencies to OIT to meet the financial obligations of operating the State's Multiuse Network concurrently with the new Colorado State Network while migration to the new network for all State agencies is completed.



**IT security:** The appropriation includes an increase of \$1.1 million reappropriated funds transferred from State agencies to OIT to address the State's most pressing cyber security needs.

**Behavioral health data system:** The appropriation includes an increase of \$0.5 million reappropriated funds transferred from the Department of Human Services to OIT for the provision of a behavioral health data system to track patient and provider performance data.

**Enterprise asset management:** The appropriation includes an increase of \$0.4 million reappropriated funds transferred from State agencies to OIT for the implementation of an information technology asset tracking system.

**Operating expenses transfer:** The appropriation includes an increase of \$0.3 million General Fund for basic operating costs for FTE transferred to OIT from State agencies as part of the consolidation of information technology resources.

**Microwave infrastructure assessment:** The appropriation includes an increase of \$0.3 million cash funds from the reserve of the Public Safety Trust Fund for OIT to conduct a microwave upgrade assessment for the Digital Trunked Radio System.

**Adult Protective Services system:** The appropriation includes an increase of \$0.3 million reappropriated funds transferred from the Department of Human Services to OIT for the provision of a data system to track services provided to at-risk adults.

**Grants management system upgrade:** The appropriation includes an increase of \$0.2 million reappropriated funds transferred from the Departments of Education, Public Health and Environment, and Public safety to OIT to upgrade the Colorado Grants Management System .

**Child care licensing system:** The appropriation includes \$0.1 million reappropriated funds transferred from the Department of Human Services to OIT to add a reporting module to the Colorado Child Care Licensing System.

**Indirect cost assessment:** The appropriation includes a net increase in the division's indirect cost assessment.

**CBMS technical corrections:** The appropriation includes an increase of reappropriated funds transferred from the Department of Human Services and the Department of Health Care Policy and Financing to OIT for the ongoing operating and contract expenses of CBMS.

**Centrally appropriated line items:** The appropriation includes an adjustment to the centrally appropriated line item for legal services.

**Annualize prior year funding:** The appropriation includes adjustments related to prior year legislation and budget actions.

**OIT staff transfer:** The appropriation includes a decrease of \$0.3 million reappropriated funds and 3.8 FTE transferred from State agencies to OIT to make technical changes related to staffing levels, assignment of FTE, and associated funding.

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

## Recent legislation

### 2012 Session Bills

**S.B. 12-044:** Creates a Class B traffic infraction for persons who fail to pay the proper fare when riding on public transportation and abolishes criminal sanctions for the same offense. A person who has an outstanding judgment for the infraction is prohibited from obtaining or renewing a driver's license. Allows for the sealing of criminal records of persons previously convicted of the crime of theft of transit services by fare evasion. For FY 2011-12, reappropriates \$17,124 to the Governor's Office of Information Technology from the Department of Revenue for computer programming support. For more information on S.B. 12-044, please see the "Recent Legislation" section in the Department of Revenue section of this document.

**H.B. 12-1023:** Establishes the Fallen Heroes special license plate. In addition to paying the regular registration fees and special license plate fees, eligibility to purchase the license plate requires a \$50 donation to the Colorado Chapter of the Concerns of Police Survivors, Inc. Reappropriates \$20,720 to the Governor's Office of Information Technology from the Department of Revenue for computer programming support. For more information on H.B. 12-1023, please see the "Recent Legislation" section in the Department of Revenue section of this document.

**H.B. 12-1038:** Establishes multi-year registration for Class A vehicles (trailers). For FY 2011-12, reappropriates \$118,000 to the Governor's Office of Information Technology from the Department of Revenue for computer programming support and \$32,000 in FY 2012-13 for the same purpose. For more information on H.B. 12-1038, please see the "Recent Legislation" section in the Department of Revenue section of this document.

**H.B. 12-1041:** Creates an electronic death registration system to allow persons responsible for reporting death information to the Office of the State Registrar of Vital Statistics to do so electronically. For FY 2012-13, reappropriates \$78,940 from the Department of Public Health and Environment to the Governor's Office of Information Technology for information technology management costs. For more information on H.B. 12-1041, please see the "Recent Legislation" section in the Department of Public Health and Environment section of this document.

**H.B. 12-1052:** Requires the Department of Regulatory Agencies to request health care workforce data from certain health care professionals when receiving their initial or renewal license applications beginning on or before July 1, 2013. Reappropriates \$35,520 to the Governor's Office of Information Technology from the Department of Regulatory Agencies for the provision of programming services in FY 2012-13. For more information on H.B. 12-1052, please see the "Recent Legislation" section in the Department of Regulatory Agencies section of this document.

**H.B. 12-1131:** Establishes the Child Loss Awareness special license plate. Requires the payment of the regular registration fees and special license plates fee. Reappropriates \$20,720 to the Governor's Office of Information Technology from the Department of Revenue for computer programming support. For more information on H.B. 12-1131, please see the "Recent Legislation" section in the Department of Revenue section of this document.

**H.B. 12-1153:** Establishes the Distinguished Flying Cross special license plate. Those eligible to purchase the license plate shall have been awarded the Distinguished Flying Cross by a branch of the United States Military. Reappropriates \$3,396 to the Governor's Office of Information Technology from the Department of Revenue

for computer programming support. For more information on H.B. 12-1153, please see the "Recent Legislation" section in the Department of Revenue section of this document.

**H.B. 12-1162:** Establishes the Desert Storm special license plate. Those eligible to purchase the license plate shall have served in the United States Military between the dates of August 2, 1990 and February 28, 1991. Reappropriates \$4,936 to the Governor's Office of Information Technology from the Department of Revenue for computer programming support. For more information on H.B. 12-1162, please see the "Recent Legislation" section in the Department of Revenue section of this document.

**H.B. 12-1223:** Allows offenders in the Department of Corrections to receive additional earned time while in prison, while on parole, and while temporarily reincarcerated for a parole violation. Reappropriates \$100,640 to the Governor's Office of Information Technology from the Department of Corrections for computer programming support. For more information on H.B. 12-1223, please see the "Recent Legislation" section in the Department of Corrections section of this document.

**H.B. 12-1246:** Eliminates payroll date shift for certain General Fund employees. Increases appropriations to the Office of the Governor by \$1,895 General Fund.

**H.B. 12-1275:** Establishes the Colorado Wildlife Sporting special license plate. In addition to paying the regular registration fees and special license plate fees, requires the payment of an annual \$25 fee which is credited to the Wildlife Cash Fund. Reappropriates \$85,840 to the Governor's Office of Information Technology from the Department of Revenue for computer programming support. For more information on H.B. 12-1275, please see the "Recent Legislation" section in the Department of Revenue section of this document.

**H.B. 12-1283:** Consolidates Colorado's homeland security functions, personnel, and resources, enacted under Executive Order D 2011-030, into a new Division of Homeland Security and Emergency Management within the Department of Public Safety. For the Office of the Governor, eliminates the Governor's Office of Homeland Security and transfers the functions, personnel, and resources of the unit into the Division of Homeland Security and Emergency Management within the Department of Public Safety, effective July 1, 2012. Reduces the appropriation to the Office of the Governor by \$10.2 million federal funds and 6.0 FTE in FY 2012-13. For additional information on H.B. 12-1283, see the "Recent Legislation" section in the Department of Public Safety section of this document.

**HB 12-1286:** Creates a loan guarantee program for film production activities, increases the amount of the existing performance-based film incentive from 10.0 percent to 20.0 percent of the total amount of the production company's qualified local expenditures, transfers \$3.0 million from the General Fund to the Colorado Office of Film, Television, and Media Operational Account for the performance-based film incentives program, and appropriates \$3.0 million cash funds from the Account to the Office for FY 2012-13.

**H.B. 12-1295:** Establishes the Colorado Rockies special license plate. In addition to paying the regular registration fees and special license plate fees, eligibility to purchase the license plate requires a \$52.80 donation to the Colorado Rockies Baseball Club Foundation. Reappropriates \$20,720 for FY 2012-13 to the Governor's Office of Information Technology from the Department of Revenue for computer programming services. For more information on H.B. 12-1295, please see the "Recent Legislation" section in the Department of Revenue section of this document.

**H.B. 12-1302:** Establishes the Flight for Life special license plate. In addition to paying the regular registration fees and special license plate fees, eligibility to purchase the license plate requires a \$25 donation to Flight for Life Colorado. Reappropriates \$20,720 for FY 2012-13 to the Governor's Office of Information Technology from the Department of Revenue for computer programming services. For more information on H.B. 12-1302, please see the "Recent Legislation" section in the Department of Revenue section of this document.

**H.B. 12-1303:** Enacts the Speech-Language Pathology Practice Act and requires that the Division of Registrations in the Department of Regulatory Agencies create a certification program for speech-language pathologists. Reappropriates \$1,184 to the Governor's Office of Information Technology from the Department of Regulatory Agencies for the provision of technical assistance for FY 2012-13. For more information on H.B. 12-1303, please see the "Recent Legislation" section in the Department of Regulatory Agencies section of this document.

**H.B. 12-1310:** Addresses criminal justice matters in several areas including drug offenses, sentencing, court proceedings, sex offenses, probation, and parole. Reappropriates \$11,840 to the Governor's Office of Information Technology from the Department of Corrections for the provision of programming services for FY 2012-13. For more information on H.B. 12-1310, please see the "Recent Legislation" section in the Department of Corrections section of this document.

**H.B. 12-1314:** Provides an exemption to the filing requirements for oil and gas severance taxpayers for persons who had less than \$250 withheld for taxes by a unit operator during a tax year and the amount withheld is at least equal to or greater than the amount of severance tax owed by that person. Reappropriates \$14,800 to the Governor's Office of Information Technology from the Department of Revenue for the provision of programming services for FY 2012-13. For more information on H.B. 12-1314, please see the "Recent Legislation" section in the Department of Revenue section of this document.

**HB 12-1315:** Renames the Governor's Energy Office as the Colorado Energy Office and redefines its mission from promoting renewable energy and energy efficiency to encouraging all sources of energy development. The bill makes the following transfers:

- \$1.6 million from the General Fund to the Clean and Renewable Energy Fund on July 1, 2012 and each July 1 through 2016; and
- \$1.5 million from the total gross receipts realized from the severance taxes imposed on minerals and mineral fuels to the Innovative Energy Fund on July 1, 2012 and each July 1 through 2016.

Appropriates the following:

- \$1.6 million cash funds from the Clean and Renewable Energy Fund and 10.4 FTE for the expenses of the Colorado Energy Office;
- \$0.6 million cash funds from the Clean and Renewable Energy Fund for weatherization services; and
- \$1.5 million cash funds from the Innovative Energy Fund and 10.3 FTE for the expenses of the Colorado Energy Office.

**H.B. 12-1327:** Concerns the regulation of tow truck drivers by the Department of Regulatory Agencies. Appropriates \$12,210 cash funds for FY 2012-13 for the purchase of computer center services from OIT related to the implementation of this bill.

**H.B. 12-1335:** General appropriations act for FY 2012-13.

**H.B. 12-1336:** Directs the Office of State Planning and Budgeting to contract for a Department of Corrections systemwide analysis by July 1, 2012. The Office is encouraged to convene an advisory group to assist in developing options based on the study. Using the results of the analysis, the Office and the Joint Budget Committee and any advisory group convened will identify, evaluate, and prioritize state and private contract prison-bed utilization options for five fiscal years beginning with fiscal year 2013-14. Appropriates \$350,000 General Fund to the Office of the Governor in FY 2012-13. For more information on H.B. 12-1336, please see the "Recent Legislation" section in the Department of Corrections section of this document.

**HB 12-1339:** Appropriates moneys for the Colorado Benefits Management System (CBMS) improvement and modernization project, and outlines the Governor's Office of Information Technology's reporting requirements for quarterly project status updates.

- Requires the Governor's Office of Information Technology to monitor the project and provide quarterly reports to the Joint Budget Committee;
- Defines the required elements to be included in each quarterly report to the Joint Budget Committee;
- Appropriates \$9.0 million (including \$5.7 million General Fund) for contracting and equipment expenditures associated with the project in FY 2011-12 and FY 2012-13 for the Governor's Office of Information Technology, the Department of Health Care Policy and Financing, and the Department of Human Services; and
- Appropriates \$13.3 million (including \$7.0 General Fund) and 22.0 FTE for use in FY 2012-13 for the Governor's Office of Information Technology, the Department of Health Care Policy and Financing, and the Department of Human Services for contracting, operating, and personnel costs associated with the project.

**HB 12-1360:** Indicates that on June 30, 2012, the State Treasurer shall transfer from the General Fund to the Colorado Economic Development Fund the lesser of \$4.0 million or the amount by which the June 2012 estimate of General Fund revenue prepared by the Office of State Planning and Budgeting for the 2011-12 fiscal year exceeds the March 2012 estimate of General Fund revenue prepared by the Office of State Planning and Budgeting for the 2011-12 fiscal year. Appropriates \$4.0 million from the Colorado Economic Development Fund to the Governor's Office of Economic Development for FY 2012-13 for economic development incentives for job creation.

**S.B. 12S-001:** Allows the owner of more than ten pieces of special mobile machinery to register those items at one time, at the option of both the owner and the county clerk. Reappropriates \$76,220 to the Governor's Office of Information Technology from the Department of Revenue for computer programming services. For more information on S.B. 12S-001, please see the "Recent Legislation" section in the Department of Revenue section of this document.

## **2013 Session Bills**

**S.B. 13-004:** Allows the holder of a State issued identification card who is sixty-five years of age to renew by electronic means or mail for every renewal period, provided that the holder attests, under penalty of perjury, that he/she is lawfully present in the United States and a resident of Colorado. Reappropriates \$4,588 from the Department of Revenue to the Governor's Office of Information Technology for FY 2013-14 to modify the Department's Driver's License System. For more information on S.B. 13-004, please see the "Recent Legislation" section in the Department of Revenue section of this document.

**S.B. 13-039:** Requires that audiologists be licensed by the Division of Professions and Occupations in the Department of Regulatory Agencies. Reappropriates \$10,993 from the Department of Regulatory Agencies to the Governor's Office of Information Technology for FY 2013-14 to make conforming changes to the licensing system for audiologists. For more information on S.B. 13-039, please see the "Recent Legislation" section in the Department of Regulatory Agencies section of this document.

**S.B. 13-060:** Creates the Civil Air Patrol special license plate. Reappropriates \$2,972 from the Department of Revenue to the Governor's Office of Information Technology for FY 2013-14 to modify the Colorado State Titling and Registration System. For more information on S.B. 13-060, please see the "Recent Legislation" section in the Department of Revenue section of this document.

**S.B. 13-088:** Supplemental appropriation to the Office of the Governor for FY 2012-13.

**S.B. 13-120:** Creates the Navy SEAL special license plate. Reappropriates \$2,960 from the Department of Revenue to the Governor's Office of Information Technology for FY 2013-14 to modify the Colorado State Titling and Registration System. For more information on S.B. 13-120, please see the "Recent Legislation" section in the Department of Revenue section of this document.

**S.B. 13-180:** Continues the regulation of occupational therapists in the Division of Professions and Occupations in the Department of Regulatory Agencies until September 1, 2018. Reappropriates \$7,104 from the Department of Regulatory Agencies to the Governor's Office of Information Technology for FY 2013-14 to create and administer a new license type for occupational therapist assistants, and to create systems for tracking continued competency requirements. For more information on S.B. 13-180, please see the "Recent Legislation" section in the Department of Regulatory Agencies section of this document.

**S.B. 13-188:** Replaces the current landowner preference programs for allocating hunting licenses with a single program. Reappropriates \$51,800 from the Department of Natural Resources to the Governor's Office of Information Technology for FY 2013-14 to update the system that assists in electronically allocating hunting license vouchers for the landowner preference program. For more information on S.B. 13-188, please see the "Recent Legislation" section in the Department of Natural Resources section of this document.

**S.B. 13-224:** Creates the Protect Our Rivers special license plate. Reappropriates \$2,972 from the Department of Revenue to the Governor's Office of Information Technology for FY 2013-14 to modify the Colorado State Titling and Registration System. For more information on S.B. 13-224, please see the "Recent Legislation" section in the Department of Revenue section of this document.

**S.B. 13-230:** General appropriations act for FY 2013-14.

**S.B. 13-250:** Makes a number of changes to current law concerning the sentencing of individuals convicted of drug-related offenses. Reappropriates \$0.5 million and 1.5 FTE from the Department of Corrections to the Governor's Office of Information Technology for FY 2013-14 to modify a large number of Department computer programs, applications, and databases impacted by the sentencing changes. For more information on S.B. 13-250, please see the "Recent Legislation" section in the Department of Corrections section of this document.

**S.B. 13-251:** Allows the State to issue a driver's license, minor driver's license, instruction permit or State identification card to a non-resident who cannot furnish proof of lawful presence in the United States, upon presenting the documents required for issuance. Reappropriates \$35,774 from the Department of Revenue to

the Governor's Office of Information Technology for FY 2013-14 to change the existing related tables, pass new data to Morpho Trust, and track sworn statements and tax returns. For more information on S.B. 13-251, please see the "Recent Legislation" section in the Department of Revenue section of this document.

**S.B. 13-276:** Directs the Disability-Benefit Support Contract Committee to make grants and loans to study or pilot programs in support of persons with disabilities or to the License Plate Auction Group. Establishes cash funds spending authority up to \$0.3 million in the Governor's Office to facilitate the auction of uniquely valuable license plate numbers. For more information on S.B. 13-280, please see the "Recent Legislation" section in the Department of Personnel section of this document.

**S.B. 13-280:** Requires off-highway vehicles to be titled in the same manner as motor vehicles except under statutory provisions that apply to salvage vehicles and assume the vehicle will be registered with the Department of Revenue. Reappropriates \$25,900 from the Department of Revenue to the Governor's Office of Information Technology for FY 2013-14 to modify the Colorado State Titling and Registration System. For more information on S.B. 13-280, please see the "Recent Legislation" section in the Department of Revenue section of this document.

**H.B. 13-1001:** Creates the Advanced Industries Acceleration (AIA) grant program in the Office of Economic Development and International Trade to distribute funding to a variety of advanced manufacturing, aerospace, bioscience, and energy and natural resources industries. Additionally, the bill states that:

- In accordance with S.B. 13-133 (Distribution Of State Share Of Ltd Gaming Revenues), for the 2012-13 and 2013-14 fiscal years, the Bioscience Discovery Evaluation Cash Fund will receive a transfer of \$5,500,000 from the Limited Gaming Fund;
- For FY 2014-15, and each fiscal year thereafter, the transfer of \$5,500,000 from the Limited Gaming Fund to the Bioscience Discovery Evaluation Cash Fund is eliminated and replaced by a transfer to the Advanced Industries Acceleration Cash Fund of the same amount;
- The balance of the Bioscience Discovery Evaluation Cash Fund is transferred to the Advanced Industries Acceleration Cash Fund on January 1, 2015 (approximately \$2.8 million);
- An amount equal to one half of the amount credited to the Advanced Industries Acceleration Cash Fund (enacted via S.B. 11-047, and estimated to be \$1,231,508) on March 1, 2014, and March 1 of each year thereafter, will be used for program grants to clean technology companies or projects;
- In calendar year 2015, and each calendar year thereafter, the Office shall award \$5,500,000 for grants to bioscience projects;
- The Office may use any excess moneys not required to be expended for bioscience or clean technology grants for grants to any of the seven advanced industries; and
- The Office shall award at least 15.0 percent of total program grants in a calendar year to each of the three grant types (proof-of-concept, early-stage capital and retention, and infrastructure funding). If the Office is unable to award this percentage in a given year due to a lack of qualified applicants, the deficiency does not roll forward to the next year.

**H.B. 13-1002:** Provides \$0.2 million General Fund for FY 2013-14 to the Office of Economic Development and International Trade to enhance activities conducted by the state's Small Business Development Centers.

**H.B. 13-1003:** Provides \$0.2 million total funds for FY 2013-14 to the Office of Economic Development and International Trade to create an economic gardening pilot project program aimed at creating jobs by supporting existing companies in a community.

**H.B. 13-1004:** Provides \$1.5 million General for FY 2013-14, which is then reappropriated to the Department of Higher Education, for the Colorado First Customized Job Training Program. The goal of the Program, jointly administered by the Office of Economic Development and International Trade and the Colorado community college system, is to provide job-training grants to companies that are locating or expanding in Colorado.

**H.B. 13-1031:** The Office of Emergency Management in the Department of Public Safety must prepare a statewide system for mobilizing emergency response resources from multiple jurisdictions in anticipation of large-scale emergencies. This bill, recommended by the Lower North Fork Wildfire Commission, requires the director of the Office to develop and maintain specific procedures for mobilization, allocation, tracking, demobilization, reimbursement, and other functions within that system. Reappropriates \$108,000 from the Department of Public Safety to the Governor's Office of Information Technology for FY 2013-14 to upgrade its resource and tracking technology. For more information on H.B. 13-1031, please see the "Recent Legislation" section in the Department of Public Safety section of this document.

**H.B. 13-1071:** Specifies that a vehicle whose model year is more than 32 years old is eligible to be registered as a "collector's" vehicle. A vehicle so registered must pass an emissions test within 12 months after registration, if the vehicle is within the enhanced emissions program area. Reappropriates \$604 from the Department of Revenue to the Governor's Office of Information Technology for FY 2013-14 to modify the Colorado State Tilting and Registration System. For more information on H.B. 13-1071, please see the "Recent Legislation" section in the Department of Revenue section of this document.

**H.B. 13-1079:** Creates the Joint Technology Committee to oversee State agencies, projects, and issues related to information technology. Provides \$0.1 million General Fund and 1.5 FTE to the Governor's Office of Information Technology for FY 2013-14 to respond to requests from the Committee for data, reports, or information pertaining to the purchase or implementation of information technology from a State agency under the purview of the Office.

**H.B. 13-1110:** Alters fees for vehicles propelled by compressed natural gas (CNG), liquefied petroleum gas (LPG), and liquefied natural gas (LNG) from an annual license fee based on the weight of the vehicle to a reduced special fuels tax levied on a gallon of gasoline equivalent when the fuel is purchased; assesses a \$10 fee on each truckload (defined as 8,000 gallons of gasoline equivalent) of CNG, LPG, or LNG; and requires a plug-in electric vehicle to pay an annual license fee of \$50. Reappropriates \$68,212 from the Department of Revenue to the Governor's Office of Information Technology for FY 2013-14 to modify the Colorado State Tilting and Registration System. For more information on H.B. 13-1110, please see the "Recent Legislation" section in the Department of Revenue section of this document.

**H.B. 13-1111:** Creates a registration program for naturopathic doctors in the Division of Professions and Occupations in the Department of Regulatory Agencies, and creates the seven-member Naturopathic Medicine Advisory Committee to advise the director of the division in the regulation of naturopathic doctors. Reappropriates \$5,180 from the Department of Regulatory Agencies to the Governor's Office of Information Technology for FY 2013-14 to create and administer the new registration type and to create systems for tracking continued competency requirements. For more information on H.B. 13-1111, please see the "Recent Legislation" section in the Department of Regulatory Agencies section of this document.

**H.B. 13-1119:** Allows a U.S. military veteran to obtain a driver's license or identification card that identifies the holder as a veteran. Reappropriates \$7,800 from the Department of Revenue to the Governor's Office of Information Technology for FY 2013-14 for programming changes to allow for printing the veteran's identifier



on both types of cards. For more information on H.B. 13-1119, please see the "Recent Legislation" section in the Department of Revenue section of this document.

**H.B. 13-1135:** Allows a person who has turned 16 years of age, who will not be 18 years of age by the date of the next election, to preregister to vote. Reappropriates \$31,672 from the Department of Revenue to the Governor's Office of Information Technology for FY 2013-14 for contract programming changes to the licensing and voting modules in the Driver's License System. For more information on H.B. 13-1135, please see the "Recent Legislation" section in the Department of Revenue section of this document.

**H.B. 13-1193:** Creates the Advanced Industries Export Acceleration Program in the Office of Economic Development and International Trade to provide training, access to consulting services, and expense reimbursements for eligible companies for the purpose of increasing international exports from advanced industries in Colorado. Transfers \$0.3 million General Fund to the Advanced Industry Export Acceleration Fund on January 1, 2014 and each year thereafter for four additional years and appropriates \$300,000 cash funds from the Advanced Industry Export Acceleration Fund to the Office for FY 2013-14.

**H.B. 13-1240:** Modifies the definition and penalties for persistent drunk drivers. Reappropriates \$26,714 from the Department of Revenue to the Governor's Office of Information Technology for FY 2013-14 to reprogram and change existing forms to incorporate new time frames for drunk driving offenses. For more information on H.B. 13-1240, please see the "Recent Legislation" section in the Department of Revenue section of this document.

**H.B. 13-1271:** Requires the Department of Human Services to establish a steering committee to develop an implementation plan for a statewide child abuse reporting hotline. Reappropriates \$529,800 from the Department of Human Services to the Governor's Office of Information Technology for FY 2013-14 to modify the child welfare computer system (TRAILS) to allow it to work with a centralized hotline. For more information on H.B. 13-1271, please see the "Recent Legislation" section in the Department of Human Services section of this document.

**H.B. 13-1301:** Creates the Procurement Technical Assistance Task Force to discuss and determine the future structure and oversight of procurement technical assistance centers in Colorado. Appropriates \$0.2 million General Fund to the Office of Economic Development and International Trade to provide administrative support to the Task Force and to award a grant to an organization tasked with leading the discussions.

**H.B. 13-1317:** Establishes the regulatory framework to implement Amendment 64, which legalizes the possession of small amounts of marijuana. Reappropriates \$88,500 from the Department of Revenue to the Governor's Office of Information Technology for FY 2013-14 to make changes to systems supporting the Department of Revenue's Marijuana Enforcement Division and the Department of Public Health and Environment's laboratory services for chemistry and microbiology. For more information on H.B. 13-1317, please see the "Recent Legislation" section in the Department of Revenue section of this document.

## Department Details

# DEPARTMENT OF HEALTH CARE POLICY AND FINANCING

## FY 2012-13 and FY 2013-14 Appropriations by Division and Bill

Department of Health Care Policy and Financing						
	Total Funds	General Fund <sup>1/2</sup>	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2012-13 Total Appropriation:</b>	<b>\$5,595,528,532</b>	<b>\$1,847,607,793</b>	<b>\$936,373,544</b>	<b>\$7,174,145</b>	<b>\$2,804,373,050</b>	<b>327.1</b>
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Executive Director's Office	145,847,789	39,149,341	17,767,641	3,066,557	85,864,250	327.1
Medical Services Premiums	3,945,979,492	1,352,182,568	641,099,709	2,936,892	1,949,760,323	0.0
Behavioral Health Community Programs	309,621,509	140,748,089	13,937,752	0	154,935,668	0.0
Indigent Care Program	557,609,076	38,799,631	223,744,336	0	295,065,109	0.0
Other Medical Services	169,733,787	54,310,674	35,650,014	0	79,773,099	0.0
Department of Human Services Medicaid-Funded Programs	466,736,879	222,417,490	4,174,092	1,170,696	238,974,601	0.0
<u>Breakdown of Total Appropriation by Bill</u>						
HB 12-1335	5,561,097,516	1,858,056,769	925,385,218	7,172,593	2,770,482,936	314.3
SB 12-060	(48,940)	0	(24,470)	0	(24,470)	0.1
SB 12-159	6,925	0	3,463	0	3,462	0.0
HB 12-1246	285,719	157,109	0	0	128,610	0.0
HB 12-1281	213,079	106,540	0	0	106,539	0.8
HB 12-1339	8,628,491	3,307,395	10,708	997,655	4,312,733	11.0
HB 12-1340	(9,024,676)	(4,512,338)	0	0	(4,512,338)	0.0
SB 13-089	43,215,460	2,290,813	10,085,922	1,150,000	29,688,725	0.9
SB 13-167	2,324,517	(1,162,256)	4,192,172	(1,867,655)	1,162,256	0.0
SB 13-177	(36,464)	(18,232)	0	0	(18,232)	0.0
SB 13-230	(11,133,095)	(10,618,007)	(3,279,469)	(278,448)	3,042,829	0.0
<b>FY 2013-14 Total Appropriation:</b>	<b>\$6,537,643,053</b>	<b>\$2,063,159,596</b>	<b>\$888,516,606</b>	<b>\$10,483,522</b>	<b>\$3,575,483,329</b>	<b>358.1</b>
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Executive Director's Office	180,350,423	43,768,166	22,656,580	5,035,980	108,889,697	358.1
Medical Services Premiums	4,736,824,877	1,505,860,050	593,882,063	2,936,892	2,634,145,872	0.0
Behavioral Health Community Programs	385,638,470	153,461,111	2,033,883	0	230,143,476	0.0

Department of Health Care Policy and Financing						
	Total Funds	General Fund <sup>1/2</sup>	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Office of Community Living	0	0	0	0	0	0.0
Indigent Care Program	558,014,540	32,223,919	232,278,304	0	293,512,317	0.0
Other Medical Services	178,110,013	85,410,914	35,431,339	2,491,722	54,776,038	0.0
Department of Human Services Medicaid-Funded Programs	498,704,730	242,435,436	2,234,437	18,928	254,015,929	0.0
<u>Breakdown of Total Appropriation by Bill</u>						
SB 13-230	6,195,287,695	2,071,307,480	1,029,835,723	8,483,522	3,085,660,970	337.9
SB 13-166	100,000	100,000	0	0	0	0.0
SB 13-167	2,155,054	(1,018,559)	2,096,086	0	1,077,527	0.9
SB 13-200	315,141,256	(123,209)	(154,578,421)	0	469,842,886	19.0
SB 13-232	0	(2,000,000)	0	2,000,000	0	0.0
SB 13-242	33,858,405	(738,262)	11,244,171	0	23,352,496	1.3
SB 13-264	1,000,000	500,000	0	0	500,000	0.0
SB 13-276	(163,649)	0	(80,953)	0	(82,696)	(1.0)
HB 13-1117	0	0	0	0	0	0.0
HB 13-1152	(9,735,708)	(4,867,854)	0	0	(4,867,854)	0.0
HB 13-1314	0	0	0	0	0	0.0
<b>Increase/(Decrease)</b>	\$942,114,521	\$215,551,803	(\$47,856,938)	\$3,309,377	\$771,110,279	31.0
Percentage Change	16.8%	11.7%	(5.1%)	46.1%	27.5%	9.5%

<sup>1/1</sup> Includes General Fund Exempt amounts. See Medical Service Premiums and the Indigent Care Program for more information.

<sup>2/2</sup> Includes \$441,600 in FY 2012-13 and \$438,300 in FY 2013-14 General Fund that is not subject to the statutory limitation on General Fund appropriations imposed by Section 24-75-201.1, C.R.S.

**Informational Funds:** The FY 2013-14 Long Bill and other legislation indicates when an amount is shown solely for informational purposes through an "(I)" notation. The following amounts in the Department of Health Care Policy and Financing are annotated with the "(I)". For additional information, see Appendix J.

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds
FY 2013-14 Appropriations containing an (I) notation	\$246,968,775	\$0	\$10,000,000	\$0	\$236,968,775

## Detail of Appropriation by Administrative Section

### Executive Director's Office

The appropriation for the Executive Director's Office contains the administrative funding for the Department. Specifically, this division's funding supports the Department's personnel and operating expenses. In addition, this section contains funding for provider audits, eligibility determinations, client and provider services, utilization and quality reviews, and information technology contracts. The fund sources for this division include the General Fund, federal funds received for the Medicaid and Children's Basic Health Plan programs, the Health Care Expansion Fund, the Children's Basic Health Plan Trust Fund, the Hospital Provider Fee Cash Fund, and various other cash funds.

Executive Director's Office						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2012-13 Appropriation:</b>						
HB 12-1335	\$142,765,877	\$38,598,357	\$17,740,127	\$2,068,902	\$84,358,491	314.3
SB 12-060	5,216	2,608	0	0	2,608	0.1
HB 12-1246	28,498	28,498	0	0	0	0.0
HB 12-1281	213,079	106,540	0	0	106,539	0.8
HB 12-1339	997,655	0	0	997,655	0	11.0
SB 13-089	<u>1,837,464</u>	<u>413,338</u>	<u>27,514</u>	<u>0</u>	<u>1,396,612</u>	<u>0.9</u>
<b>TOTAL</b>	<b>\$145,847,789</b>	<b>\$39,149,341</b>	<b>\$17,767,641</b>	<b>\$3,066,557</b>	<b>\$85,864,250</b>	<b>327.1</b>
<b>FY 2013-14 Appropriation:</b>						
FY 2012-13 Appropriation	\$145,847,789	\$39,149,341	\$17,767,641	\$3,066,557	\$85,864,250	327.1
Medicaid Management Information System reprocurement	15,624,403	1,439,072	287,834	0	13,897,497	0.0
Annualize prior year funding	4,181,118	860,639	950,793	(172,221)	2,541,907	2.5
Customer service technology improvements	1,800,000	900,000	0	0	900,000	0.0
Centrally appropriated line items	1,513,804	381,636	112,164	(59,088)	1,079,092	0.0
Dental administrative services organization	1,152,144	288,036	0	0	864,108	0.0
Colorado Benefits Management System improvements	1,150,000	0	0	1,150,000	0	0.0
Stakeholder relations	570,400	285,201	0	0	285,199	7.4
Indirect cost assessment	546,883	30,141	38,481	557,667	(79,406)	0.0
Community provider rate	347,458	105,943	68,187	0	173,328	0.0
Substance use disorder benefit	100,000	50,000	0	0	50,000	0.0
Health facility surveys	92,300	82,372	0	0	9,928	0.0
Nursing for long-term hospital patients	86,310	43,155	0	0	43,155	0.9

<b>Executive Director's Office</b>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
Fund source adjustment	0	0	0	493,021	(493,021)	0.0
Statewide IT common policy adjustments	(475,128)	13,085	0	44	(488,257)	0.0
<b>SB 13-230</b>	<b>\$172,537,481</b>	<b>\$43,628,621</b>	<b>\$19,225,100</b>	<b>\$5,035,980</b>	<b>\$104,647,780</b>	<b>337.9</b>
SB 13-166	100,000	100,000	0	0	0	0.0
SB 13-167	58,968	0	29,484	0	29,484	0.9
SB 13-200	6,718,133	39,545	3,160,837	0	3,517,751	19.0
SB 13-242	999,490	0	272,112	0	727,378	1.3
SB 13-276	(63,649)	0	(30,953)	0	(32,696)	(1.0)
HB 13-1314	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$180,350,423</b>	<b>\$43,768,166</b>	<b>\$22,656,580</b>	<b>\$5,035,980</b>	<b>\$108,889,697</b>	<b>358.1</b>
<b>Increase/(Decrease)</b>	\$34,502,634	\$4,618,825	\$4,888,939	\$1,969,423	\$23,025,447	31.0
Percentage Change	23.7%	11.8%	27.5%	64.2%	26.8%	9.5%

### **FY 2012-13 Appropriation - Mid-year Adjustments**

Senate Bill 13-089: provides 0.9 FTE and associated funding to implement additional H.B. 12-1281 payment reform pilot projects; adjusts centralized appropriations; adjusts information technology contracts for revised project timelines and federal standards regarding the electronic exchange of health care information; and increases contracts for special eligibility determinations for an increases in the volume and complexity of preadmission screening and resident review evaluations of potential nursing home residents.

### **FY 2013-14 Appropriation – S.B. 13-230 (Long Bill) Issue Descriptions**

**Medicaid Management Information System reprocurement:** The appropriation includes funding for the reprocurement of the Medicaid Management Information System.

**Annualize prior year funding:** The appropriation includes adjustments related to prior year legislation and budget actions.

**Customer service technology improvements:** The appropriation includes funding to improve technology available to the Customer Contact Center for responding to client inquiries.

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

**Dental administrative services organization:** The appropriation includes funding to contract with a dental administrative services organization (ASO) to manage the existing dental benefit for children. The ASO will be

responsible for processing claims, authorizations, and appeals, educating enrollees, and reaching out to and supporting providers. Using an ASO requires reprogramming of the Medicaid Management Information System (MMIS) to allow monthly payments to the ASO. The ASO is expected to increase preventive care and reduce preventable and costly restorative services, resulting in General Fund savings in Medical Services Premiums at least as great as the General Fund cost of the MMIS reprogramming and the payments due to the contractor.

**Colorado Benefits Management System improvements:** The appropriation provides \$1.2 million for improvements to the Colorado Benefits Management System. For additional information see the Office of Information Technology division of the Department of Human Services Part III description.

**Stakeholder relations:** The appropriation includes funding to hire an additional nine employees (7.4 FTE in the first year) to relieve overburdened staff. When fully annualized, the cost will be \$653,415, including \$326,708 General Fund, with all associated benefits and operating expenses. The funding is intended to address an increase in the volume and complexity of communications with an increasingly diverse group of stakeholders.

**Indirect cost assessment:** The appropriation changes the way indirect costs are appropriated. This creates a double-count, but standardizes the format with other departments to simplify tracking. The increase associated with the double-count is offset by a net decrease in the Department's indirect cost assessment.

**Community provider rate:** The appropriation includes a 1.0 percent increase for county administration.

**Substance use disorder benefit:** The appropriation includes funding to expand the treatment options and treatment durations of the current Medicaid substance use disorder treatment benefit. It is estimated that 6,786 Medicaid-eligible clients will access the benefit in FY 2013-14.

**Health facility surveys:** The appropriation includes an increase for health facility surveys and certifications. For additional information see the Department of Public Health and Environment Part III description.

**Nursing for long-term hospital patients:** The appropriation includes an additional FTE to develop a state plan amendment that would allow an intergovernmental transfer from Denver Health to provide the state match for nursing home services for chronically acute, long-stay patients.

**Fund source adjustment:** The appropriation includes a fund source adjustment to show money from the Public School Health Services as reappropriated funds rather than federal funds.

**Statewide IT common policy adjustments:** The appropriation includes adjustments to line items appropriated for: purchase of services from the computer center; Colorado state network; management and administration of the Governor's Office of Information Technology (OIT); information technology security; and COFRS modernization.

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

## Medical Services Premiums

This division provides the health care funding for an estimated 809,452 Medicaid clients in FY 2013-14. Medical services include medical care services (i.e. physician visits, prescription drugs, hospitalization) and long-term care services (i.e. nursing home care and community-based services). Significant sources of cash funds include the Health Care Expansion Fund, provider fees from hospitals and nursing facilities, and funds certified at public hospitals as the state match for federal funds. The majority of reappropriated funds are transferred from the Department of Public Health and Environment. Federal funds represent the federal funds available for the Medicaid program through the federal medical assistance program (FMAP).

Medical Services Premiums						
	Total Funds	General Fund <sup>1</sup>	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2012-13 Appropriation:</b>						
HB 12-1335	\$3,994,685,293	\$1,367,321,247	\$651,202,864	\$3,215,340	\$1,972,945,842	0.0
SB 12-060	(54,156)	(2,608)	(24,470)	0	(27,078)	0.0
SB 12-159	6,925	0	3,463	0	3,462	0.0
HB 12-1340	(9,024,676)	(4,512,338)	0	0	(4,512,338)	0.0
SB 13-089	292,407	146,204	0	0	146,203	0.0
SB 13-167	457,906	(177,364)	406,318	0	228,952	0.0
SB 13-230	<u>(40,384,207)</u>	<u>(10,592,573)</u>	<u>(10,488,466)</u>	<u>(278,448)</u>	<u>(19,024,720)</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$3,945,979,492</b>	<b>\$1,352,182,568</b>	<b>\$641,099,709</b>	<b>\$2,936,892</b>	<b>\$1,949,760,323</b>	<b>0.0</b>
<b>FY 2013-14 Appropriation:</b>						
FY 2012-13 Appropriation	\$3,945,979,492	\$1,352,182,568	\$641,099,709	\$2,936,892	\$1,949,760,323	0.0
Caseload and expenditure forecast	305,344,710	84,844,360	67,048,100	0	153,452,250	0.0
Community provider rate	78,334,817	36,237,274	1,502,681	14,514	40,580,348	0.0
Nursing for long-term hospital patients	70,000,000	0	35,000,000	0	35,000,000	0.0
Annualize prior year funding	40,461,381	17,442,894	(505,204)	(2,000,000)	25,523,691	0.0
Breast and cervical cancer screening	1,146,806	573,403	0	0	573,403	0.0
Substance use disorder benefit	415,440	(11,820)	(282)	0	427,542	0.0
Fund source adjustment	95,304	(315,244)	362,896	0	47,652	0.0
Annualize S.B. 11-212 Hospital Provider Fee offset of GF	0	25,000,000	(25,000,000)	0	0	0.0
Breast and Cervical Cancer Program true-up	0	7,257	7,257	(14,514)	0	0.0
Colorado Choice Transitions	(2,372,278)	(1,186,139)	0	0	(1,186,139)	0.0
Dental administrative services organization	(576,072)	(288,036)	0	0	(288,036)	0.0
<b>SB 13-230</b>	<b>\$4,438,829,600</b>	<b>\$1,514,486,517</b>	<b>\$719,515,157</b>	<b>\$936,892</b>	<b>\$2,203,891,034</b>	<b>0.0</b>
SB 13-167	228,953	(85,984)	200,460	0	114,477	0.0

<b>Medical Services Premiums</b>						
	<b>Total Funds</b>	<b>General Fund<sup>1</sup></b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
SB 13-200	274,743,117	(934,367)	(136,755,613)	0	412,433,097	0.0
SB 13-232	0	(2,000,000)	0	2,000,000	0	0.0
SB 13-242	32,858,915	(738,262)	10,972,059	0	22,625,118	0.0
SB 13-276	(100,000)	0	(50,000)	0	(50,000)	0.0
HB 13-1152	<u>(9,735,708)</u>	<u>(4,867,854)</u>	<u>0</u>	<u>0</u>	<u>(4,867,854)</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$4,736,824,877</b>	<b>\$1,505,860,050</b>	<b>\$593,882,063</b>	<b>\$2,936,892</b>	<b>\$2,634,145,872</b>	<b>0.0</b>
<b>Increase/(Decrease)</b>	\$790,845,385	\$153,677,482	(\$47,217,646)	\$0	\$684,385,549	0.0
Percentage Change	20.0%	11.4%	(7.4%)	0.0%	35.1%	0.0%

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

<b>General Fund Summary</b>	<b>Total General Fund</b>	<b>General Fund</b>	<b>General Fund Exempt</b>
<b>FY 2012-13 Appropriation</b>	\$1,367,318,639	\$1,055,116,015	\$312,202,624
Long Bill supplemental (S.B. 13-230)	(10,592,573)	(205,625,906)	195,033,333
S.B. 13-089, S.B. 13-167, H.B. 12-1340	<u>(4,543,498)</u>	<u>(4,543,498)</u>	<u>0</u>
<b>FY 2012-13 Adjusted Appropriation</b>	1,352,182,568	844,946,611	507,235,957
Long Bill (S.B. 13-230)	162,303,949	199,697,822	(37,393,873)
S.B. 13-167, S.B. 13-200, S.B. 13-232, S.B. 13-242, S.B. 13-276, H.B. 13-1152	<u>(8,626,467)</u>	<u>(8,626,467)</u>	<u>0</u>
<b>Total FY 2013-14 Appropriation</b>	\$1,505,860,050	\$1,036,017,966	\$469,842,084

## General Fund Exempt

Referendum C, passed by Colorado voters in November 2005, allowed the State to retain and spend all revenue that is collected in excess of the TABOR limit for FY 2005-06 through FY 2009-10. For FY 2010-11 and subsequent fiscal years, Referendum C allows the State to retain all revenues that are in excess of the TABOR limit, but less than the excess state revenues cap, for that fiscal year. This revenue must be placed in the General Fund Exempt Account. The above table shows the amount of General Fund Exempt that is appropriated for FY 2012-13 and FY 2013-14 from the General Fund Exempt Account for the purposes of funding health care for Colorado's elderly, low-income, and disabled populations pursuant to Sections 24-77-103.6 (2) (a) and 24-77-104.5 (2) (a) (I), C.R.S.

## FY 2012-13 Appropriation - Mid-year Adjustments

Senate Bill 13-230 decreases FY 2012-13 appropriations by \$40.4 million, including \$10.6 million General Fund, due to a lower projected caseload growth rate compared to the growth rate assumed for the original FY 2012-13 appropriations. Senate Bill 13-089 provides a net increase for settlement payments for successful appeals of nursing home rates offset by transitioning 17 individuals from nursing facilities to community



residences funded by the developmental disabilities waiver. Senate Bill 13-167 adjusts fund sources and provided a net increase to reflect the reinstatement and reorganization of the provider fee for intermediate care facilities for individuals with intellectual disabilities.

#### **FY 2013-14 Appropriation – S.B. 13-230 (Long Bill) Issue Descriptions**

**Caseload and expenditure forecast:** The appropriation includes an increase of \$305.3 million total funds, including \$84.8 million General Fund, for FY 2013-14. The increase over the adjusted FY 2012-13 appropriation is primarily due to a 9.6 percent growth in caseload. The table below shows enrollment and expenditure assumptions in the Long Bill, including the caseload and expenditure adjustment and the other adjustments detailed in this section. These Long Bill assumptions do not include the impacts of other legislation passed during the 2013 session.

<b>Enrollment</b>	<b>FY 2011-12 Actual</b>	<b>FY 2012-13 Projection</b>	<b>FY 2013-14 Long Bill</b>	<b>Percent Change</b>
Adults 65 years of age and older	39,740	\$40,989	42,166	2.9%
Adults with disabilities 60 through 64 years of age	8,383	9,079	9,746	7.3%
Individuals with disabilities through 59 years of age	59,434	61,728	63,956	3.6%
Medicaid buy-in for people with disabilities	52	890	1,928	116.6%
Categorically eligible low-income adults	68,689	69,197	73,217	5.8%
Expansion adults through 60 percent Federal Poverty Level	24,535	28,717	30,845	7.4%
Expansion adults from 61 through 100 percent FPL	35,461	41,139	45,195	9.9%
Adults without dependent children through 100 percent FPL	1,134	10,975	18,938	72.6%
Breast and Cervical Cancer Treatment and Prevention Program	597	622	818	31.5%
Eligible children	334,633	364,502	403,649	10.7%
Foster care children	18,034	17,928	17,979	0.3%
Pregnant adults through 185 percent of FPL	7,630	7,914	8,370	5.8%
Non-citizens qualifying for emergency services	2,770	2,584	2,537	-1.8%
Eligible for Medicare assistance only	<u>18,871</u>	<u>21,245</u>	<u>23,291</u>	9.6%
<b>Subtotal Medical Services</b>	<b>619,963</b>	<b>677,509</b>	<b>742,635</b>	9.6%

<b>Expenditure</b>	<b>FY 2011-12 Actual</b>	<b>FY 2012-13 Projection</b>	<b>FY 2013-14 Long Bill</b>	<b>Percent Change</b>
Adults 65 years of age and older	\$806,748,259	\$853,962,585	\$922,386,299	8.0%
Adults with disabilities 60 through 64 years of age	142,133,983	152,962,867	170,480,294	11.5%
Individuals with disabilities through 59 years of age	844,556,448	883,143,891	965,943,502	9.4%
Medicaid buy-in for people with disabilities	461,635	9,846,106	21,773,806	121.1%
Categorically eligible low-income adults	242,578,727	243,526,082	272,705,455	12.0%
Expansion adults through 60 percent Federal Poverty Level	66,128,557	74,855,423	84,541,559	12.9%
Expansion adults from 61 through 100 percent FPL	85,950,215	101,985,048	116,958,469	14.7%
Adults without dependent children through 100 percent FPL	2,478,395	96,028,764	169,395,591	76.4%
Breast and Cervical Cancer Treatment and Prevention Program	10278309	10,381,604	12,617,764	21.5%
Eligible children	525,133,494	545,675,804	603,660,474	10.6%
Foster care children	68,237,438	68,865,253	73,624,158	6.9%
Pregnant adults through 185 percent of FPL	63,746,325	68,814,297	74,311,402	8.0%
Non-citizens qualifying for emergency services	41,961,185	41,808,530	46,695,375	11.7%
Eligible for Medicare assistance only	<u>24,501,793</u>	<u>26,232,050</u>	<u>31,209,657</u>	19.0%
<b>Subtotal Medical Services</b>	<b>\$2,924,894,763</b>	<b>\$3,178,088,304</b>	<b>\$3,566,303,805</b>	12.2%
Supplemental payments and financing adjustments	<u>717,137,999</u>	<u>767,891,188</u>	<u>872,525,795</u>	13.6%
<b>Total</b>	<b>\$3,642,032,762</b>	<b>\$3,945,979,492</b>	<b>\$4,438,829,600</b>	<b>12.5%</b>

<b>Per Capita</b>	<b>FY 2011-12 Actual</b>	<b>FY 2012-13 Projection</b>	<b>FY 2013-14 Long Bill</b>	<b>Percent Change</b>
Adults 65 years of age and older	\$20,300.66	\$20,833.95	\$21,875.12	5.0%
Adults with disabilities 60 through 64 years of age	\$16,955.03	\$16,847.99	\$17,492.33	3.8%
Individuals with disabilities through 59 years of age	\$14,209.99	\$14,307.02	\$15,103.25	5.6%
Medicaid buy-in for people with disabilities	\$8,877.60	\$11,063.04	\$11,293.47	2.1%
Categorically eligible low-income adults	\$3,531.55	\$3,519.32	\$3,724.62	5.8%
Expansion adults through 60 percent Federal Poverty Level	\$2,695.27	\$2,606.66	\$2,740.85	5.1%
Expansion adults from 61 through 100 percent FPL	\$2,423.80	\$2,479.04	\$2,587.86	4.4%
Adults without dependent children through 100 percent FPL	\$2,185.53	\$8,749.77	\$8,944.75	2.2%
Breast and Cervical Cancer Treatment and Prevention Program	\$17,216.60	\$16,690.68	\$15,425.14	-7.6%
Eligible children	\$1,569.28	\$1,497.04	\$1,495.51	-0.1%
Foster care children	\$3,783.82	\$3,841.21	\$4,095.01	6.6%
Pregnant adults through 185 percent of FPL	\$8,354.70	\$8,695.81	\$8,878.83	2.1%
Non-citizens qualifying for emergency services	\$15,148.44	\$16,179.77	\$18,405.74	13.8%
Eligible for Medicare assistance only	\$1,298.38	\$1,234.74	\$1,339.99	8.5%
<b>Subtotal Medical Services</b>	<b>\$4,717.85</b>	<b>\$4,690.85</b>	<b>\$4,802.23</b>	<b>2.4%</b>

**Community provider rate:** The appropriation includes an increase of \$78.3 million total funds, including \$36.2 million General Fund, for the following community provider rate increases:

FY 2012-13

- 4.5 percent for home health, private duty nursing, and home and community based services

FY 2013-14

- 3.6 percent for home health, private duty nursing, home and community based services
- 4.5 percent for dental services
- The greater of current rates or 105 percent of Medicare rates for family planning services
- 2.0 percent across-the-board for all other providers decreased in prior years.

**Nursing for long-term hospital patients:** The appropriation includes funding based on an expected state plan amendment that would allow an intergovernmental transfer from Denver Health to provide the state match for nursing home services for chronically acute, long-stay patients.

**Annualize prior year funding:** The appropriation includes adjustments related to prior year legislation and budget actions.

**Breast and cervical cancer screening:** Increases \$1.1 million total funds for an expected increase in the number of people treated for breast and cervical cancer as a result of eliminating restrictions on eligibility based on the clinic where the diagnosis occurs.

**Substance use disorder benefit:** The appropriation includes funding to expand the treatment options and treatment durations of the current Medicaid substance use disorder treatment benefit. It is estimated that 6,786 Medicaid-eligible clients will access the benefit in FY 2013-14.

**Fund source adjustment:** The appropriation includes an increase in money from the Health Care Expansion Fund offset by a decrease in General Fund. In addition, the appropriation includes an increase in money from the Tobacco Education Programs Fund and associated matching federal funds for the Smoking Quitline.

**Annualize S.B. 11-212 Hospital Provider Fee offset of GF:** The appropriation includes the end of one-time financing from the Hospital Provider Fee that offset the need for General Fund in FY 2012-13.

**Colorado Choice Transitions:** Reduces General Fund and federal funds as a result of transitioning individuals out of nursing facilities and into community-based settings. These individuals will receive services through the home- and community-based comprehensive waiver for individuals with developmental disabilities. An associated increase in funding for additional waiver placements is provided in the Department of Human Services, Services for People with Disabilities section of the Long Bill.

**Breast and Cervical Cancer Program true-up:** The appropriation includes an adjustment to the fund sources for the Breast and Cervical Cancer Program.

**Dental administrative services organization:** The appropriation includes funding to contract with a dental administrative services organization (ASO) to manage the existing dental benefit for children. The ASO would be responsible for processing claims, authorizations, and appeals, educating enrollees, and reaching out to and supporting providers. Using an ASO requires reprogramming of the Medicaid Management Information System (MMIS) to allow monthly payments to the ASO. The ASO is expected to increase preventive care and

reduce preventable and costly restorative services, resulting in General Fund savings in Medical Service Premiums at least as great as the General Fund cost of the MMIS reprogramming and the per member per month due to the contractor.

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

## Behavioral Health Community Programs

This division provides mental health services through the purchase of services from five regional Behavioral Health Organizations (BHOs), which manage service delivery for eligible Medicaid recipients in a capitated, risk-based model. The division also contains funding for Medicaid mental health fee-for-service programs for those services not covered within the capitation contracts and rates. The funding for this division is primarily General Fund and federal funds. The major source of the cash funds is the Health Care Expansion Fund and hospital provider fee.

Behavioral Health Community Programs						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2012-13 Appropriation:</b>						
HB 12-1335	\$316,728,340	\$144,786,787	\$13,648,932	\$0	\$158,292,621	0.0
SB 13-230	<u>(7,106,831)</u>	<u>(4,038,698)</u>	<u>288,820</u>	<u>0</u>	<u>(3,356,953)</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$309,621,509</b>	<b>\$140,748,089</b>	<b>\$13,937,752</b>	<b>\$0</b>	<b>\$154,935,668</b>	<b>0.0</b>
<b>FY 2013-14 Appropriation:</b>						
FY 2012-13 Appropriation	\$309,621,509	\$140,748,089	\$13,937,752	\$0	\$154,935,668	0.0
Caseload and expenditure forecast	33,808,753	9,612,511	7,314,758	0	16,881,484	0.0
Substance use disorder benefit	5,272,628	1,779,950	42,317	0	3,450,361	0.0
Annualize prior year funding	3,434,795	1,202,178	(1,117,038)	0	2,232,617	0.0
Community provider rate	82,952	41,476	0	0	41,476	0.0
<b>SB 13-230</b>	<b>\$352,220,637</b>	<b>\$153,384,204</b>	<b>\$21,294,827</b>	<b>\$0</b>	<b>\$177,541,606</b>	<b>0.0</b>
SB 13-200	<u>33,417,833</u>	<u>76,907</u>	<u>(19,260,944)</u>	<u>0</u>	<u>52,601,870</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$385,638,470</b>	<b>\$153,461,111</b>	<b>\$2,033,883</b>	<b>\$0</b>	<b>\$230,143,476</b>	<b>0.0</b>
<b>Increase/(Decrease)</b>	\$76,016,961	\$12,713,022	(\$11,903,869)	\$0	\$75,207,808	0.0
Percentage Change	24.6%	9.0%	(85.4%)	n/a	48.5%	0.0%

## FY 2012-13 Appropriation - Mid-year Adjustments

Senate Bill 13-230 decreases the FY 2012-13 appropriation by \$7.1 million total funds, including \$4.0 million General Fund, due to a decrease in the caseload growth rate projected in the existing FY 2012-13 appropriation.

FY 2012-13 Behavioral Health Community Programs Long Bill Supplemental Overview						
	Current FY 2012-13 Appropriation		Supplemental FY 2012-13 Appropriation		Difference	
	Caseload	Appropriation	Caseload	Appropriation	Caseload	Appropriation
<b>Capitation Payments</b>						
<b>Aid Categories</b>						
Adults 65 and Older (Elderly)	40,820	\$6,633,710	40,972	\$6,562,508	152	(\$71,202)
Low Income Adults (Adults)	153,880	44,159,170	146,967	41,917,396	(6,913)	(2,241,774)
Adults without Dependent Children (Adults)	10,000	9,443,024	10,975	14,521,999	975	5,078,975
Breast and Cervical Cancer Program (Adults)	679	194,703	622	177,913	(57)	(16,790)
Disabled Individuals Through 64 (Disabled)	73,254	135,234,500	71,697	128,186,308	(1,557)	(7,048,192)
Eligible Children (Children)	367,649	79,275,859	364,502	77,664,235	(3,147)	(1,611,624)
Foster Care (Children)	<u>18,159</u>	<u>37,723,995</u>	<u>17,928</u>	<u>37,584,581</u>	<u>(231)</u>	<u>(139,414)</u>
<b>Aid Categories Subtotal</b>	<b>664,441</b>	<b>\$312,664,961</b>	<b>653,663</b>	<b>\$306,614,940</b>	<b>(10,778)</b>	<b>(\$6,050,021)</b>
<b>Adjustments</b>						
Recoupments	n/a	(\$1,672,249)	n/a	(\$620,275)	n/a	\$1,051,974
Date of Death Retractions	n/a	0	n/a	(595,623)	n/a	(595,623)
Reconciliations	<u>n/a</u>	<u>1,588,000</u>	<u>n/a</u>	<u>0</u>	<u>n/a</u>	<u>(1,588,000)</u>
<b>Adjustments Subtotal</b>	<b>n/a</b>	<b>(\$84,249)</b>	<b>n/a</b>	<b>(\$1,215,898)</b>	<b>n/a</b>	<b>(\$1,131,649)</b>
<b>Capitation Payments Total</b>	<b>664,441</b>	<b>\$312,580,712</b>	<b>653,663</b>	<b>\$305,399,042</b>	<b>(10,778)</b>	<b>(\$7,181,670)</b>
<b>Fee-For-Service</b>						
Inpatient	n/a	\$678,379	n/a	\$690,620	n/a	\$12,241
Outpatient	n/a	3,288,417	n/a	3,347,752	n/a	59,335
Physician	<u>n/a</u>	<u>180,832</u>	<u>n/a</u>	<u>184,095</u>	<u>n/a</u>	<u>3,263</u>
<b>Fee-For-Service Total</b>	<b>n/a</b>	<b>\$4,147,628</b>	<b>n/a</b>	<b>\$4,222,467</b>	<b>n/a</b>	<b>\$74,839</b>
<b>Total Mental Health Community Programs</b>	<b>664,441</b>	<b>\$316,728,340</b>	<b>653,663</b>	<b>\$309,621,509</b>	<b>(10,778)</b>	<b>(\$7,106,831)</b>
<b>Incremental Percentage Change</b>					<b>(1.6% )</b>	<b>(2.2%)</b>

### FY 2013-14 Appropriation – S.B. 13-230 (Long Bill) Issue Descriptions

**Caseload and expenditure forecast:** The appropriation includes an increase of \$33.8 million total funds, including \$9.6 million General Fund, for FY 2013-14. The increase over the adjusted FY 2012-13 appropriation is due to a 9.6 percent growth in caseload.

FY 2013-14 Behavioral Health Community Programs Long Bill Overview						
	Supplemental FY 2012-13 Appropriation		FY 2013-14 Long Bill Appropriation		Difference	
	Caseload	Appropriation	Caseload	Appropriation	Caseload	Appropriation
<b>Capitation Payments</b>						
<b>Aid Categories</b>						
Adults 65 and Older (Elderly)	40,972	\$6,562,508	42,119	\$6,820,594	1,147	\$258,086
Low Income Adults (Adults)	146,967	41,917,396	157,627	46,418,942	10,660	4,501,546
Adults without Dependent Children (Adults)	10,975	14,521,999	18,938	25,682,214	7,963	11,160,215
Breast and Cervical Cancer Program (Adults)	622	177,913	666	196,309	44	18,396
Disabled Individuals Through 64 (Disabled)	71,697	128,186,308	75,630	139,174,882	3,933	10,988,574
Eligible Children (Children)	364,502	77,664,235	403,649	87,834,166	39,147	10,169,931
Foster Care (Children)	<u>17,928</u>	<u>37,584,581</u>	<u>17,979</u>	<u>37,938,053</u>	<u>51</u>	<u>353,472</u>
<b>Aid Categories Subtotal</b>	<b>653,663</b>	<b>\$306,614,940</b>	<b>716,608</b>	<b>\$344,065,160</b>	<b>62,945</b>	<b>\$37,450,220</b>
<b>Adjustments</b>						
Recoupments	n/a	(\$620,275)	n/a	(\$1,373,413)	n/a	(\$753,138)
Date of Death Retractions	<u>n/a</u>	<u>(595,623)</u>	<u>n/a</u>	<u>(544,784)</u>	<u>n/a</u>	<u>50,839</u>
<b>Adjustments Subtotal</b>	<b>n/a</b>	<b>(\$1,215,898)</b>	<b>n/a</b>	<b>(\$1,918,197)</b>	<b>n/a</b>	<b>(\$702,299)</b>
<b>Capitation Payments Total</b>	<b>653,663</b>	<b>\$305,399,042</b>	<b>716,608</b>	<b>\$342,146,963</b>	<b>62,945</b>	<b>\$36,747,921</b>
<b>Fee-For-Service</b>						
Inpatient	n/a	\$690,620	n/a	\$771,684	n/a	\$81,064
Outpatient	n/a	3,347,752	n/a	3,740,706	n/a	392,954
Physician	<u>n/a</u>	<u>184,095</u>	<u>n/a</u>	<u>205,704</u>	<u>n/a</u>	<u>21,609</u>
<b>Fee-For-Service Total</b>	<b>n/a</b>	<b>\$4,222,467</b>	<b>n/a</b>	<b>\$4,718,094</b>	<b>n/a</b>	<b>\$495,627</b>
<b>Total Mental Health Community Programs</b>	<b>653,663</b>	<b>\$309,621,509</b>	<b>716,608</b>	<b>\$346,865,057*</b>	<b>62,945</b>	<b>\$37,243,548**</b>
<b>Incremental Percentage Change</b>					<b>9.6%</b>	<b>12.0%</b>

\*Includes the annualization of S.B. 11-008 and S.B. 11-250, which accounts for an increase of \$3,434,795 total funds. Without the annualization of these two bills, the FY 2013-14 appropriation is \$343,430,262 total funds.

\*\*Includes the annualization of S.B. 11-008 and S.B. 11-250, which accounts for an increase of \$3,434,795 total funds. Without the annualization of these two bills, the difference between the FY 2012-13 appropriation and the FY 2013-14 appropriation is \$33,808,753 total funds.

**Substance use disorder benefit:** The appropriation includes an increase of \$5.3 million total funds, including \$1.8 million General Fund to expand the treatment options and treatment durations of the current Medicaid substance use disorder treatment benefit. It is estimated that 6,786 Medicaid-eligible clients will access the benefit in FY 2013-14.

**Annualize prior year funding:** The appropriation includes adjustments related to prior year legislation and budget actions.

**Community provider rate:** The appropriation includes an increase of \$82,952 total funds, including \$41,476 General Fund, for the 2.0 percent community provider rate increase.

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

## Office of Community Living

Created by H.B. 13-1314, this division will house programs transferred from the Department of Human Services for people with intellectual and developmental disabilities. The specific dollar amount that will be transferred is dependent on the remaining funds when the transfer occurs in March of 2014, and this amount was not known at the time of this publication.

Office of Community Living						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2012-13 Appropriation:</b>						
None	\$0	\$0	\$0	\$0	\$0	0.0
<b>TOTAL</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
<b>FY 2013-14 Appropriation:</b>						
FY 2012-13 Appropriation	\$0	\$0	\$0	\$0	\$0	0.0
HB 13-1314	0	0	0	0	0	0.0
<b>TOTAL</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
<b>Increase/(Decrease)</b>	\$0	\$0	\$0	\$0	\$0	0.0
Percentage Change	n/a	n/a	n/a	n/a	n/a	n/a

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

## Indigent Care Program

This division contains funding for the following programs: (1) Safety Net Provider Payments; (2) Indigent Care Clinics; (3) Pediatric Specialty Hospital Payments; (4) Primary Care Program; (5) Medically Indigent Program; (6) Children's Basic Health Plan; (7) Hospital Provider Fee Payments; and (8) Comprehensive Primary and Preventative Care Grants. The first five programs provide funding for the Colorado Indigent Care Program (CICP) which partially reimburses health care providers for medical services provided to uninsured individuals with incomes up to 250.0 percent of the federal poverty level who do not qualify for Medicaid or the Children's Basic Health Plan. The CICP provides health care reimbursement for approximately 217,900 Coloradans at 45 participating hospitals and 16 participating clinics. Funding sources for these programs include the General Fund, cash funds that include moneys certified at public hospitals and the Primary Care Program Fund, and federal funds.

The Children's Basic Health Plan (CBHP) provides health care insurance for children and adult pregnant women with incomes up to 205.0 percent of federal poverty level. Pursuant to H.B. 09-1293, eligibility for the CBHP programs was increased to 250.0 percent of the federal poverty level beginning in May 2010. The program is forecasted to serve 73,773 children and 1,398 adult pregnant women in FY 2013-14. Funding sources for this program include the CBHP Trust Fund, the Health Care Expansion Fund, the Hospital Provider Fee Cash Fund, and federal funds.

The Hospital Provider Fee Payment program allows local governments to assess fees on hospitals in order to maximize the amount of federal reimbursement available under the federal upper payment limits. The funding source for this program is local government fees assessed on participating hospitals and federal funds.

<b>Indigent Care Program</b>						
	<b>Total Funds</b>	<b>General Fund<sup>1/2</sup></b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2012-13 Appropriation:</b>						
HB 12-1335	\$521,062,876	\$31,188,804	\$216,462,809	\$0	\$273,411,263	0.0
SB 13-089	9,020,710	2,795,899	361,350	0	5,863,461	0.0
SB 13-230	<u>27,525,490</u>	<u>4,814,928</u>	<u>6,920,177</u>	<u>0</u>	<u>15,790,385</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$557,609,076</b>	<b>\$38,799,631</b>	<b>\$223,744,336</b>	<b>\$0</b>	<b>\$295,065,109</b>	<b>0.0</b>
<b>FY 2013-14 Appropriation:</b>						
FY 2012-13 Appropriation	\$557,609,076	\$38,799,631	\$223,744,336	\$0	\$295,065,109	0.0
Caseload and expenditure forecast	36,561,837	(6,261,042)	19,157,583	0	23,665,296	0.0
CO Indigent Care Program true-up	12,120,762	0	6,060,381	0	6,060,381	0.0
Annualize prior year funding	(50,072,647)	(1,006,076)	(16,497,934)	0	(32,568,637)	0.0
Fund source adjustment	(212,300)	(3,300)	(209,000)	0	0	0.0
<b>SB 13-230</b>	<b>\$556,006,728</b>	<b>\$31,529,213</b>	<b>\$232,255,366</b>	<b>\$0</b>	<b>\$292,222,149</b>	<b>0.0</b>
SB 13-200	<u>2,007,812</u>	<u>694,706</u>	<u>22,938</u>	<u>0</u>	<u>1,290,168</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$558,014,540</b>	<b>\$32,223,919</b>	<b>\$232,278,304</b>	<b>\$0</b>	<b>\$293,512,317</b>	<b>0.0</b>
<b>Increase/(Decrease)</b>	\$405,464	(\$6,575,712)	\$8,533,968	\$0	(\$1,552,792)	0.0
Percentage Change	0.1%	(16.9%)	3.8%	0.0%	(0.5%)	0.0%

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

<sup>1/2</sup> Includes \$441,600 in FY 2012-13 and \$438,300 in FY 2013-14 General Fund that is not subject to the statutory limitation on General Fund appropriations imposed by Section 24-75-201.1, C.R.S.

<b>General Fund Summary</b>	<b>Total General Fund</b>	<b>General Fund</b>	<b>General Fund Exempt</b>
<b>FY 2012-13 Appropriation</b>	\$31,188,804	\$30,747,204	\$441,600
Long Bill supplemental (S.B. 13-230)	4,814,928	4,814,928	0
S.B. 13-089	<u>2,795,899</u>	<u>2,795,899</u>	<u>0</u>
<b>FY 2012-13 Adjusted Appropriation</b>	\$38,799,631	\$38,358,031	\$441,600



<b>General Fund Summary</b>	<b>Total General Fund</b>	<b>General Fund</b>	<b>General Fund Exempt</b>
Long Bill (S.B. 13-230)	(7,270,418)	(7,267,118)	(3,300)
S.B. 13-200	<u>694,706</u>	<u>694,706</u>	<u>0</u>
<b>Total FY 2013-14 Long Bill Appropriation</b>	\$32,223,919	\$31,785,619	\$438,300

### 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 required that beginning in FY 2006-07, 50.0 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.

### FY 2012-13 Appropriation - Mid-year Adjustments

Senate Bill 13-230 modifies FY 2012-13 appropriations to provide: (1) a \$15.4 million increase, including \$4.8 million General Fund, a projected increase in enrollment in the Children's Basic Health Plan; and (2) a \$12.1 million increase for the Colorado Indigent Care Program based on more recent information about: (a) the available revenue from the Hospital Provider Fee; (b) available certified public expenditures to match federal funds; and (c) the amount of room under the federal Upper Payment Limit. Senate Bill 13-089 increases funding for retroactive payments to Federally Qualified Health Centers and Rural Health Centers to comply with federal minimum reimbursement rates.

### FY 2013-14 Appropriation – S.B. 13-230 (Long Bill) Issue Descriptions

**Caseload and expenditure forecast:** The appropriation includes a \$36.6 million increase in total funds, including a decrease of \$6.3 million General Fund, due to changes in the projected caseload and per capita expenditures for the Children's Basic Health Plan (CHP+). The tables below show the expenditure and enrollment assumptions used in the Long Bill. They do not include the impact of other bills passed during the 2013 legislative session with FY 2013-14 fiscal impacts.

<b>Enrollment</b>	<b>FY 2011-12 Actual</b>	<b>FY 2012-13 Projection</b>	<b>FY 2013-14 Long Bill</b>	<b>Percent Change</b>
Children	74,266	83,316	72,649	(12.8%)
Prenatal	<u>2,064</u>	<u>1,812</u>	<u>1,398</u>	(22.9%)
TOTAL	76,330	85,128	74,047	(13.0%)

<b>Expenditure</b>	<b>FY 2011-12 Actual</b>	<b>FY 2012-13 Projection</b>	<b>FY 2013-14 Long Bill</b>	<b>Percent Change</b>
Children Medical	\$147,398,355	\$165,979,136	\$162,084,013	(2.3%)
Children Dental	12,586,244	14,831,602	13,299,975	(10.3%)
Prenatal	<u>24,488,529</u>	<u>20,124,869</u>	<u>18,890,477</u>	(6.1%)
TOTAL	\$184,473,128	\$200,935,608	\$194,274,465	(3.3%)

Per Capita	FY 2011-12 Actual	FY 2012-13 Projection	FY 2013-14 Long Bill	Percent Change
Children Medical	\$1,984.74	\$1,992.16	\$2,231.06	12.0%
Children Dental	\$169.48	\$178.02	\$183.07	2.8%
Prenatal	\$11,864.60	\$11,109.51	\$13,517.34	21.7%

**CO Indigent Care Program true-up:** The appropriation includes a \$12.1 million increase based on more recent information about: (1) the available revenue from the Hospital Provider Fee; (2) available certified public expenditures to match federal funds; and (3) the amount of room under the federal Upper Payment Limit.

**Annualize prior year funding:** The appropriation includes adjustments related to prior year legislation and budget actions.

**Fund source adjustment:** The appropriation includes an increase in expenditures from the Colorado Immunization Fund and a decrease from tobacco tax money, and a decrease in funding from the Children's Basic Health Plan Trust Fund.

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

## Other Medical Services

This section contains funding for programs not administered by the Department through the Medicaid or Indigent Care Programs. Six of the line items receive Medicaid funding but are administered by other state departments, commissions, or hospitals. Two of the line items relate to the Old Age Pension State-Only Medical Program. Finally, this section also includes the State Contribution Payment for the Medicare Part D Benefit. Funding sources for these programs include the General Fund, cash funds for certified expenditures at school districts and from the Old Age Pension Medical and Supplemental Medical Fund, reappropriated funds from Amendment 35 tobacco taxes, and matching federal funds.

Other Medical Services						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2012-13 Appropriation:</b>						
HB 12-1335	\$138,847,174	\$55,112,338	\$26,010,155	\$0	\$57,724,681	0.0
SB 13-089	22,054,160	0	9,639,859	0	12,414,301	0.0
SB 13-230	<u>8,832,453</u>	<u>(801,664)</u>	<u>0</u>	<u>0</u>	<u>9,634,117</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$169,733,787</b>	<b>\$54,310,674</b>	<b>\$35,650,014</b>	<b>\$0</b>	<b>\$79,773,099</b>	<b>0.0</b>

<b>FY 2013-14 Appropriation:</b>						
FY 2012-13 Appropriation	\$169,733,787	\$54,310,674	\$35,650,014	\$0	\$79,773,099	0.0
Caseload and expenditure forecast	5,285,240	5,285,240	0	0	0	0.0
Public school health services true-up	3,206,625	0	1,526,964	0	1,679,661	0.0
Community provider rate	630,000	315,000	0	0	315,000	0.0
Reallocate federal bonus payments	0	25,000,000	0	0	(25,000,000)	0.0

Other Medical Services						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Fund source adjustment	0	0	0	2,491,722	(2,491,722)	0.0
<b>SB 13-230</b>	<b>\$178,855,652</b>	<b>\$84,910,914</b>	<b>\$37,176,978</b>	<b>\$2,491,722</b>	<b>\$54,276,038</b>	<b>0.0</b>
SB 13-200	(1,745,639)	0	(1,745,639)	0	0	0.0
SB 13-264	<u>1,000,000</u>	<u>500,000</u>	<u>0</u>	<u>0</u>	<u>500,000</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$178,110,013</b>	<b>\$85,410,914</b>	<b>\$35,431,339</b>	<b>\$2,491,722</b>	<b>\$54,776,038</b>	<b>0.0</b>
<b>Increase/(Decrease)</b>	\$8,376,226	\$31,100,240	(\$218,675)	\$2,491,722	(\$24,997,061)	0.0
Percentage Change	4.9%	57.3%	(0.6%)	n/a	(31.3%)	0.0%

### FY 2012-13 Appropriation - Mid-year Adjustments

Senate Bill 13-230 provides an increase to reflect revised caseload and expenditure forecasts for the state's obligation under the Medicare Modernization Act of 2009. Senate Bill 13-089 increased appropriations to reflect additional certified public expenditures by school districts for Medicaid-eligible students and services.

### FY 2013-14 Appropriation – S.B. 13-230 (Long Bill) Issue Descriptions

**Caseload and expenditure forecast:** The appropriation includes an increase in the projected state obligation under the Medicare Modernization Act of 2003 for prescription drugs for people dually eligible for Medicare and Medicaid.

**Public school health services true-up:** The appropriation includes an increase of \$3.2 million to more accurately reflect expected certified public expenditures by school districts and the matching federal funds for public school health services.

**Community provider rate:** The appropriation includes an increase of \$630,000 for a community provider rate increase for the Advisory Commission on Family Medicine.

**Reallocate federal bonus payments:** The appropriation reallocates federal bonus payments previously used to offset General Fund for the state's obligation under the Medicare Modernization Act of 2009 (MMA) to instead increase the balance of the Controlled Maintenance Trust Fund. These bonus payments were earned for meeting performance goals of the federal Children's Health Insurance Program Reauthorization Act. When the bonus payments end in FY 2014-15 the General Fund will need to pay the entire state obligation under the MMA. Rather than absorbing the whole General Fund increase in FY 2014-15, the appropriation spreads \$25 million of the General Fund cost to FY 2013-14. The federal bonus payments that are freed up by increasing the General Fund for the MMA are deposited in the Controlled Maintenance Trust Fund.

**Fund source adjustment:** The appropriation includes a fund source adjustment to show money from the Public School Health Services Fund for administration as reappropriated funds rather than federal funds.

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

## Department of Human Services Medicaid-Funded Programs

This section contains funding for programs administered by the Department of Human Services that are funded with Medicaid dollars. General Fund is appropriated in this section, matched with anticipated federal funds, and then transferred to the Department of Human Services as Medicaid reappropriated funds.

Department of Human Services Medicaid-Funded Programs						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2012-13 Appropriation:</b>						
HB 12-1335	\$447,007,956	\$221,049,236	\$320,331	\$1,888,351	\$223,750,038	0.0
HB 12-1246	257,221	128,611	0	0	128,610	0.0
HB 12-1339	7,630,836	3,307,395	10,708	0	4,312,733	0.0
SB 13-089	10,010,719	(1,064,628)	57,199	1,150,000	9,868,148	0.0
SB 13-167	1,866,611	(984,892)	3,785,854	(1,867,655)	933,304	0.0
SB 13-177	<u>(36,464)</u>	<u>(18,232)</u>	<u>0</u>	<u>0</u>	<u>(18,232)</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$466,736,879</b>	<b>\$222,417,490</b>	<b>\$4,174,092</b>	<b>\$1,170,696</b>	<b>\$238,974,601</b>	<b>0.0</b>
<b>FY 2013-14 Appropriation:</b>						
FY 2012-13 Appropriation	\$466,736,879	\$222,417,490	\$4,174,092	\$1,170,696	\$238,974,601	0.0
Program changes in the Department of Human Services with Medicaid impacts	30,100,718	20,950,521	(3,805,797)	(1,151,768)	14,107,762	0.0
<b>SB 13-230</b>	<b>\$496,837,597</b>	<b>\$243,368,011</b>	<b>\$368,295</b>	<b>\$18,928</b>	<b>\$253,082,363</b>	<b>0.0</b>
SB 13-167	1,867,133	(932,575)	1,866,142	0	933,566	0.0
HB 13-1117	0	0	0	0	0	0.0
HB 13-1314	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$498,704,730</b>	<b>\$242,435,436</b>	<b>\$2,234,437</b>	<b>\$18,928</b>	<b>\$254,015,929</b>	<b>0.0</b>
<b>Increase/(Decrease)</b>	\$31,967,851	\$20,017,946	(\$1,939,655)	(\$1,151,768)	\$15,041,328	0.0
Percentage Change	6.8%	9.0%	(46.5%)	(98.4%)	6.3%	0.0%

### FY 2013-14 Appropriation – S.B. 13-230 (Long Bill) Issue Descriptions

**Program changes in the Department of Human Services with Medicaid impacts:** For additional information see the Department of Human Services Part III description.

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

## Recent Legislation

### 2012 Session Bills

**S.B. 12-060:** Allows counties to retain all fraud recoveries (rather than 50.0 percent) from cases initiated by a county department, county board, district attorney, or the Department of Health Care Policy and Financing on behalf of the county. Requires the Department of Health Care Policy and Financing and the Attorney General to submit annual reports to the legislature on client and provider fraud respectively. Appropriates for the Department of Health Care Policy and Financing, in FY 2012-13, \$5,216 (including \$2,608 General Fund and \$2,608 Federal Funds) and 0.1 FTE for administration, and reduces appropriations for medical services by \$54,156 (\$2,608 General Fund, \$24,470 cash funds from recoveries and recoupments, and \$27,078 federal funds).

**S.B. 12-159:** Makes changes to the process for evaluating children receiving long-term care services and supports through the Medicaid autism waiver program and program reporting requirements. Requires the Department to annually review available funding to determine if eligibility can be expanded, and to prioritize services for people on wait lists based on objective criteria. Appropriates \$6,925 (\$3,463 Colorado Autism Treatment Fund and \$3,462 federal funds) to the Department of Health Care Policy and Financing for Medical Service Premiums in FY 2012-13.

**H.B. 12-1246:** Reverses the payday shift for state employees who are paid on a biweekly basis. Appropriates \$285,719 to the Department for FY 2012-13, including \$157,109 General Fund and \$128,610 Federal Funds. For additional information, see the "Recent Legislation" section at the end of the Department of Personnel.

**H.B. 12-1281:** Creates the Medicaid Payment Reform and Innovation Pilot Program. Requires the Department of Health Care Policy and Financing to review proposals and select projects to pilot by July 1, 2013. Appropriates \$213,079 (\$106,540 General Fund and \$106,539 federal funds) and 0.8 FTE to the Department of Health Care Policy and Financing in FY 2012-13 to evaluate payment projects and for reporting requirements.

**H.B. 12-1335:** General Appropriations Act for FY 2012-13.

**H.B. 12-1339:** Establishes design criteria, details reporting requirements, and appropriates funding for the Colorado Benefits Management System (CBMS) improvement and modernization project. Appropriations for the Department of Health Care Policy and Financing include \$3.7 million in FY 2011-12 and \$8.6 million in FY 2012-13. For more information see the "Recent Legislation" section at the end of the Department of Human Services section of this report.

**H.B. 12-1340:** For FY 2012-13, continues a 1.5 percent reduction in the General Fund portion of per diem rates paid to class I nursing facilities that was in place in FY 2010-11 and FY 2011-12. Allows the Department of Health Care Policy and Financing to increase the supplemental Medicaid payments made to nursing providers to offset this reduction. Reduces appropriations for Medical Service Premiums by \$9,024,676, including \$4,512,338 General Fund and \$4,512,338 federal funds.

### 2013 Session Bills

**S.B. 13-089:** Supplemental appropriation to the Department of Health Care Policy and Financing to modify the FY 2012-13 appropriations contained in the FY 2012-13 Long Bill (H.B. 12-1335).

**SB 13-166:** Extends deadlines for development and implementation of recommendations from the Medical Clean Claims Task Force for standardizing claim submissions and edits to facilitate prompt payment. Provides \$100,000 General Fund in FY 2013-14 to support the work of the Task Force.

**S.B. 13-167:** Makes changes to the provider fee for intermediate care facilities for individuals with intellectual disabilities, including transferring responsibility for administering the fee from the Department of Human Services to the Department of Health Care Policy and Financing. For more information see the "Recent Legislation" section at the end of the Department of Human Services section of this report.

**S.B. 13-177:** Reduces the juvenile detention bed cap from 422 to 382. For more information see the "Recent Legislation" section at the end of the Department of Human Services section of this report.

**S.B. 13-200:** Expands Medicaid eligibility for adults to 133 percent of the federal poverty level (FPL). The newly eligible populations affected by this change include adults without dependent children with income from 11 percent through 133 percent of the FPL and parents with income from 101 percent through 133 percent of the FPL. Pursuant to the provisions of the federal Affordable Care Act, Colorado is eligible for an enhanced federal match rate for certain populations as a result of the eligibility expansion authorized in S.B. 13-200. For Colorado the enhanced federal match rate applies to adults without dependent children with income from 0 percent through 133 percent of the federal poverty level and to parents with income from 61 percent through 133 percent of the FPL. The enhanced federal match rate is 100 percent from 2014 through 2016 and then it reduces in increments until it reaches 90 percent in 2020. Senate Bill 13-200 authorizes the Hospital Provider Fee to pay the state share of costs for the newly eligible populations when the enhanced federal match rate is reduced. Makes the following appropriations for FY 2013-14:

Department	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Health Care Policy and Financing	\$315,141,256	(\$123,209)	(\$154,578,421)	\$0	\$469,842,886	19.0
Corrections	(2,471,751)	(2,471,751)	0	0	0	0.4
Human Services	(651,875)	(651,875)	0	0	0	0.0
Law	24,910	0	0	24,910	0	0.0
Personnel	12,122	0	0	12,122	0	0.0
Total	\$312,054,662	(\$3,246,835)	(\$154,578,421)	\$37,032	\$469,842,886	19.4

**S.B. 13-230:** General appropriations act for FY 2013-14.

**S.B. 13-232:** Eliminates the repeal of a transfer of \$2.0 million from the Prevention, Early Detection, and Treatment Fund to the Department of Health Care Policy and Financing for disease management programs. Refinances \$2.0 million General Fund appropriations with transfers from the fund.

**S.B. 13-242:** Adds a dental benefit for adults on Medicaid. Requires the Department of Health Care Policy and Financing to design the benefit with input from stakeholders and implement it by April 1, 2014. Transfers money from the Unclaimed Property Trust Fund to the newly created Adult Dental Fund to pay for the benefit. Appropriates \$33.9 million total funds and 1.3 FTE to the Department of Health Care Policy and Financing in FY 2013-14, including a reduction of \$0.7 million General Fund, an increase of \$11.2 million cash funds, and an increase of \$23.4 million federal funds.

**S.B. 13-264:** Requires the Commission on Family Medicine to support the development of rural family medicine residency programs and appropriates \$1,000,000 to support this purpose, including \$500,000 General Fund and \$500,000 federal funds, to the Department of Health Care Policy and Financing in FY 2013-14.

**S.B. 13-276:** Renames the Coordinated Care for People with Disabilities Fund the Disability Investigational and Pilot Support Fund. Repurposes the fund to support grants and loans to projects that study or pilot new and innovative initiatives to improve the quality of life and independence of people with disabilities. Transfers administration of the fund from the Department of Health Care Policy and Financing to the Department of Personnel.

**H.B. 13-1117:** Makes changes to the Early Childhood Leadership Council, including transferring administration from the Governor's Office to the Department of Human Services and makes corresponding adjustments to appropriations. For more information see the "Recent Legislation" section at the end of the Department of Human Services section of this report.

**H.B. 13-1152:** Adjusts the formula for calculating the per diem rate paid to nursing facilities and reduces appropriations for the Department of Health Care Policy and Financing for FY 2013-14 by \$9.7 million total funds, including \$4.8 million General Fund and \$4.8 million federal funds.

**H.B. 13-1314:** Transfers the powers, duties, and functions of the Department of Human Services relating to the programs, services, and supports for persons with intellectual and developmental disabilities to the Department of Health Care Policy and Financing. For more information see the "Recent Legislation" section at the end of the Department of Human Services section of this report.

# Department Details

## DEPARTMENT OF HIGHER EDUCATION

### FY 2012-13 and FY 2013-14 Appropriations by Division and Bill

Department of Higher Education						
	Total Funds	General Fund <sup>/1</sup>	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2012-13 Total Appropriation:</b>	<b>\$3,035,143,739</b>	<b>\$628,569,790</b>	<b>\$1,835,273,931</b>	<b>\$552,186,789</b>	<b>\$19,113,229</b>	<b>21,458.9</b>
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Department Administrative Office	2,601,122	0	1,569,344	787,993	243,785	0.0
Colorado Commission on Higher Education	7,386,457	62,261	4,402,240	2,537,370	384,586	38.3
Colorado Commission on Higher Education Financial Aid	106,176,093	105,576,093	0	0	600,000	0.0
College Opportunity Fund Program	502,051,403	502,051,403	0	0	0	0.0
Governing Boards	2,302,752,307	0	1,799,404,173	503,348,134	0	21,084.3
Local District Junior College Grants Pursuant to Section 23-71-301, C.R.S.	12,705,936	12,093,711	612,225	0	0	0.0
Division of Occupational Education	52,566,624	7,765,822	0	27,843,040	16,957,762	32.0
Auraria Higher Education Center	17,670,252	0	0	17,670,252	0	172.9
History Colorado	31,233,545	1,020,500	29,285,949	0	927,096	131.4
<u>Breakdown of Total Appropriation by Bill</u>						
HB 12-1335	3,034,535,714	619,571,953	1,850,970,474	544,880,058	19,113,229	21,494.3
HB 12-1155	75,500	0	75,500	0	0	0.0
HB 12-1283	(620,090)	(310,045)	0	(310,045)	0	(35.4)
SB 13-090	18,282,793	9,307,882	2,415	8,972,496	0	0.0
SB 13-230	(17,130,178)	0	(15,774,458)	(1,355,720)	0	0.0
<b>FY 2013-14 Total Appropriation:</b>	<b>\$3,233,189,910</b>	<b>\$659,062,854</b>	<b>\$1,978,139,263</b>	<b>\$576,697,493</b>	<b>\$19,290,300</b>	<b>22,842.3</b>
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Department Administrative Office	3,431,110	0	2,240,228	874,026	316,856	0.0
Colorado Commission on Higher Education	8,825,630	300,000	5,240,587	2,796,457	488,586	52.8
Colorado Commission on Higher Education Financial Aid	112,065,347	111,465,347	0	0	600,000	0.0
College Opportunity Fund Program	524,944,039	524,944,039	0	0	0	0.0
Governing Boards	2,466,236,004	0	1,940,216,274	526,019,730	0	22,453.2



<b>Department of Higher Education</b>						
	<b>Total Funds</b>	<b>General Fund <sup>/1</sup></b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
Local District Junior College Grants Pursuant to Section 23-71-301, C.R.S.	13,262,550	12,650,325	612,225	0	0	0.0
Division of Occupational Education	54,702,933	8,408,143	0	29,337,028	16,957,762	32.0
Auraria Higher Education Center	17,670,252	0	0	17,670,252	0	172.9
History Colorado	32,052,045	1,295,000	29,829,949	0	927,096	131.4
<b>Breakdown of Total Appropriation by Bill</b>						
SB 13-230	3,230,541,694	658,479,148	1,978,070,473	574,701,773	19,290,300	22,840.8
HB 13-1004	1,500,000	0	0	1,500,000	0	0.0
HB 13-1165	1,033,765	559,165	0	474,600	0	1.5
HB 13-1194	110,611	22,621	68,790	19,200	0	0.0
HB 13-1230	3,840	1,920	0	1,920	0	0.0
<b>Increase/(Decrease)</b>	\$198,046,171	\$30,493,064	\$142,865,332	\$24,510,704	\$177,071	1,383.4
Percentage Change	6.5%	4.9%	7.8%	4.4%	0.9%	6.4%

<sup>/1</sup> Includes \$452,133,333 General Fund Exempt in FY 2012-13 and \$427,400,000 General Fund Exempt in FY 2013-14. See Division Detail for more information on General Fund Exempt appropriations.

**Informational Funds:** The FY 2013-14 Long Bill and other legislation indicates when an amount is shown solely for informational purposes through an "(I)" notation. The following amounts in the Department of Higher Education are annotated with the "(I)". For additional information, see Appendix J.

	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>
FY 2013-14 Appropriations containing an (I) notation	\$1,940,095,453	\$0	\$1,920,805,153	\$0	\$19,290,300

## Detail of Appropriation by Administrative Section

### 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. The sources of cash funds include limited gaming revenues deposited in the State Historical Fund and various fees. The source of reappropriated funds is indirect cost recoveries.

Department Administrative Office						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2012-13 Appropriation:</b>						
HB 12-1335	\$2,598,707	\$0	\$1,566,929	\$787,993	\$243,785	0.0
SB 13-090	<u>2,415</u>	<u>0</u>	<u>2,415</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$2,601,122</b>	<b>\$0</b>	<b>\$1,569,344</b>	<b>\$787,993</b>	<b>\$243,785</b>	<b>0.0</b>
<b>FY 2013-14 Appropriation:</b>						
FY 2012-13 Appropriation	\$2,601,122	\$0	\$1,569,344	\$787,993	\$243,785	0.0
Centrally appropriated line items	926,070	0	754,307	95,834	75,929	0.0
Statewide IT common policy adjustments	(96,082)	0	(83,423)	(9,801)	(2,858)	0.0
<b>SB 13-230</b>	<b><u>\$3,431,110</u></b>	<b><u>\$0</u></b>	<b><u>\$2,240,228</u></b>	<b><u>\$874,026</u></b>	<b><u>\$316,856</u></b>	<b><u>0.0</u></b>
<b>TOTAL</b>	<b>\$3,431,110</b>	<b>\$0</b>	<b>\$2,240,228</b>	<b>\$874,026</b>	<b>\$316,856</b>	<b>0.0</b>
<b>Increase/(Decrease)</b>	\$829,988	\$0	\$670,884	\$86,033	\$73,071	0.0
Percentage Change	31.9%	n/a	42.7%	10.9%	30.0%	n/a

### FY 2012-13 Appropriation - Mid-year Adjustments

Senate Bill 13-090 modified the FY 2012-13 appropriation for payment to risk management and property funds.

### FY 2013-14 Appropriation – S.B. 13-230 (Long Bill) Issue Descriptions

**Centrally appropriated line items:** The appropriation includes adjustments to centrally appropriated line items for the following: state contributions for health, life, and dental benefits; merit pay; salary survey; short-term disability; supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund; shift differential; workers' compensation; legal services; administrative law judges; and payment to risk management and property funds.

**Statewide IT common policy adjustments:** The appropriation includes adjustments to line items appropriated for: purchase of services from the computer center; Colorado state network; management and administration of the Governor's Office of Information Technology (OIT); information technology security, and COFRS modernization.

### Colorado Commission on Higher Education

This division includes funding for the Commission's staff, the Division of Private Occupational Schools, and special purpose initiatives of the Department. The sources of cash funds include indirect cost recoveries, fees paid to the Division of Private Occupational Schools, and portions of waste tire fees and of limited gaming revenues that are used for competitive research grants. The primary source of reappropriated funds is indirect cost recoveries.

<b>Colorado Commission on Higher Education</b>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2012-13 Appropriation:</b>						
HB 12-1335	\$7,310,957	\$62,261	\$4,326,740	\$2,537,370	\$384,586	38.3
HB 12-1155	<u>75,500</u>	<u>0</u>	<u>75,500</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$7,386,457</b>	<b>\$62,261</b>	<b>\$4,402,240</b>	<b>\$2,537,370</b>	<b>\$384,586</b>	<b>38.3</b>
<b>FY 2013-14 Appropriation:</b>						
FY 2012-13 Appropriation	\$7,386,457	\$62,261	\$4,402,240	\$2,537,370	\$384,586	38.3
Colorado Geological Survey	1,863,401	300,000	1,459,401	0	104,000	14.5
CCHE data and research positions	150,772	0	0	150,772	0	0.0
WICHE dues	6,000	0	0	6,000	0	0.0
Indirect cost adjustments	0	(62,261)	(40,054)	102,315	0	0.0
Higher Education Competitive Research Authority	(581,000)	0	(581,000)	0	0	0.0
<b>SB 13-230</b>	<b><u>\$8,825,630</u></b>	<b><u>\$300,000</u></b>	<b><u>\$5,240,587</u></b>	<b><u>\$2,796,457</u></b>	<b><u>\$488,586</u></b>	<b><u>52.8</u></b>
<b>TOTAL</b>	<b>\$8,825,630</b>	<b>\$300,000</b>	<b>\$5,240,587</b>	<b>\$2,796,457</b>	<b>\$488,586</b>	<b>52.8</b>
<b>Increase/(Decrease)</b>	\$1,439,173	\$237,739	\$838,347	\$259,087	\$104,000	14.5
Percentage Change	19.5%	381.8%	19.0%	10.2%	27.0%	37.9%

### **FY 2013-14 Appropriation – S.B. 13-230 (Long Bill) Issue Descriptions**

**Colorado Geological Survey:** The bill adds funding to reflect the transfer of the Colorado Geological Survey from the Department of Natural Resources to the Colorado School of Mines pursuant to H.B. 12-1355 and H.B. 13-1057.

**CCHE data and research positions:** The appropriation includes an increase to fund two new positions at the Colorado Commission on Higher Education (CCHE): a research analyst and a research communications analyst. These staff will analyze higher education data and develop reports for policy makers, administrators, educators, and the general public. The positions fill existing FTE authority within the Department.

**WICHE dues:** The appropriation includes an increase for Western Interstate Commission on Higher Education (WICHE) dues charged to all member-states.

**Indirect cost adjustments:** The appropriation includes an adjustment to indirect cost assessments applied to offset the need for General Fund in this division.

**Higher Education Competitive Research Authority:** The appropriation adjusts spending authority based on available revenue and recent-year actual expenditures for the Higher Education Competitive Research Authority.

## Colorado Commission on Higher Education Financial Aid

This division includes the state-funded financial aid programs administered by the Commission.

Colorado Commission on Higher Education Financial Aid						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2012-13 Appropriation:</b>						
HB 12-1335	\$104,769,698	\$104,169,698	\$0	\$0	\$600,000	0.0
SB 13-230	<u>1,406,395</u>	<u>1,406,395</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$106,176,093</b>	<b>\$105,576,093</b>	<b>\$0</b>	<b>\$0</b>	<b>\$600,000</b>	<b>0.0</b>
<b>FY 2013-14 Appropriation:</b>						
FY 2012-13 Appropriation	\$106,176,093	\$105,576,093	\$0	\$0	\$600,000	0.0
Increase for need based grants	5,348,748	5,348,748	0	0	0	0.0
Fort Lewis College Native American tuition waiver	1,692,673	1,692,673	0	0	0	0.0
S.B. 13-033 fiscal impact	111,164	111,164	0	0	0	0.0
Dependent Tuition Assistance Program	55,078	55,078	0	0	0	0.0
Annualize supplemental increase	(1,406,395)	(1,406,395)	0	0	0	0.0
<b>SB 13-230</b>	<b>\$111,977,361</b>	<b>\$111,377,361</b>	<b>\$0</b>	<b>\$0</b>	<b>\$600,000</b>	<b>0.0</b>
HB 13-1165	84,565	84,565	0	0	0	0.0
HB 13-1194	<u>3,421</u>	<u>3,421</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$112,065,347</b>	<b>\$111,465,347</b>	<b>\$0</b>	<b>\$0</b>	<b>\$600,000</b>	<b>0.0</b>
<b>Increase/(Decrease)</b>	\$5,889,254	\$5,889,254	\$0	\$0	\$0	0.0
Percentage Change	5.5%	5.6%	n/a	n/a	0.0%	n/a

### FY 2012-13 Appropriation - Mid-year Adjustments

Senate Bill 13-230 modifies FY 2012-13 appropriations to provide a one-time increase for need based grants. Pursuant to statute, financial aid appropriations must increase at the same rate as General Fund support for the institutions. Higher education institutions received a mid-year budget increase through S.B. 13-090. Senate Bill 13-230 reallocates a portion of this additional funding to need based grants to ensure compliance with this statutory provision.

### FY 2013-14 Appropriation – S.B. 13-230 (Long Bill) Issue Descriptions

**Increase for need based grants:** The appropriation includes an increase for financial aid proportionate to the General Fund operating increase for institutions, as required by statute.

**Fort Lewis College Native American tuition waiver:** The appropriation includes an increase for the Fort Lewis Native American tuition waiver, consistent with statute and federal court rulings.

**S.B. 13-033 fiscal impact:** This appropriation includes funding associated with the fiscal note for S.B. 13-033 (Concerning in-state classification at institutions of higher education for students who complete high school in Colorado). Because the S.B. 13-033 fiscal note provides an increase in General Fund support for higher education institutions, a related increase for financial aid (need based grants) is also included in the Long Bill.

**Dependent Tuition Assistance Program:** The appropriation includes an increase for the Dependent Tuition Assistance Program based on program utilization and statutory requirements.

**Annualize supplemental increase:** The appropriation eliminates a FY 2012-13 funding increase provided in the Long Bill supplemental.

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

## College Opportunity Fund Program

This section provides funding for student stipend payments for resident students attending state-operated higher education institutions and resident students attending certain private institutions located in the state, and for fee-for-service contracts between the Commission and the institutions. For a summary of the impact of these changes by governing board, see the Governing Boards section.

College Opportunity Fund Program						
	Total Funds	General Fund <sup>/1</sup>	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2012-13 Appropriation:</b>						
HB 12-1335	\$494,744,672	\$494,744,672	\$0	\$0	\$0	0.0
HB 12-1283	(310,045)	(310,045)	0	0	0	0.0
SB 13-090	8,972,496	8,972,496	0	0	0	0.0
SB 13-230	<u>(1,355,720)</u>	<u>(1,355,720)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$502,051,403</b>	<b>\$502,051,403</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
<b>FY 2013-14 Appropriation:</b>						
FY 2012-13 Appropriation	\$502,051,403	\$502,051,403	\$0	\$0	\$0	0.0
Increase for public institutions	28,832,652	28,832,652	0	0	0	0.0
S.B. 13-033 fiscal impact	960,000	960,000	0	0	0	0.0
Increase stipends at private institutions	221,040	221,040	0	0	0	0.0
Annualize supplemental increase	(7,616,776)	(7,616,776)	0	0	0	0.0
<b>SB 13-230</b>	<b>\$524,448,319</b>	<b>\$524,448,319</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
HB 13-1165	474,600	474,600	0	0	0	0.0

### College Opportunity Fund Program

	Total Funds	General Fund <sup>/1</sup>	Cash Funds	Reappropriated Funds	Federal Funds	FTE
HB 13-1194	19,200	19,200	0	0	0	0.0
HB 13-1230	<u>1,920</u>	<u>1,920</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$524,944,039</b>	<b>\$524,944,039</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
<b>Increase/(Decrease)</b>	\$22,892,636	\$22,892,636	\$0	\$0	\$0	0.0
Percentage Change	4.6%	4.6%	n/a	n/a	n/a	n/a

<sup>/1</sup> This amount includes a General Fund Exempt appropriation.

General Fund Summary	Total General Fund	General Fund	General Fund Exempt
<b>FY 2012-13 Appropriation</b>	\$494,434,627	\$237,334,627	\$257,100,000
General Fund Exempt adjustment	0	(195,033,333)	195,033,333
Other 2013 Session adjustments	<u>7,616,776</u>	<u>7,616,776</u>	<u>0</u>
<b>FY 2012-13 Adjusted Appropriation</b>	\$502,051,403	\$49,918,070	\$452,133,333
General Fund Exempt adjustment	0	24,733,333	(24,733,333)
Other adjustments	<u>22,892,636</u>	<u>22,892,636</u>	<u>0</u>
<b>Total FY 2013-14 Appropriation</b>	\$524,944,039	\$97,544,039	\$427,400,000

### General Fund Exempt

Referendum C, passed by Colorado voters in November 2005, allowed the State to retain and spend all revenue that is collected in excess of the TABOR limit for FY 2005-06 through FY 2009-10. For FY 2010-11 and subsequent fiscal years, Referendum C allows the State to retain all revenues that are in excess of the TABOR limit, but less than the excess state revenues cap, for that fiscal year. This revenue must be placed in the General Fund Exempt Account. The above table shows the amount of General Fund Exempt that must 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.

### FY 2012-13 Appropriation - Mid-year Adjustments

Senate Bill 13-090 and S.B. 13-230 modifies FY 2012-13 appropriations as follows.

- Senate Bill 13-090 increases funding for all State-supported higher education institutions by a total of \$9,307,882 General Fund. The funds were allocated among all of the institutions, including to all Governing Boards, the Local District Junior Colleges and the Area Vocational Schools, consistent with the FY 2012-13 funding formula. The General Fund increase for the Governing Boards, totaling \$8,972,496, was included in the College Opportunity Fund Program appropriation for fee-for-service contracts with the Governing Boards.

- S.B. 13-230 reallocates the additional S.B. 13-090 funding to set aside \$1,406,395 of the total for financial aid (need based grants). Most of this adjustment, like most of the original S.B. 13-090 increase, was applied to the Governing Boards section for fee-for-service contracts.
- S.B. 13-230 also reduces the FY 2012-13 General Fund appropriation for College Opportunity Fund (COF) stipends by \$8,169,120 and increased the General Fund appropriation for COF fee-for-service contracts by the same amount. The adjustment was based on a revised projection of the number of students qualifying for a COF stipend in FY 2012-13.

## **FY 2013-14 Appropriation – S.B. 13-230 (Long Bill) Issue Descriptions**

**Increase for public institutions:** The appropriation provides an increase of \$30.0 million General Fund for the operations of public institutions of higher education over the FY 2012-13 Long Bill base. The vast majority of this amount is appropriated in this division for COF stipends and fee-for-service contracts with the governing boards of the state's public institutions. (The balance is included in appropriations for Local District Junior Colleges and Area Vocational Schools.) This includes an increase in the COF stipend to public institutions from \$1,860 (for 30 credit hours) to \$1,920, or from \$62 per credit hour to \$64 per credit. The total increase for COF stipends is \$9,867,420 General Fund, and the total increase for COF fee-for-service contracts is \$18,965,232 General Fund. This funding is allocated among the governing boards based on a three-part formula to which all the institutions agreed.

**S.B. 13-033 fiscal impact:** The appropriation includes funding associated with the fiscal note for S.B. 13-033 (Concerning in-state classification at institutions of higher education for students who complete high school in Colorado). S.B. 13-033 is projected to result in an increase of 500 students qualifying for COF stipends at public institutions. The Long Bill therefore adds funding for 500 additional COF stipends at \$1,920 per student.

**Increase stipends at private institutions:** The appropriation provides funding for an increase of 194 students in the number of Pell-eligible students at participating private institutions who are projected to qualify for a COF stipend. It also includes an increase in the per-student rate for private COF stipends to Pell-eligible students from \$930 to \$960, consistent with statutory requirements that align public and private stipend amounts. This increase applies to the 1,354 total students projected to receive the COF stipend at participating private institutions.

**Annualize supplemental increase:** The appropriation annualizes the FY 2012-13 supplemental General Fund increase to COF fee-for-service contracts authorized in the higher education supplemental bill (S.B. 13-090) and adjusted by S.B. 13-230.

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

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## **Governing Boards**

This division includes cash funds spending authority for the state-operated higher education institutions from tuition, tobacco settlement moneys, and academic and academic facility fees. It also includes reappropriated funds spending authority for student stipend payments, fee-for-service contracts, and appropriated grants.

	<b>Governing Boards</b>					
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2012-13 Appropriation:</b>						
HB 12-1335	2,311,220,034	0	1,815,178,631	496,041,403	0	21,119.7
HB 12-1283	(310,045)	0	0	(310,045)	0	(35.4)
SB 13-090	8,972,496	0	0	8,972,496	0	0.0
SB 13-230	<u>(17,130,178)</u>	<u>0</u>	<u>(15,774,458)</u>	<u>(1,355,720)</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$2,302,752,307</b>	<b>\$0</b>	<b>\$1,799,404,173</b>	<b>\$503,348,134</b>	<b>\$0</b>	<b>21,084.3</b>
<b>FY 2013-14 Appropriation:</b>						
FY 2012-13 Appropriation	\$2,302,752,307	\$0	\$1,799,404,173	\$503,348,134	\$0	21,084.3
Tuition and fees	139,271,759	0	139,271,759	0	0	0.0
Increase for public institutions	28,832,652	0	0	28,832,652	0	0.0
S.B. 13-033 fiscal impact	2,482,506	0	1,522,506	960,000	0	0.0
Reflect FTE	0	0	0	0	0	1,367.4
Annualize supplemental increase	(7,616,776)	0	0	(7,616,776)	0	0.0
Tobacco settlement revenue	(50,954)	0	(50,954)	0	0	0.0
<b>SB 13-230</b>	<b>\$2,465,671,494</b>	<b>\$0</b>	<b>\$1,940,147,484</b>	<b>\$525,524,010</b>	<b>\$0</b>	<b>22,451.7</b>
HB 13-1165	474,600	0	0	474,600	0	1.5
HB 13-1194	87,990	0	68,790	19,200	0	0.0
HB 13-1230	<u>1,920</u>	<u>0</u>	<u>0</u>	<u>1,920</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$2,466,236,004</b>	<b>\$0</b>	<b>\$1,940,216,274</b>	<b>\$526,019,730</b>	<b>\$0</b>	<b>22,453.2</b>
<b>Increase/(Decrease)</b>	\$163,483,697	\$0	\$140,812,101	\$22,671,596	\$0	1,368.9
Percentage Change	7.1%	n/a	7.8%	4.5%	n/a	6.5%

### FY 2012-13 Appropriation - Mid-year Adjustments

Senate Bill 13-090 increases funding for all State-supported higher education institutions by a total of \$9,307,882 General Fund. This was treated as a one-time adjustment. The funds were allocated among all of the institutions, including to all Governing Boards, the Local District Junior Colleges and the Area Vocational Schools, consistent with the FY 2012-13 funding formula. The General Fund increase for the Governing Boards, totaling \$8,972,496, was included in the College Opportunity Fund Program appropriation and was then reappropriated for fee-for-service contracts with the Governing Boards.

S.B. 13-230 reallocates the additional funding in S.B. 13-090 to set aside \$1,406,395 of the total for financial aid (need based grants), leaving \$7,901,487 for the institutions, of which \$7,616,776 was allocated to the Governing Boards. The table below shows the final FY 2012-13 supplemental amounts and final allocations by institution.



<b>Institution</b>	<b>Allocation of FY 2012-13 Supplemental Appropriations (S.B. 13-090 + S.B. 13-230)</b>	<b>Final FY 2012-13 General Fund Support for Institutions</b>
Adams State University	\$138,744	\$11,047,855
Mesa State University	261,468	18,892,318
Metropolitan State University of Denver	487,188	37,469,193
Western State Colorado University	110,783	9,225,225
Colorado State University System	1,520,925	105,500,522
Fort Lewis College	127,401	9,186,240
University of Colorado System	2,670,697	143,842,041
Colorado School of Mines	311,549	16,084,131
University of Northern Colorado	457,735	32,314,830
Community College System	1,530,286	117,720,293
<b>Total - Governing Boards</b>	<b>\$7,616,776</b>	<b>\$501,282,648</b>
Local District Junior Colleges.	183,760	12,093,711
Area Vocational Schools	100,951	7,765,822
<b>TOTAL - Institutions</b>	<b>\$7,901,487</b>	<b>\$521,142,181</b>

Senate Bill 13-230 also adjusts tuition and fee cash fund amounts shown for informational purposes to reflect updated projections. Adjustments by governing board are shown in the table below.

<b>Institution</b>	<b>S.B. 13-230 - Tuition and Fees Adjustments</b>
Adams State University	(\$2,661,069)
Mesa State University	(2,058,461)
Metropolitan State University of Denver	11,645,335
Western State Colorado University	523,463
Colorado State University System	11,520,158
Fort Lewis College	180,570
University of Colorado System	(13,935,035)
Colorado School of Mines	2,560,153
University of Northern Colorado	(9,097,895)
Community College System	(14,451,676)
<b>Total - Governing Boards</b>	<b>(\$15,774,458)</b>

Finally, S.B. 13-230 adjusts reappropriated funds allocated to each governing board for College Opportunity Fund (COF) stipends based on updated projections of COF-eligible students, and it adjusts reappropriated funds allocated to each governing board for fee-for-service contracts by an inverse amount, resulting in a net \$0 change in total funding for each governing board.

Institution	COF Stipend Adjustment	COF Fee-for-service Contracts Adjustment
Adams State University	(\$72,540)	\$72,540
Mesa State University	158,100	(158,100)
Metropolitan State University of Denver	(1,147,620)	1,147,620
Western State Colorado University	(70,680)	70,680
Colorado State University System	(985,800)	985,800
Fort Lewis College	(199,020)	199,020
University of Colorado System	57,660	(57,660)
Colorado School of Mines	78,120	(78,120)
University of Northern Colorado	(292,020)	292,020
Community College System	(5,695,320)	5,695,320
Total - Governing Boards	(\$8,169,120)	\$8,169,120

### FY 2013-14 Appropriation – S.B. 13-230 (Long Bill) Issue Descriptions

**Tuition and fees:** The appropriation incorporates adjustments to estimated tuition and fee revenue for the governing boards. Tuition and fee revenue in the Long Bill is currently shown for informational purposes only. The table below reflects the change in total tuition and fee revenue for FY 2013-14, excluding adjustments related to S.B. 13-033, which are described below. FY 2013-14 tuition revenue estimates are based on an assumed 9.0 percent increase for resident student and 5.0 percent increase for non-resident students, but overall projected tuition and fee revenue also incorporates enrollment trends.

	FY 2012-13	FY 2013-14	FY 2013-14	FY 2013-14	Change FY 13 to FY 14 /1	Change FY 13 to FY 14
Tuition & Fee Revenue	Tuition & Fees	Tuition /1	Fees	Tuition & Fees/1	Amount	Percent
Adams State University	20,880,112	20,243,520	2,994,880	23,238,400	2,358,288	10.1%
Mesa State University	52,332,192	58,521,119	460,000	58,981,119	6,648,927	11.3%
Metropolitan State University of Denver	103,635,193	101,201,236	10,724,533	111,925,769	8,290,576	7.4%
Western State Colorado University	15,160,467	13,922,203	1,883,359	15,805,562	645,095	4.1%
Colorado State University System	328,937,872	334,591,235	19,533,297	354,124,532	25,186,660	7.1%
Fort Lewis College	36,118,736	37,843,940	1,097,478	38,941,418	2,822,682	7.2%
University of Colorado System	776,884,782	781,566,785	50,810,500	832,377,285	55,492,503	6.7%
Colorado School of Mines	100,012,136	103,607,712	4,225,289	107,833,001	7,820,865	7.3%
University of Northern Colorado	83,450,062	84,575,162	5,428,800	90,003,962	6,553,900	7.3%
Community College System	262,530,546	276,833,262	9,149,547	285,982,809	23,452,263	8.2%
Total - Governing Boards	1,779,942,097	1,812,906,174	106,307,683	1,919,213,857	139,271,760	7.3%

<sup>1/</sup>Excludes impact of S.B. 13-033 and other new legislation

**Increase for public institutions:** The appropriation includes a FY 2013-14 increase to the governing boards for reappropriated funds from COF stipend and fee-for-service contracts. The overall increase is allocated among the governing boards, local district junior colleges, and area vocational schools based on a formula agreed to by all the institutions. The calculation is based on the FY 2012-13 appropriation *excluding* supplemental increases and provides an FY 2013-14 adjustment that does not include the S.B. 13-033 fiscal impact described below.

<b>Institution</b>	<b>FY 2012-13 excluding Supplemental Increase</b>	<b>FY 2013-14 excluding S.B. 13-033 and other new legislation</b>	<b>Difference</b>	
Adams State University	<u>\$10,909,111</u>	<u>\$11,557,361</u>	<u>\$648,250</u>	<u>5.9%</u>
Stipends	2,823,480	2,937,600	114,120	4.0%
Fee-for-service	8,085,631	8,619,761	534,130	6.6%
Mesa State University	<u>18,630,850</u>	<u>19,818,451</u>	<u>1,187,601</u>	<u>6.4%</u>
Stipends	12,261,120	13,219,200	958,080	7.8%
Fee-for-service	6,369,730	6,599,251	229,521	3.6%
Metropolitan State University of Denver	<u>36,982,005</u>	<u>38,965,053</u>	<u>1,983,048</u>	<u>5.4%</u>
Stipends	30,072,480	31,094,400	1,021,920	3.4%
Fee-for-service	6,909,525	7,870,653	961,128	13.9%
Western State Colorado University	<u>9,114,442</u>	<u>9,529,069</u>	<u>414,627</u>	<u>4.5%</u>
Stipends	2,306,400	2,384,640	78,240	3.4%
Fee-for-service	6,808,042	7,144,429	336,387	4.9%
Colorado State University System	<u>103,669,552</u>	<u>109,793,622</u>	<u>6,124,070</u>	<u>5.9%</u>
Stipends	38,485,260	40,118,400	1,633,140	4.2%
Fee-for-service	65,184,292	69,675,222	4,490,930	6.9%
Fort Lewis College	<u>9,058,839</u>	<u>9,534,560</u>	<u>475,721</u>	<u>5.3%</u>
Stipends	3,963,660	4,122,240	158,580	4.0%
Fee-for-service	5,095,179	5,412,320	317,141	6.2%
University of Colorado System	<u>141,171,344</u>	<u>150,186,519</u>	<u>9,015,175</u>	<u>6.4%</u>
Stipends	50,863,560	52,508,160	1,644,600	3.2%
Fee-for-service	90,307,784	97,678,359	7,370,575	8.2%
Colorado School of Mines	<u>15,772,582</u>	<u>16,813,547</u>	<u>1,040,965</u>	<u>6.6%</u>
Stipends	4,988,520	5,149,440	160,920	3.2%
Fee-for-service	10,784,062	11,658,347	874,285	8.1%
University of Northern Colorado	<u>31,857,095</u>	<u>33,618,940</u>	<u>1,761,845</u>	<u>5.5%</u>
Stipends	14,679,120	15,158,400	479,280	3.3%
Fee-for-service	17,177,975	18,460,540	1,282,565	7.5%
Community College System	<u>116,190,007</u>	<u>122,377,117</u>	<u>6,187,110</u>	<u>5.3%</u>
Stipends	95,330,580	98,949,120	3,618,540	3.8%
Fee-for-service	20,859,427	23,427,997	2,568,570	12.3%
<b>Total - Governing Boards</b>	<b><u>\$493,355,827</u></b>	<b><u>\$522,188,479</u></b>	<b><u>\$28,832,652</u></b>	<b><u>5.8%</u></b>
Stipends	255,774,180	265,641,600	9,867,420	3.9%
Fee-for-service	237,581,647	256,546,879	18,965,232	8.0%
Local District Junior Colleges				
Direct Grants	11,909,951	12,650,325	740,374	6.2%
Area Vocational Schools				
Direct Grants	7,664,871	8,091,845	426,974	5.6%
<b>Total - Institutions</b>	<b><u>\$512,930,649</u></b>	<b><u>\$542,930,649</u></b>	<b><u>\$30,000,000</u></b>	<b><u>5.8%</u></b>

**S.B. 13-033 fiscal impact:** The Long Bill includes funding associated with the fiscal note for S.B. 13-033 (Concerning in-state classification at institutions of higher education for students who complete high school in Colorado). S.B. 13-033 is projected to result in an increase of 500 students qualifying for COF stipends at public institutions. The Long Bill adds reappropriated funds for 500 additional COF stipends distributed among the governing boards based on preliminary projections of the institutions affected students will attend. The bill

also adjusts cash funds shown for informational purposes to reflect projected tuition revenue changes associated with the additional students.

Institution	Student FTE	COF Stipend Reappropriated Funds Increase	Tuition Cash Funds Increase
Adams State University	2.0	\$3,840	\$11,624
Mesa State University	8.0	15,360	55,352
Metropolitan State University of Denver	137.0	263,040	(442,000)
Western State Colorado University	2.0	3,840	10,947
Colorado State University	26.0	49,920	226,498
Ft. Lewis College	3.0	5,760	15,530
University of Colorado	34.0	65,280	370,715
Colorado School of Mines	3.0	5,760	44,918
University of Northern Colorado	10.0	19,200	71,593
Community College System	275.0	528,000	1,157,329
Total – Governing Boards	500.0	<b>\$960,000</b>	<b>\$1,522,506</b>

**Reflect FTE:** The appropriation adjusts the *employee* FTE shown in the Long Bill for each governing board to reflect the most recent estimates available. FTE figures are shown for informational purposes only.

Institution	FY 2012-13	FY 2013-14	Change
Adams State University	294.7	327.0	32.3
Mesa State University	534.5	623.6	89.1
Metropolitan State University of Denver	1,299.0	1,350.7	51.7
Western State Colorado University	231.9	237.7	5.8
Colorado State University	4,002.4	4,204.6	202.2
Ft. Lewis College	417.8	401.9	(15.9)
University of Colorado	6,797.7	6,998.0	200.3
Colorado School of Mines	766.6	815.3	48.7
University of Northern Colorado	1,003.1	1,049.9	46.8
Community College System	5,736.6	6,443.0	706.4
Total	21,084.3	22,451.7	<b>1,367.4</b>

**Annualize supplemental increase:** The appropriation annualizes the FY 2012-13 supplemental increase to COF fee-for-service contracts authorized in the higher education supplemental bill (S.B. 13-090), as adjusted by the Long Bill supplemental.

**Tobacco settlement revenue:** The appropriation includes an adjustment based on revenue projected to be available from the tobacco master settlement agreement.

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

## Local District Junior College Grants Pursuant to Section 23-71-301, C.R.S.

This section subsidizes the operations of the state's two local district junior colleges: Aims Community College and Colorado Mountain College. These two institutions have special property tax districts that support their operations and governing boards that are independent from the rest of the community college system. Students from the special property tax districts pay discounted tuition rates. The source of cash funds is limited gaming money.

Local District Junior College Grants Pursuant to Section 23-71-301, C.R.S.						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2012-13 Appropriation:</b>						
HB 12-1335	\$12,522,176	\$11,909,951	\$612,225	\$0	\$0	0.0
SB 13-090	216,467	216,467	0	0	0	0.0
SB 13-230	<u>(32,707)</u>	<u>(32,707)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$12,705,936</b>	<b>\$12,093,711</b>	<b>\$612,225</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
<b>FY 2013-14 Appropriation:</b>						
FY 2012-13 Appropriation	\$12,705,936	\$12,093,711	\$612,225	\$0	\$0	0.0
Increase for public institutions	740,374	740,374	0	0	0	0.0
Annualize supplemental increase	(183,760)	(183,760)	0	0	0	0.0
<b>SB 13-230</b>	<b><u>\$13,262,550</u></b>	<b><u>\$12,650,325</u></b>	<b><u>\$612,225</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>0.0</u></b>
<b>TOTAL</b>	<b>\$13,262,550</b>	<b>\$12,650,325</b>	<b>\$612,225</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
<b>Increase/(Decrease)</b>	\$556,614	\$556,614	\$0	\$0	\$0	0.0
Percentage Change	4.4%	4.6%	0.0%	n/a	n/a	n/a

### FY 2012-13 Appropriation - Mid-year Adjustments

Senate Bill 13-090 included a one-time funding increase for all State-supported higher education institutions. The funds were allocated among all of the institutions, including the Local District Junior Colleges, consistent with the FY 2012-13 funding formula. S.B. 13-230 reallocated a portion of this additional funding to financial aid, reducing funding for the institutions.

### FY 2013-14 Appropriation – S.B. 13-230 (Long Bill) Issue Descriptions

**Increase for public institutions:** The appropriation provides an increase in state funding for the local district junior colleges, based on an overall increase of \$30.0 million from the FY 2012-13 Long Bill base allocated among the governing boards, local district junior colleges, and area vocational schools. The allocation to the local district junior colleges is based on a formula agreed to by all the institutions.

**Annualize supplemental increase:** The appropriation annualizes the FY 2012-13 supplemental increase authorized in the higher education supplemental bill (S.B. 13-090), as adjusted by S.B. 13-230.

## Division of Occupational Education

This division supervises and administers state occupational education programs and approves the allocation and distribution of state and federal vocational education funds to the community colleges, local district 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. The primary source of reappropriated funds is a transfer from the Department of Education for career and technical education, but there is also a smaller transfer from the Governor's Office for training related to economic development, and indirect cost recoveries. The federal funds are from the American Recovery and Reinvestment Act, grants from the Carl D. Perkins Vocational and Technical Education Act, and miscellaneous smaller grants.

<b>Division of Occupational Education</b>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2012-13 Appropriation:</b>						
HB 12-1335	\$52,465,673	\$7,664,871	\$0	\$27,843,040	\$16,957,762	32.0
SB 13-090	118,919	118,919	0	0	0	0.0
SB 13-230	<u>(17,968)</u>	<u>(17,968)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$52,566,624</b>	<b>\$7,765,822</b>	<b>\$0</b>	<b>\$27,843,040</b>	<b>\$16,957,762</b>	<b>32.0</b>
<b>FY 2013-14 Appropriation:</b>						
FY 2012-13 Appropriation	\$52,566,624	\$7,765,822	\$0	\$27,843,040	\$16,957,762	32.0
Increase for public institutions	426,974	426,974	0	0	0	0.0
Career and technical education programs	310,286	0	0	310,286	0	0.0
Indirect cost adjustments	0	316,298	0	(316,298)	0	0.0
Annualize supplemental increase	(100,951)	(100,951)	0	0	0	0.0
<b>SB 13-230</b>	<b>\$53,202,933</b>	<b>\$8,408,143</b>	<b>\$0</b>	<b>\$27,837,028</b>	<b>\$16,957,762</b>	<b>32.0</b>
HB 13-1004	<u>1,500,000</u>	<u>0</u>	<u>0</u>	<u>1,500,000</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$54,702,933</b>	<b>\$8,408,143</b>	<b>\$0</b>	<b>\$29,337,028</b>	<b>\$16,957,762</b>	<b>32.0</b>
<b>Increase/(Decrease)</b>	\$2,136,309	\$642,321	\$0	\$1,493,988	\$0	0.0
Percentage Change	4.1%	8.3%	n/a	5.4%	0.0%	0.0%

## FY 2012-13 Appropriation - Mid-year Adjustments

Senate Bill 13-090 includes a one-time funding increase for all State-supported higher education institutions. The funds were allocated among all of the institutions, including the Area Vocational Schools, consistent with the FY 2012-13 funding formula. S.B. 13-230 reallocated a portion of this additional funding to financial aid, reducing funding for the institutions.

## FY 2013-14 Appropriation – S.B. 13-230 (Long Bill) Issue Descriptions

**Increase for public institutions:** The appropriation provides an increase in state funding for the area vocational schools, based on an overall increase of \$30.0 million allocated among the governing boards, local district junior colleges, and area vocational schools. The allocation to the area vocational schools is based on a formula agreed to by all the institutions.

**Career and technical education programs:** The appropriation includes an increase of reappropriated funds transferred from the Department of Education for secondary career and technical education programs. The reappropriated funds originate as General Fund or State Education Funds in the Department of Education.

**Indirect cost adjustments:** The appropriation includes an adjustment to indirect cost assessments applied to offset the need for General Fund in this department.

**Annualize supplemental increase:** The appropriation annualizes the FY 2012-13 supplemental increase authorized in the higher education supplemental bill (S.B. 13-090), as adjusted by S.B. 13-230.

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

### 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	Reappropriated Funds	Federal Funds	FTE
<b>FY 2012-13 Appropriation:</b>						
HB 12-1335	<u>\$17,670,252</u>	<u>\$0</u>	<u>\$0</u>	<u>\$17,670,252</u>	<u>\$0</u>	<u>172.9</u>
<b>TOTAL</b>	<b>\$17,670,252</b>	<b>\$0</b>	<b>\$0</b>	<b>\$17,670,252</b>	<b>\$0</b>	<b>172.9</b>
<b>FY 2013-14 Appropriation:</b>						
FY 2012-13 Appropriation	\$17,670,252	\$0	\$0	\$17,670,252	\$0	172.9
<b>SB 13-230</b>	<b><u>\$17,670,252</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$17,670,252</u></b>	<b><u>\$0</u></b>	<b><u>172.9</u></b>
<b>TOTAL</b>	<b>\$17,670,252</b>	<b>\$0</b>	<b>\$0</b>	<b>\$17,670,252</b>	<b>\$0</b>	<b>172.9</b>
<b>Increase/(Decrease)</b>	\$0	\$0	\$0	\$0	\$0	0.0
Percentage Change	0.0%	n/a	n/a	0.0%	n/a	0.0%

## FY 2013-14 Appropriation – S.B. 13-230 (Long Bill) Issue Descriptions

**None:** There are no changes to the appropriation in this division.

### History Colorado

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

	History Colorado					
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2012-13 Appropriation:</b>						
HB 12-1335	<u>\$31,233,545</u>	<u>\$1,020,500</u>	<u>\$29,285,949</u>	<u>\$0</u>	<u>\$927,096</u>	<u>131.4</u>
<b>TOTAL</b>	<b>\$31,233,545</b>	<b>\$1,020,500</b>	<b>\$29,285,949</b>	<b>\$0</b>	<b>\$927,096</b>	<b>131.4</b>
<b>FY 2013-14 Appropriation:</b>						
FY 2012-13 Appropriation	\$31,233,545	\$1,020,500	\$29,285,949	\$0	\$927,096	131.4
Limited gaming funds	544,000	0	544,000	0	0	0.0
Cumbres and Toltec Railroad	274,500	274,500	0	0	0	0.0
<b>SB 13-230</b>	<b><u>\$32,052,045</u></b>	<b><u>\$1,295,000</u></b>	<b><u>\$29,829,949</u></b>	<b><u>\$0</u></b>	<b><u>\$927,096</u></b>	<b><u>131.4</u></b>
<b>TOTAL</b>	<b>\$32,052,045</b>	<b>\$1,295,000</b>	<b>\$29,829,949</b>	<b>\$0</b>	<b>\$927,096</b>	<b>131.4</b>
<b>Increase/(Decrease)</b>	\$818,500	\$274,500	\$544,000	\$0	\$0	0.0
Percentage Change	2.6%	26.9%	1.9%	n/a	0.0%	0.0%

## FY 2013-14 Appropriation – S.B. 13-230 (Long Bill) Issue Descriptions

**Limited gaming funds:** The appropriation includes an increase to reflect the estimated increase in limited gaming funding distributed to gaming cities.

**Cumbres and Toltec Railroad:** The appropriation includes an increase for the operations of the Cumbres and Toltec Scenic Railroad Commission, based on projected operating and capital needs.



## Recent Legislation

### 2012 Session Bills

**H.B. 12-1155:** Specifies the minimum indicators of a student's academic performance that institutions of higher education use to determine the eligibility of first-time freshman and transfer students. Modifies the policies that the Colorado Commission on Higher Education (CCHE) establishes by which state institutions of higher education offer remedial education and ensures that the policies align with admissions policies. Requires the Department of Higher Education to share the annual enrollment report with the Department of Education, in addition to other education policy makers. Clarifies the CCHE's authority in defining an institution's role and mission. Modifies and clarifies the way in which the State regulates private institutions of higher education (private colleges), including for-profit proprietary schools, non-profit schools, career and technical colleges, and seminaries and religious training institutions. Appropriates \$75,500 cash funds (from fees paid by private colleges and universities) to the Department of Higher Education.

**H.B. 12-1283:** Consolidates Colorado's homeland security functions, personnel, and resources, enacted under Executive Order D 2011-030, into a new Division of Homeland Security and Emergency Management within the Department of Public Safety. Transfers \$310,045 and 35.4 FTE from the Colorado State University state forest service to the Division of Fire Safety in the Department of Public Safety. For more information, see the bill description in the Department of Public Safety section of this report.

**H.B. 12-1335:** General appropriations act for FY 2012-13.

### 2013 Session Bills

**S.B. 13-033:** Establishes that any student who has attended high school in Colorado for at least three years immediately preceding graduation or obtained a general education equivalent degree and does not have lawful immigration status but who meets certain other requirements shall be classified as an in-state student for state higher education tuition purposes and shall be eligible for a College Opportunity Fund stipend.

**S.B. 13-090:** Supplemental appropriation to the Department of Higher Education for FY 2012-13. Also includes an adjustment to the FY 2011-12 appropriation.

**S.B. 13-230:** General appropriations act for FY 2013-14.

**H.B. 13-1004:** Requires the Department of Human Services to administer a transitional jobs program which provides temporary subsidies to employers for individuals participating in the program. Provides appropriations to several departments for FY 2013-14, including \$1,500,000 reappropriated funds to the Department of Higher Education for the Colorado First Customized Job Training Program. These funds are reappropriated from the Governor-Lieutenant Governor-State Planning and Budgeting, where they originate as General Fund. For additional information, see the recent legislation section for the Department of Human Services.

**H.B. 13-1005:** Authorizes the State Board for Community Colleges and Occupational Education (SBCCOE) to design new accelerated certificate programs to allow certain unemployed or underemployed adults to obtain a career and technical education certificate in 12 months or less.

**H.B. 13-1165:** Requires that the State Board for Community Colleges and Occupational Education (SBCCOE) collaborate with the Department of Higher Education, the Colorado Department of Education, and the Colorado Department of Labor and Employment, to design a career pathway for students seeking employment in the manufacturing sector. The career pathway must be available for students beginning with the 2014-15 academic year. Includes an FY 2013-14 appropriation to the Department of Higher Education of \$559,165 General Fund, including \$84,565 for financial aid need based grants and \$474,600 for a College Opportunity Fund Program (COF) fee-for-service contract. The COF amount and 1.5 FTE are reappropriated to the SBCCOES. The appropriation is projected to annualize to \$696,000 General Fund and 13.0 FTE in FY 2014-15.

**H.B. 13-1194:** Enables a dependent of a member of the armed forces to obtain in-state tuition notwithstanding his or her length of residency in Colorado, with certain limitations. Includes an FY 2013-14 appropriation to the Department of Higher Education of \$22,621 General Fund, including \$3,421 for financial aid need based grants and \$19,200 for a College Opportunity Fund Program (COF) stipends. The \$19,200 is further reappropriated to five governing boards, based on the overall statewide distribution of resident students eligible for COF stipends.

**H.B. 13-1230:** Creates a state compensation program for persons who are found actually innocent of felony crimes after serving time in jail, prison, or juvenile placement. Provides appropriations to several departments for FY 2013-14, including \$1,920 General Fund to the Department of Higher Education for College Opportunity Fund Program stipends. This amount is further reappropriated to the State Board for community Colleges and Occupational Education State System Colleges.

**H.B. 13-1320:** Modifies requirements pertaining to the ratio of resident students to non-resident students in state higher education institutions, effectively allowing institutions to increase the proportion of their students who are not Colorado residents. Accomplishes this by allowing the institutions to double-count, in the relevant ratios, up to eight percent of students as “Colorado Scholars”. A Colorado Scholar must have, at a minimum, graduated in the top 10 percent of his or her high school class or with a 3.75 GPA. An institution must provide a Colorado Scholar at least \$2,500 in annual financial aid through the institution’s Colorado Scholar program.

## Department Details

# DEPARTMENT OF HUMAN SERVICES

### FY 2012-13 and FY 2013-14 Appropriations by Division and Bill

	Department of Human Services					
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2012-13 Total Appropriation:</b>	<b>\$2,087,162,329</b>	<b>\$645,940,781</b>	<b>\$340,033,047</b>	<b>\$485,205,073</b>	<b>\$615,983,428</b>	<b>4,872.8</b>
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Executive Director's Office	73,954,259	40,761,582	3,496,726	18,367,766	11,328,185	139.5
Office of Information Technology Services	81,820,339	25,671,813	3,822,685	27,398,371	24,927,470	11.0
Office of Operations	41,845,104	24,742,858	3,208,611	9,317,279	4,576,356	441.9
County Administration	63,692,896	23,000,475	17,235,512	0	23,456,909	0.0
Division of Child Welfare	402,063,918	206,920,386	71,520,310	14,426,342	109,196,880	57.9
Division of Child Care	88,225,116	15,844,908	9,973,446	0	62,406,762	66.4
Office of Early Childhood	0	0	0	0	0	0.0
Office of Self Sufficiency	299,259,893	7,027,412	29,314,308	33,951	262,884,222	245.2
Behavioral Health Services	198,183,081	131,593,922	17,369,647	13,783,520	35,435,992	1,230.0
Services for People with Disabilities	571,848,126	38,009,217	74,353,954	398,727,026	60,757,929	1,721.3
Adult Assistance Programs	153,937,992	25,151,219	109,646,317	1,800	19,138,656	28.5
Division of Youth Corrections	112,331,605	107,216,989	91,531	3,149,018	1,874,067	931.1
<u>Breakdown of Total Appropriation by Bill</u>						
HB 12-1335	2,048,892,375	637,576,480	330,720,504	465,712,069	614,883,322	4,866.1
HB 12-1063	2,500	0	2,500	0	0	0.0
HB 12-1226	5,650	0	5,650	0	0	0.0
HB 12-1246	984,145	726,924	0	257,221	0	0.0
HB 12-1310	0	0	(1,270,616)	1,270,616	0	0.0
HB 12-1326	6,695,581	0	6,695,581	0	0	0.0
HB 12-1339	14,275,072	3,708,083	251,234	8,630,836	1,684,919	11.0
HB 12-1342	467,116	0	467,116	0	0	1.5
SB 13-091	8,438,958	(278,456)	3,161,078	7,504,184	(1,947,848)	4.8
SB 13-167	1,866,611	0	0	1,866,611	0	0.0
SB 13-177	(1,316,993)	(1,057,098)	0	(36,464)	(223,431)	(11.5)
SB 13-230	6,651,314	5,064,848	0	0	1,586,466	0.9
HB 13-1271	200,000	200,000	0	0	0	0.0

<b>Department of Human Services</b>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2013-14 Total Appropriation:</b>	<b>\$2,214,378,373</b>	<b>\$724,844,518</b>	<b>\$358,900,608</b>	<b>\$519,799,788</b>	<b>\$610,833,459</b>	<b>4,874.9</b>
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Executive Director's Office	87,792,546	50,021,479	3,564,025	20,778,253	13,428,789	141.4
Office of Information Technology Services	75,450,788	25,450,480	3,240,068	22,724,948	24,035,292	11.0
Office of Operations	42,133,068	24,987,197	3,304,744	9,323,284	4,517,843	441.9
County Administration	59,611,580	20,301,973	16,236,101	0	23,073,506	0.0
Division of Child Welfare	421,184,358	232,792,839	74,104,607	14,712,207	99,574,705	82.4
Division of Child Care	0	0	0	0	0	0.0
Office of Early Childhood	157,274,381	39,954,471	36,916,352	4,582,485	75,821,073	64.3
Office of Self Sufficiency	298,298,267	7,776,412	29,496,036	33,951	260,991,868	245.7
Behavioral Health Services	225,149,926	158,220,745	17,368,821	14,420,731	35,139,629	1,235.4
Services for People with Disabilities	573,845,555	24,031,515	68,471,882	430,090,052	51,252,106	1,712.8
Adult Assistance Programs	163,400,757	36,166,490	106,106,441	1,800	21,126,026	29.5
Division of Youth Corrections	110,237,147	105,140,917	91,531	3,132,077	1,872,622	910.5
<u>Breakdown of Total Appropriation by Bill</u>						
SB 13-230	2,163,229,846	696,785,662	338,613,036	517,852,655	609,978,493	4,861.3
SB 13-040	99,575	99,575	0	0	0	0.0
SB 13-047	31,100	24,334	0	0	6,766	0.0
SB 13-111	3,171,208	3,171,208	0	0	0	1.0
SB 13-127	0	(2,000,000)	2,000,000	0	0	0.0
SB 13-167	1,867,133	0	0	1,867,133	0	0.0
SB 13-173	70,000	0	0	70,000	0	0.0
SB 13-194	(118,272)	0	(118,272)	0	0	(1.5)
SB 13-200	(651,875)	(651,875)	0	0	0	0.0
SB 13-227	9,000	9,000	0	0	0	0.0
SB 13-255	63,755	63,755	0	0	0	1.0
SB 13-260	43,898	43,898	0	0	0	0.7
SB 13-266	19,792,028	19,792,028	0	0	0	0.9
HB 13-1004	2,400,000	2,400,000	0	0	0	2.0
HB 13-1117	19,904,563	1,453,849	17,602,514	0	848,200	7.5
HB 13-1180	803,330	0	803,330	0	0	0.0
HB 13-1239	133,284	133,284	0	0	0	1.0
HB 13-1241	0	(10,000)	0	10,000	0	0.0
HB 13-1271	529,800	529,800	0	0	0	0.0
HB 13-1291	3,000,000	3,000,000	0	0	0	1.0

<b>Department of Human Services</b>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>Increase/(Decrease)</b>	\$127,216,044	\$78,903,737	\$18,867,561	\$34,594,715	(\$5,149,969)	2.1
Percentage Change	6.1%	12.2%	5.5%	7.1%	(0.8%)	0.0%

**Informational Funds:** The FY 2013-14 Long Bill and other legislation indicates when an amount is shown solely for informational purposes through an "(I)" notation. The following amounts in the Department of Human Services are annotated with the "(I)". For additional information, see Appendix J.

	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>
FY 2013-14 Appropriations containing an (I) notation	\$501,648,539	\$0	\$226,061,001	\$1,330,220	\$274,257,318

## Detail of Appropriation by Administrative Section

### Executive Director's Office

This office is responsible for the management and administration of the Department, performing such functions as budgeting, human resources, and quality control, as well as 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:

- Juvenile Parole Board;
- Developmental Disabilities Council;
- Colorado Commission for the Deaf and Hard of Hearing;
- Compliance with the federal Health Insurance Portability and Accountability Act of 1996 (HIPAA); and
- Child welfare administrative review unit, which performs case reviews of children and youth who are placed in out-of-home residential care.

Cash funds include patient payments collected by the mental health institutes, in addition to other sources. Reappropriated funds are primarily Medicaid cash funds transferred from the Department of Health Care Policy and Financing. Federal fund sources include indirect cost recoveries, the Temporary Assistance for Needy Families Block Grant, and the Substance Abuse Prevention and Treatment Block Grant, among other sources.

<b>Executive Director's Office</b>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2012-13 Appropriation:</b>						
HB 12-1335	\$73,451,298	\$40,440,182	\$3,487,631	\$18,226,603	\$11,296,882	139.5
HB 12-1246	139,829	77,053	0	62,776	0	0.0
HB 12-1339	107,740	40,919	3,732	39,762	23,327	0.0

<b>Executive Director's Office</b>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
SB 13-091	338,478	286,514	5,363	38,625	7,976	0.0
SB 13-177	<u>(83,086)</u>	<u>(83,086)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$73,954,259</b>	<b>\$40,761,582</b>	<b>\$3,496,726</b>	<b>\$18,367,766</b>	<b>\$11,328,185</b>	<b>139.5</b>
<b>FY 2013-14 Appropriation:</b>						
FY 2012-13 Appropriation	\$73,954,259	\$40,761,582	\$3,496,726	\$18,367,766	\$11,328,185	139.5
Centrally appropriated line items	13,932,717	9,283,051	64,070	2,430,099	2,155,497	0.0
Enhancing child protection practices	79,214	67,332	0	0	11,882	0.9
Developmental disabilities and behavioral health services gap analysis	50,000	50,000	0	0	0	0.0
OIT staff transfer	17,655	17,655	0	0	0	0.0
Community provider rate	11,090	2,307	0	8,783	0	0.0
Division of Youth Corrections realignment	(191,042)	(191,042)	0	0	0	0.0
Informational funds adjustment	(86,947)	0	0	0	(86,947)	0.0
Annualize prior year funding	(38,155)	(33,161)	3,229	(28,395)	20,172	0.0
<b>SB 13-230</b>	<b>\$87,728,791</b>	<b>\$49,957,724</b>	<b>\$3,564,025</b>	<b>\$20,778,253</b>	<b>\$13,428,789</b>	<b>140.4</b>
SB 13-255	<u>63,755</u>	<u>63,755</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1.0</u>
<b>TOTAL</b>	<b>\$87,792,546</b>	<b>\$50,021,479</b>	<b>\$3,564,025</b>	<b>\$20,778,253</b>	<b>\$13,428,789</b>	<b>141.4</b>
<b>Increase/(Decrease)</b>	\$13,838,287	\$9,259,897	\$67,299	\$2,410,487	\$2,100,604	1.9
Percentage Change	18.7%	22.7%	1.9%	13.1%	18.5%	1.4%

### **FY 2012-13 Appropriation - Mid-year Adjustments**

Senate Bills 13-091 and 13-177 modify FY 2012-13 appropriations in the following ways:

- Senate Bill 13-091 provides supplemental appropriations to the Department to modify FY 2012-13 appropriations included in the FY 2012-13 Long Bill (H.B. 12-1335) to increase funding for payments to risk management and property funds; and
- Senate Bill 13-177 decreases \$0.1 million General Fund for employee benefits as part of reducing the bed cap for the Division of Youth Corrections from 422 to 382.

### **FY 2013-14 Appropriation – S.B. 13-230 (Long Bill) Issue Descriptions**

**Centrally appropriated line items:** The appropriation includes adjustments to centrally appropriated line items for the following: state contributions for health, life, and dental benefits; merit pay; salary survey; short-term disability; supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund; shift differential; workers' compensation; legal services; administrative law judges; and payment to risk management and property funds.

**Enhancing child protection practices:** The appropriation includes an increase of \$79,214 total funds, including \$67,332 General Fund, and 0.9 FTE to fund statewide enhancements of the child welfare screening, assessment, and fatality review processes.

**Developmental disabilities and behavioral health services gap analysis:** The appropriation includes an increase of \$50,000 General Fund to perform a gap analysis in the delivery of services to individuals with developmental disabilities and behavioral health issues.

**OIT staff transfer:** The appropriation reflects net budget neutral technical changes related to transfers of Governor's Office of Information Technology staff.

**Community provider rate:** The appropriation includes an increase of \$11,090 total funds, including \$2,307 General Fund, for the 2.0 percent community provider rate increase.

**Division of Youth Corrections realignment:** The appropriation includes a decrease of \$191,042 General Fund due to caseload changes in the Department's Division of Youth Corrections.

**Informational funds adjustment:** The appropriation includes a decrease of \$86,947 federal funds reflected in the Long Bill for informational purposes only.

**Annualize prior year funding:** The appropriation includes adjustments related to prior year legislation and budget actions.

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

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## Office of Information Technology Services

The Office of Information Technology Services (OITS) is responsible for developing and maintaining the major centralized computer systems of the Department, including systems that link to all counties in the state. The OITS supports centralized databases and provides support and training to users, including county staff and private social service providers. It also helps to set policies and strategic directions for de-centralized information technology systems that are operated by individual divisions within the Department. Major systems funded in this section of the budget include the Colorado Benefits Management System, the Colorado Financial Management System, and the Colorado Trails information system. The primary source of cash funds is the Old Age Pension Fund. The primary source of reappropriated funds is Medicaid funds transferred from the Department of Health Care Policy and Financing. Major sources of federal funds include Title IV-E of the Social Security Act and the Temporary Assistance for Needy Families block grant.

In FY 2010-11, all information technology staff in OITS were transferred to the Governor's Office of Information Technology (OIT) as part of the statewide consolidation of information technology staff resources. Services provided by OIT staff to the Department are now billed back to the Department through line items in this division.

### Office of Information Technology Services

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2012-13 Appropriation:</b>						
HB 12-1335	\$58,410,340	\$22,320,681	\$1,834,218	\$10,583,888	\$23,671,553	0.0
HB 12-1339	14,167,332	3,667,164	247,502	8,591,074	1,661,592	11.0
SB 13-091	9,192,678	(341,027)	1,740,965	8,223,409	(430,669)	0.0
SB 13-230	<u>49,989</u>	<u>24,995</u>	<u>0</u>	<u>0</u>	<u>24,994</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$81,820,339</b>	<b>\$25,671,813</b>	<b>\$3,822,685</b>	<b>\$27,398,371</b>	<b>\$24,927,470</b>	<b>11.0</b>
<b>FY 2013-14 Appropriation:</b>						
FY 2012-13 Appropriation	\$81,820,339	\$25,671,813	\$3,822,685	\$27,398,371	\$24,927,470	11.0
CBMS modernization project continuation	15,721,587	1,778,223	1,355,103	12,105,576	482,685	0.0
Behavioral health data system	480,000	288,000	0	0	192,000	0.0
Adult Protective Services system	250,000	250,000	0	0	0	0.0
Child care reporting module	131,620	0	0	0	131,620	0.0
Annualize prior year funding	(22,515,965)	(2,770,589)	(1,935,517)	(16,884,890)	(924,969)	0.0
Statewide IT common policy adjustments	(265,138)	390,648	(2,203)	119,931	(773,514)	0.0
OIT staff transfer	(157,615)	(157,615)	0	0	0	0.0
CBMS technical correction	(14,040)	0	0	(14,040)	0	0.0
<b>SB 13-230</b>	<b><u>\$75,450,788</u></b>	<b><u>\$25,450,480</u></b>	<b><u>\$3,240,068</u></b>	<b><u>\$22,724,948</u></b>	<b><u>\$24,035,292</u></b>	<b><u>11.0</u></b>
<b>TOTAL</b>	<b>\$75,450,788</b>	<b>\$25,450,480</b>	<b>\$3,240,068</b>	<b>\$22,724,948</b>	<b>\$24,035,292</b>	<b>11.0</b>
<b>Increase/(Decrease)</b>	<b>(\$6,369,551)</b>	<b>(\$221,333)</b>	<b>(\$582,617)</b>	<b>(\$4,673,423)</b>	<b>(\$892,178)</b>	<b>0.0</b>
Percentage Change	(7.8%)	(0.9%)	(15.2%)	(17.1%)	(3.6%)	0.0%

### FY 2012-13 Appropriation - Mid-year Adjustments

Senate Bills 13-091 and 13-230 modify FY 2012-13 appropriations in the following ways:

- Senate Bill 13-091 provides supplemental appropriations to the Department to modify FY 2012-13 appropriations included in H.B. 12-1339 to increase funding for the Colorado Benefits Management System (CBMS) modernization project; and
- Senate Bill 13-230 increases \$49,989 total funds, including \$24,995 General Fund, to modify the system supporting the Department's Division of Child Welfare and Division of Youth Corrections (Colorado Trails) to allow for the tracking of Title IV-E waiver activities and expenditures.



## FY 2013-14 Appropriation – S.B. 13-230 (Long Bill) Issue Descriptions

**CBMS modernization project continuation:** The appropriation includes \$15,721,587 total funds, including \$1,778,223 General Fund, to continue the Colorado Benefits Management System (CBMS) modernization project.

**Behavioral health data system:** The appropriation includes an increase of \$480,000 total funds, including \$288,000 General Fund, to develop a behavioral health data system to track patient outcomes and provider performance.

**Adult Protective Services system:** The appropriation includes an increase of \$250,000 General Fund to develop a data system to track services provided to at-risk adults.

**Child care reporting module:** The appropriation includes \$131,620 federal funds to add a reporting module to the Colorado Child Care Licensing System.

**Annualize prior year funding:** The appropriation includes adjustments related to prior year legislation and budget actions. Of this decrease, \$21.5 million total funds, including \$2.6 million General Fund, is due to the completion of the first phases of the CBMS modernization project.

**Statewide IT common policy adjustments:** The appropriation includes adjustments to line items appropriated for: purchase of services from the computer center; Colorado state network; management and administration of the Governor's Office of Information Technology (OIT); communication services payments; and information technology security.

**OIT staff transfer:** The appropriation includes a decrease of \$157,615 General Fund to make technical changes related to staffing levels and assignment of FTE and associated funding within the Governor's Office of Information Technology.

**CBMS technical correction:** The appropriation includes a decrease of \$14,040 reappropriated funds transferred from the Department of Health Care Policy and Financing for the ongoing operating and contract expenses of CBMS.

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## Office of Operations

This section of the budget contains appropriations for various central departmental functions, and incorporates four department units: Facilities Management, Accounting, Procurement, and Contract Management. The largest of these units, the Division of Facilities Management, is responsible for operating, cleaning, and maintaining an estimated 301 Department buildings and facilities, including ten youth correctional facilities, two state mental health institute campuses, and three regional centers for the developmentally disabled, in addition to Department office buildings. The Department's leased space, vehicle leases and facility utility costs are also managed by this division. The Division of Accounting manages all the Department's financial operations and resources, including payments to counties and service providers, overall accounts and controls over expenditures and revenues from multiple state and federal sources, and private party billing for the Department's various community and institutional programs. The Procurement Division purchases goods and services for the Department's programs, and operates warehouses and distribution centers for all departmental residential facilities. The Contract Management Unit is responsible for managing the contracting process in the Department including development, approval, and oversight of performance of all Department contracts.

Cash funds, reappropriated funds, and federal funds appropriated to this section of the budget are from indirect cost recoveries, among other sources. Reappropriated funds also include Medicaid funds transferred from the Department of Health Care Policy and Financing.

<b>Office of Operations</b>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2012-13 Appropriation:</b>						
HB 12-1335	\$40,153,271	\$23,060,940	\$3,208,611	\$9,307,364	\$4,576,356	441.9
HB 12-1246	39,619	29,704	0	9,915	0	0.0
SB 13-091	<u>1,652,214</u>	<u>1,652,214</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$41,845,104</b>	<b>\$24,742,858</b>	<b>\$3,208,611</b>	<b>\$9,317,279</b>	<b>\$4,576,356</b>	<b>441.9</b>
<b>FY 2013-14 Appropriation:</b>						
FY 2012-13 Appropriation	\$41,845,104	\$24,742,858	\$3,208,611	\$9,317,279	\$4,576,356	441.9
Increase in utilities	1,652,214	1,652,214	0	0	0	0.0
Centrally appropriated line items	361,819	274,043	9,520	15,920	62,336	0.0
Developmental disability program technical changes	86,613	0	86,613	0	0	2.0
Annualize prior year funding	(1,691,833)	(1,681,918)	0	(9,915)	0	0.0
Staff transfer	(120,849)	0	0	0	(120,849)	(2.0)
<b>SB 13-230</b>	<b><u>\$42,133,068</u></b>	<b><u>\$24,987,197</u></b>	<b><u>\$3,304,744</u></b>	<b><u>\$9,323,284</u></b>	<b><u>\$4,517,843</u></b>	<b><u>441.9</u></b>
<b>TOTAL</b>	<b>\$42,133,068</b>	<b>\$24,987,197</b>	<b>\$3,304,744</b>	<b>\$9,323,284</b>	<b>\$4,517,843</b>	<b>441.9</b>
<b>Increase/(Decrease)</b>	\$287,964	\$244,339	\$96,133	\$6,005	(\$58,513)	0.0
Percentage Change	0.7%	1.0%	3.0%	0.1%	(1.3%)	0.0%

### **FY 2012-13 Appropriation - Mid-year Adjustments**

Senate Bill 13-091 provides supplemental appropriations to the Department to modify FY 2012-13 appropriations included in the FY 2012-13 Long Bill (H.B. 12-1335) to increase funding for utilities.

### **FY 2013-14 Appropriation – S.B. 13-230 (Long Bill) Issue Descriptions**

**Increase in utilities:** The appropriation includes an increase of \$1,652,214 General Fund to meet anticipated utility bills associated with the operation of the Department's facilities

**Centrally appropriated line items:** The appropriation includes adjustments to centrally appropriated line items for the following: vehicle lease payments and payment to risk management and property funds.

**Developmental disability program technical changes:** The appropriation includes technical funding changes to align the Long Bill with the programmatic structure of the Department.

**Annualize prior year funding:** The appropriation includes adjustments related to prior year legislation and budget actions.

**Staff transfer:** The appropriation includes a transfer of \$120,849 federal funds and 2.0 FTE from the Office of Operations to the Office of Behavioral Health to correctly reflect FTE usage associated with the federal Substance Abuse Prevention and Treatment Block Grant.

## County Administration

This section contains appropriations for 64 county departments of social services to administer the following programs:

- Supplemental Nutrition Assistance Program (formerly called food stamps);
- Adult Cash Assistance Programs (except Old Age Pension);
- Adult Protection;
- Low Income Energy Assistance; and
- Child Support Enforcement.

Counties also administer the Colorado Works Program and the state's child welfare and child care assistance programs; however, associated administrative funding is currently appropriated as part of the Works Program (in the Office of Self Sufficiency), and in the Divisions of Child Welfare and Child Care, respectively. The County Administration section also includes appropriations to assist counties with high human services program costs relative to their county property tax bases. Cash funds sources in this section include retained child support collections, fraud refunds, and state revenue intercepts. Federal funds are from the U.S. Department of Agriculture for the Supplemental Nutrition Assistance Program and the Title XX Social Services Block Grant, among other sources.

County Administration						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2012-13 Appropriation:</b>						
HB 12-1335	\$62,930,385	\$22,237,964	\$17,235,512	\$0	\$23,456,909	0.0
SB 13-230	<u>762,511</u>	<u>762,511</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$63,692,896</b>	<b>\$23,000,475</b>	<b>\$17,235,512</b>	<b>\$0</b>	<b>\$23,456,909</b>	<b>0.0</b>
<b>FY 2013-14 Appropriation:</b>						
FY 2012-13 Appropriation	\$63,692,896	\$23,000,475	\$17,235,512	\$0	\$23,456,909	0.0
Food assistance administration	6,796,800	2,039,040	1,359,360	0	3,398,400	0.0
Tax base relief increase	1,697,803	1,697,803	0	0	0	0.0
Community provider rate	1,422,822	575,050	284,565	0	563,207	0.0
Adult protective services adjustments	(8,520,950)	(4,833,300)	(1,700,280)	0	(1,987,370)	0.0
Annualize prior year funding	(5,477,791)	(2,177,095)	(943,056)	0	(2,357,640)	0.0
<b>SB 13-230</b>	<b><u>\$59,611,580</u></b>	<b><u>\$20,301,973</u></b>	<b><u>\$16,236,101</u></b>	<b><u>\$0</u></b>	<b><u>\$23,073,506</u></b>	<b><u>0.0</u></b>

County Administration						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>TOTAL</b>	<b>\$59,611,580</b>	<b>\$20,301,973</b>	<b>\$16,236,101</b>	<b>\$0</b>	<b>\$23,073,506</b>	<b>0.0</b>
<b>Increase/(Decrease)</b>	(\$4,081,316)	(\$2,698,502)	(\$999,411)	\$0	(\$383,403)	0.0
Percentage Change	(6.4%)	(11.7%)	(5.8%)	0.0%	(1.6%)	0.0%

### **FY 2012-13 Appropriation - Mid-year Adjustments**

Senate Bill 13-230 provides an increase of \$762,511 General Fund to fully fund county tax base relief for Tier I counties in FY 2012-13.

### **FY 2013-14 Appropriation – S.B. 13-230 (Long Bill) Issue Descriptions**

**Food assistance administration:** The appropriation includes an increase of \$6,796,800 total funds (including \$2,039,040 General Fund) in FY 2013-14 to cover the administrative costs associated with projected increases in the food assistance caseload.

**Tax base relief increase:** The appropriation includes an increase of \$1,697,803 General Fund to fully fund county tax base relief for Tier I and II counties.

**Community provider rate:** The appropriation includes an increase of \$1,422,822 total funds (including \$575,050 General Fund) for a 2.5 percent community provider rate increase.

**Adult protective services adjustments:** The appropriation includes a reduction of \$8,520,950 total funds (including \$4,833,300 General Fund) related to adult protective services (APS). The decrease in County Administration is offset by a like increase in APS funding in two new line items within the Adult Assistance Programs section. This separation ensures that any additional funds provided will be spent on APS.

**Annualize prior year funding:** The appropriation includes adjustments related to prior year legislation and budget actions.

### **Division of Child Welfare**

This section provides funding for programs that protect children from harm and assist families in caring for and protecting their children. Over 97.0 percent of funding in this division is allocated to counties, which are responsible for administering child welfare services under the supervision of the Department. In FY 2010-11, 39,403 children were served in open child welfare cases. Reappropriated funds reflect Medicaid funds transferred from the Department of Health Care Policy and Financing. Cash funds include county tax revenues, excess federal Title IV-E reimbursements to counties that are deposited to a cash fund, docket fee revenues, and grants and donations. Federal fund sources include those available pursuant to Titles IV-B, IV-E, and XX of the Social Security Act, and the Child Abuse Prevention and Treatment Act.

Division of Child Welfare						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2012-13 Appropriation:</b>						
HB 12-1335	\$401,527,017	\$203,614,951	\$71,520,310	\$14,426,342	\$111,965,414	57.0
SB 13-230	336,901	3,105,435	0	0	(2,768,534)	0.9
HB 13-1271	<u>200,000</u>	<u>200,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$402,063,918</b>	<b>\$206,920,386</b>	<b>\$71,520,310</b>	<b>\$14,426,342</b>	<b>\$109,196,880</b>	<b>57.9</b>
<b>FY 2013-14 Appropriation:</b>						
FY 2012-13 Appropriation	\$402,063,918	\$206,920,386	\$71,520,310	\$14,426,342	\$109,196,880	57.9
Community provider rate	7,582,381	4,522,127	1,516,476	285,865	1,257,913	0.0
Prevention core services	6,133,671	6,133,671	0	0	0	0.0
SafeCare	2,201,150	2,201,150	0	0	0	1.0
Nurse family partnerships	1,534,134	1,534,134	0	0	0	0.9
Community-based abuse prevention	1,144,013	1,144,013	0	0	0	0.9
Mobile computing technology	723,000	600,090	0	0	122,910	0.0
Title IV-E waiver and evaluation	500,018	250,009	0	0	250,009	0.0
Workload study	468,555	388,901	0	0	79,654	0.0
Enhancing child protection practices	433,048	410,525	0	0	22,523	1.8
Enhanced training	309,937	247,950	0	0	61,987	0.0
Transparency enhancements	260,040	260,040	0	0	0	0.0
OIT staff transfer	139,960	139,960	0	0	0	1.8
Fund source adjustment	0	3,000,000	0	0	(3,000,000)	0.0
Annualize prior year funding	(3,536,901)	1,694,565	0	0	(5,231,466)	(0.9)
Revenue adjustment	(1,474,669)	0	(1,474,669)	0	0	0.0
<b>SB 13-230</b>	<b>\$418,482,255</b>	<b>\$229,447,521</b>	<b>\$71,562,117</b>	<b>\$14,712,207</b>	<b>\$102,760,410</b>	<b>63.4</b>
SB 13-047	26,200	19,650	0	0	6,550	0.0
SB 13-227	9,000	9,000	0	0	0	0.0
HB 13-1117	2,003,819	2,653,584	2,542,490	0	(3,192,255)	18.0
HB 13-1239	133,284	133,284	0	0	0	1.0
HB 13-1271	<u>529,800</u>	<u>529,800</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$421,184,358</b>	<b>\$232,792,839</b>	<b>\$74,104,607</b>	<b>\$14,712,207</b>	<b>\$99,574,705</b>	<b>82.4</b>
<b>Increase/(Decrease)</b>	\$19,120,440	\$25,872,453	\$2,584,297	\$285,865	(\$9,622,175)	24.5
Percentage Change	4.8%	12.5%	3.6%	2.0%	(8.8%)	42.3%

## **FY 2012-13 Appropriation - Mid-year Adjustments**

Senate Bill 13-230 and H.B. 13-1271 modify FY 2012-13 appropriations the following ways:

- Senate Bill 13-230 adds \$336,901 total funds (including an increase of \$3,105,435 General Fund and a decrease of \$2,768,534 million federal funds) and 0.9 FTE for child abuse prevention services; and
- House Bill 13-1271 adds \$200,000 General Fund and 0.9 FTE for consulting services and expert analysis on how to structure and operate a statewide child abuse reporting hotline.

## **FY 2013-14 Appropriation – S.B. 13-230 (Long Bill) Issue Descriptions**

**Community provider rate:** The appropriation includes an increase of \$7,582,381 total funds (including \$4,522,127 General Fund) for the 2.0 percent community provider rate increase.

**Prevention core services:** The appropriation includes an increase of \$6,133,671 General Fund for in-home family supports and prevention services provided through the Family and Children's Programs line item.

**SafeCare:** The appropriation includes an increase of \$2,201,150 General Fund and 1.0 FTE to fund prevention services for families at risk of entering the child welfare system by expanding the SafeCare program to nine sites throughout the State.

**Nurse family partnerships:** The appropriation includes an increase of \$1,534,134 General Fund and 0.9 FTE to augment the existing Nurse Family Partnership program and build a partnership with child welfare agencies and other child abuse prevention programs.

**Community-based abuse prevention:** The appropriation includes an increase of \$1,144,013 General Fund and 0.9 FTE for implementation of a community-based child abuse prevention services program in six initial sites.

**Mobile computing technology:** The appropriation includes an increase of \$723,000 total funds (including \$600,090 General Fund) to establish a departmental source of funds that counties may access for technology improvements and wireless data plans.

**Title IV-E waiver and evaluation:** The appropriation includes an increase of \$500,018 in total funds (including \$250,009 General Fund) for the development and evaluation costs related to the implementation of the federal Title IV-E Waiver.

**Workload study:** The appropriation includes a one-time appropriation of \$468,555 total funds (including \$388,901 General Fund) to evaluate workload for county department child welfare staff.

**Enhancing child protection practices:** The appropriation includes an increase of \$433,048 total funds (including \$410,525 General Fund) and 1.8 FTE to fund statewide enhancements of the child welfare screening, assessment, and fatality review practices.

**Enhanced training:** The appropriation includes an increase of \$309,937 total funds (including \$247,950 General Fund) to: (1) improve access to child welfare training by adopting a regional training model; (2) ensure that the Training Academy curriculum meets the current needs of the child welfare community; (3) provide

educational stipends to help recruit an educated workforce; and (4) expand the Training Academy course offerings to include training for first responders, mandatory reporters, and child abuse report screening staff.

**Transparency enhancements:** The appropriation includes an increase of \$260,040 General Fund to contract for a web-based service that makes child welfare and youth corrections data available to the Department, county departments, and the public on an on-going basis.

**OIT staff transfer:** The appropriation includes an increase of \$139,960 General Fund and 1.8 FTE to make technical changes related to staffing levels and assignment of FTE and associated funding within the Governor's Office of Information Technology.

**Fund source adjustment:** The appropriation includes an increase of \$3,000,000 General Fund offset by a decrease of \$3,000,000 federal TANF block grant dollars, for the Family and Children's Programs line item.

**Annualize prior year funding:** The appropriation includes adjustments related to prior year legislation and budget actions.

**Revenue adjustment:** The appropriation includes a decrease of \$1,474,669 cash funds related to lower revenue projections for Title IV-E spillover revenues and the Performance Incentive Cash Fund.

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

## Division of Child Care

This division included funding associated with the state supervision and the county administration of the Colorado Child Care Assistance Program (CCCAP). Through CCCAP, counties provide child care subsidies to low income families and families transitioning from the Colorado Works Program. House Bill 13-1117 eliminated the Division of Child Care and transferred the functions, personnel, and resources of the Division into a new Office of Early Childhood within the Department, effective July 1, 2013.

Division of Child Care						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2012-13 Appropriation:</b>						
HB 12-1335	\$88,224,361	\$15,844,153	\$9,973,446	\$0	\$62,406,762	66.4
HB 12-1246	<u>755</u>	<u>755</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$88,225,116</b>	<b>\$15,844,908</b>	<b>\$9,973,446</b>	<b>\$0</b>	<b>\$62,406,762</b>	<b>66.4</b>
<b>FY 2013-14 Appropriation:</b>						
FY 2012-13 Appropriation	\$88,225,116	\$15,844,908	\$9,973,446	\$0	\$62,406,762	66.4
Community provider rate	1,516,108	0	183,652	0	1,332,456	0.0
Annualize prior year funding	(755)	(755)	0	0	0	0.0
<b>SB 13-230</b>	<b>\$89,740,469</b>	<b>\$15,844,153</b>	<b>\$10,157,098</b>	<b>\$0</b>	<b>\$63,739,218</b>	<b>66.4</b>

Division of Child Care						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
HB 13-1117	(89,740,469)	(15,844,153)	(10,157,098)	0	(63,739,218)	(66.4)
<b>TOTAL</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
<b>Increase/(Decrease)</b>	(\$88,225,116)	(\$15,844,908)	(\$9,973,446)	\$0	(\$62,406,762)	(66.4)
Percentage Change	(100.0%)	(100.0%)	(100.0%)	0.0%	(100.0%)	(100.0%)

### FY 2013-14 Appropriation – S.B. 13-230 (Long Bill) Issue Descriptions

**Community provider rate:** The appropriation includes an increase of \$1,516,108 total funds for the 2.0 percent community provider rate increase.

**Annualize prior year funding:** The appropriation includes adjustments related to prior year legislation and budget actions.

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

### Office of Early Childhood

This division includes funding associated with the state supervision and the county administration of the Colorado Child Care Assistance Program (CCCAP). In addition, this division is responsible for licensing and monitoring child care facilities and for administering various early childhood and family support programs. Funding changes for each of these programs are described in the relevant subsections below.

Office of Early Childhood						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2012-13 Appropriation:</b>						
HB 13-1335	\$0	\$0	\$0	\$0	\$0	0.0
<b>TOTAL</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
<b>FY 2013-14 Appropriation:</b>						
SB 13-260	\$43,898	\$43,898	\$0	\$0	\$0	0.7
HB 13-1117	153,427,153	36,910,573	36,113,022	4,582,485	75,821,073	62.6
HB 13-1180	803,330	0	803,330	0	0	0.0
HB 13-1291	3,000,000	3,000,000	0	0	0	1.0
<b>TOTAL</b>	<b>\$157,274,381</b>	<b>\$39,954,471</b>	<b>\$36,916,352</b>	<b>\$4,582,485</b>	<b>\$75,821,073</b>	<b>64.3</b>
<b>Increase/(Decrease)</b>	<b>\$157,274,381</b>	<b>\$39,954,471</b>	<b>\$36,916,352</b>	<b>\$4,582,485</b>	<b>\$75,821,073</b>	<b>64.3</b>
Percentage Change	n/a	n/a	n/a	n/a	n/a	n/a



### *Division of Early Care and Learning*

This subsection of the Office of Early Childhood includes funding associated with the state supervision and the county administration of the Colorado Child Care Assistance Program (CCCAP). Through CCCAP, counties provide child care subsidies to low income families and families transitioning from the Colorado Works Program. An estimated 18,750 children per month received CCCAP assistance in FY 2011-12. This division is also responsible for licensing and monitoring child care facilities and for administering various early childhood grant programs. Cash fund sources reflect local funds as well as fees and fines paid by child care facilities. The primary federal funds source is Child Care Development funds.

<i>Division of Early Care and Learning</i>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2012-13 Appropriation:</b>						
HB 13-1335	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
<b>FY 2013-14 Appropriation:</b>						
FY 2012-13 Appropriation	\$0	\$0	\$0	\$0	\$0	0.0
SB 13-260	43,898	43,898	0	0	0	0.7
HB 13-1117	90,818,832	14,644,418	11,221,258	0	64,953,156	50.4
HB 13-1291	<u>3,000,000</u>	<u>3,000,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1.0</u>
<b>TOTAL</b>	<b>\$93,862,730</b>	<b>\$17,688,316</b>	<b>\$11,221,258</b>	<b>\$0</b>	<b>\$64,953,156</b>	<b>52.1</b>
<b>Increase/(Decrease)</b>	\$93,862,730	\$17,688,316	\$11,221,258	\$0	\$64,953,156	52.1
Percentage Change	n/a	n/a	n/a	n/a	n/a	n/a

### **FY 2013-14 Appropriation – S.B. 13-230 (Long Bill) Issue Descriptions**

**No Changes:** The appropriation does not contain changes from the FY 2012-13 Appropriation.

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

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### *Division of Community and Family Support*

This subsection of the Office of Early Childhood includes funding for various early childhood family support programs such as the Nurse Home Visitor program and the Tony Grampsas Youth Services program. Cash fund sources include local funds, the Early Intervention Services Trust Fund, the Colorado Children's Trust Fund, and the Nurse Home Visitor Program Fund. Federal funds are primarily Child Care Development funds and funds received pursuant to Part C of the federal Individuals with Disabilities Education Improvement Act.

<i>Division of Community and Family Support</i>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2012-13 Appropriation:</b>						
HB 13-1335	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
<b>FY 2013-14 Appropriation:</b>						
FY 2012-13 Appropriation	\$0	\$0	\$0	\$0	\$0	0.0
HB 13-1117	62,608,321	22,266,155	24,891,764	4,582,485	10,867,917	12.2
HB 13-1180	<u>803,330</u>	<u>0</u>	<u>803,330</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$63,411,651</b>	<b>\$22,266,155</b>	<b>\$25,695,094</b>	<b>\$4,582,485</b>	<b>\$10,867,917</b>	<b>12.2</b>
<b>Increase/(Decrease)</b>	\$63,411,651	\$22,266,155	\$25,695,094	\$4,582,485	\$10,867,917	12.2
Percentage Change	n/a	n/a	n/a	n/a	n/a	n/a

### **FY 2013-14 Appropriation – S.B. 13-230 (Long Bill) Issue Descriptions**

**No Changes:** The appropriation does not contain changes from the FY 2012-13 Appropriation.

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

### **Office of Self Sufficiency**

This section contains appropriations for cash assistance programs for specific populations, including the Colorado Works program, the Low-income Energy Assistance Program (LEAP), child support enforcement, and disability determination programs. Funding changes for each of these programs are described in the relevant subsections below.

<b>Office of Self Sufficiency</b>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2012-13 Appropriation:</b>						
HB 12-1335	\$298,956,977	\$5,376,412	\$29,314,308	\$33,951	\$264,232,306	245.2
SB 13-091	<u>302,916</u>	<u>1,651,000</u>	<u>0</u>	<u>0</u>	<u>(1,348,084)</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$299,259,893</b>	<b>\$7,027,412</b>	<b>\$29,314,308</b>	<b>\$33,951</b>	<b>\$262,884,222</b>	<b>245.2</b>
<b>FY 2013-14 Appropriation:</b>						
SB 13-230	\$296,016,539	\$5,376,412	\$29,614,308	\$33,951	\$260,991,868	245.2
SB 13-194	(118,272)	0	(118,272)	0	0	(1.5)
HB 13-1004	<u>2,400,000</u>	<u>2,400,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2.0</u>

<b>Office of Self Sufficiency</b>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>TOTAL</b>	<b>\$298,298,267</b>	<b>\$7,776,412</b>	<b>\$29,496,036</b>	<b>\$33,951</b>	<b>\$260,991,868</b>	<b>245.7</b>
<b>Increase/(Decrease)</b>	(\$961,626)	\$749,000	\$181,728	\$0	(\$1,892,354)	0.5
Percentage Change	(0.3%)	10.7%	0.6%	0.0%	(0.7%)	0.2%

### *Administration*

This subsection of the Office of Self Sufficiency includes the State's share of administrative funding for self sufficiency programs. The primary federal funds source is Temporary Assistance for Needy Families (TANF) funds.

<b>Administration</b>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2012-13 Appropriation:</b>						
HB 12-1335	<u>\$1,755,982</u>	<u>\$773,132</u>	<u>\$0</u>	<u>\$0</u>	<u>\$982,850</u>	<u>22.0</u>
<b>TOTAL</b>	<b>\$1,755,982</b>	<b>\$773,132</b>	<b>\$0</b>	<b>\$0</b>	<b>\$982,850</b>	<b>22.0</b>
<b>FY 2013-14 Appropriation:</b>						
FY 2012-13 Appropriation	\$1,755,982	\$773,132	\$0	\$0	\$982,850	22.0
<b>SB 13-230</b>	<b><u>1,755,982</u></b>	<b><u>773,132</u></b>	<b><u>0</u></b>	<b><u>0</u></b>	<b><u>982,850</u></b>	<b><u>22.0</u></b>
<b>TOTAL</b>	<b>\$1,755,982</b>	<b>\$773,132</b>	<b>\$0</b>	<b>\$0</b>	<b>\$982,850</b>	<b>22.0</b>
<b>Increase/(Decrease)</b>	\$0	\$0	\$0	\$0	\$0	0.0
Percentage Change	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

### **FY 2013-14 Appropriation – S.B. 13-230 (Long Bill) Issue Descriptions**

**No Changes:** The appropriation does not contain changes from the FY 2012-13 Appropriation.

### *Colorado Works Program*

This subsection of the Office of Self Sufficiency provides funding for the Colorado Works Program. This is a state-supervised, county-administered program, through which counties provide cash and other benefits and services intended to promote sustainable employment for low income families with children. Counties are projected to provide basic cash assistance for an average monthly caseload of 16,000 families in FY 2012-13. The primary source of funding for Colorado Works is federal Temporary Assistance for Needy Families (TANF) funds. Cash funds sources for this division include county tax revenues, as well as the state and county shares of retained child support collections and refunds. Counties are authorized to retain a balance in their TANF accounts at the end of each fiscal year of up to 40.0 percent of their annual Colorado Works allocation.

<i>Colorado Works Program</i>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2012-13 Appropriation:</b>						
HB 12-1335	\$194,571,165	\$0	\$23,551,484	\$0	\$171,019,681	22.7
SB 13-091	<u>(1,348,084)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(1,348,084)</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$193,223,081</b>	<b>\$0</b>	<b>\$23,551,484</b>	<b>\$0</b>	<b>\$169,671,597</b>	<b>22.7</b>
<b>FY 2013-14 Appropriation:</b>						
FY 2012-13 Appropriation	\$193,223,081	\$0	\$23,551,484	\$0	\$169,671,597	22.7
Annualize prior year funding	1,348,084	0	0	0	1,348,084	0.0
Adjust county TANF reserve balances	(1,348,084)	0	0	0	(1,348,084)	0.0
<b>SB 13-230</b>	<b>\$193,223,081</b>	<b>\$0</b>	<b>\$23,551,484</b>	<b>\$0</b>	<b>\$169,671,597</b>	<b>22.7</b>
HB 13-1004	<u>2,400,000</u>	<u>2,400,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2.0</u>
<b>TOTAL</b>	<b>\$195,623,081</b>	<b>\$2,400,000</b>	<b>\$23,551,484</b>	<b>\$0</b>	<b>\$169,671,597</b>	<b>24.7</b>
<b>Increase/(Decrease)</b>	\$2,400,000	\$2,400,000	\$0	\$0	\$0	2.0
Percentage Change	1.2%	0.0%	0.0%	0.0%	0.0%	8.8%

### **FY 2012-13 Appropriation - Mid-year Adjustments**

Senate Bill 13-091 reduces the FY 2012-13 appropriations to the County Temporary Assistance for Needy Families (TANF) reserves for Colorado Works, Child Welfare, and Child Care Programs line item by \$1,348,084 federal funds. This adjustment reflected the actual balance of county-controlled reserves of TANF funding as of September 30, 2012.

### **FY 2013-14 Appropriation – S.B. 13-230 (Long Bill) Issue Descriptions**

**Annualize prior year funding:** The appropriation includes adjustments related to prior year legislation and budget actions.

**Adjust county TANF reserve balances:** The appropriation decreases the amount of federal funds reflected for FY 2013-14 in the County Temporary Assistance for Needy Families (TANF) reserves for Colorado Works, Child Welfare, and Child Care Programs line item by \$1,348,084 federal funds to reflect the actual balance in county controlled reserves as of September 30, 2012.

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

### *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 includes funding for Systematic Alien Verification for Eligibility (SAVE) and the Electronic Benefits Transfer Service (EBTS) systems.

Cash funds sources include: fees paid by agencies participating in the food distribution program, county matching funds, funds from Energy Outreach Colorado for energy assistance, other local funds, and in-kind donations. Reappropriated funds include transfers from the Department of Health Care Policy and Financing for SAVE services. Federal funds are from the Office of Energy Assistance, the U.S. Department of Agriculture, the Temporary Assistance to Needy Families block grant, and various other sources.

	<b><i>Special Purpose Welfare Programs</i></b>					
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2012-13 Appropriation:</b>						
HB 12-1335	\$71,521,668	\$1,303,024	\$4,971,065	\$33,951	\$65,213,628	37.4
SB 13-091	<u>1,651,000</u>	<u>1,651,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$73,172,668</b>	<b>\$2,954,024</b>	<b>\$4,971,065</b>	<b>\$33,951</b>	<b>\$65,213,628</b>	<b>37.4</b>
<b>FY 2013-14 Appropriation:</b>						
FY 2012-13 Appropriation	\$73,172,668	\$2,954,024	\$4,971,065	\$33,951	\$65,213,628	37.4
Annualize prior year funding	(1,651,000)	(1,651,000)	0	0	0	0.0
Informational funds adjustment	(1,592,354)	0	300,000	0	(1,892,354)	0.0
<b>SB 13-230</b>	<b>\$69,929,314</b>	<b>\$1,303,024</b>	<b>\$5,271,065</b>	<b>\$33,951</b>	<b>\$63,321,274</b>	<b>37.4</b>
SB 13-194	<u>(118,272)</u>	<u>0</u>	<u>(118,272)</u>	<u>0</u>	<u>0</u>	<u>(1.5)</u>
<b>TOTAL</b>	<b>\$69,811,042</b>	<b>\$1,303,024</b>	<b>\$5,152,793</b>	<b>\$33,951</b>	<b>\$63,321,274</b>	<b>35.9</b>
<b>Increase/(Decrease)</b>	<b>(\$3,361,626)</b>	<b>(\$1,651,000)</b>	<b>\$181,728</b>	<b>\$0</b>	<b>(\$1,892,354)</b>	<b>(1.5)</b>
Percentage Change	(4.6%)	(55.9%)	3.7%	0.0%	(2.9%)	(4.0%)

### **FY 2012-13 Appropriation - Mid-year Adjustments**

Senate Bill 13-091 provides a supplemental appropriation of \$1,651,000 General Fund in FY 2012-13 to hire a vendor for business process reengineering best practices in eighteen county offices that administer Food Assistance, TANF, and Adult Financial Programs.

### **FY 2013-14 Appropriation – S.B. 13-230 (Long Bill) Issue Descriptions**

**Annualize prior year funding:** The appropriation includes adjustments related to prior year legislation and budget actions.

**Informational funds adjustment:** The appropriation includes a reduction of \$1,592,354 total funds for the Low Income Energy Assistance Program reflected in the Long Bill for informational purposes only.

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

### *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, and track collection efforts, and for the personnel and operating costs of several related administrative programs. An estimated \$326 million in child support payments were collected through county child support enforcement programs in FY 2011-12. Cash funds are from the Family Support Registry Fund and from retained child support collections and fraud refunds. Federal funds are from Title IV-D of the Social Security Act.

	<i>Child Support Enforcement</i>					
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2012-13 Appropriation:</b>						
HB 12-1335	<u>\$11,206,024</u>	<u>\$3,300,256</u>	<u>\$791,759</u>	<u>\$0</u>	<u>\$7,114,009</u>	<u>41.4</u>
<b>TOTAL</b>	<b>\$11,206,024</b>	<b>\$3,300,256</b>	<b>\$791,759</b>	<b>\$0</b>	<b>\$7,114,009</b>	<b>41.4</b>
<b>FY 2013-14 Appropriation:</b>						
FY 2012-13 Appropriation	\$11,206,024	\$3,300,256	\$791,759	\$0	\$7,114,009	41.4
<b>SB 13-230</b>	<b><u>\$11,206,024</u></b>	<b><u>\$3,300,256</u></b>	<b><u>\$791,759</u></b>	<b><u>\$0</u></b>	<b><u>\$7,114,009</u></b>	<b><u>41.4</u></b>
<b>TOTAL</b>	<b>\$11,206,024</b>	<b>\$3,300,256</b>	<b>\$791,759</b>	<b>\$0</b>	<b>\$7,114,009</b>	<b>41.4</b>
<b>Increase/(Decrease)</b>	\$0	\$0	\$0	\$0	\$0	0.0
<b>Percentage Change</b>	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

### **FY 2013-14 Appropriation – S.B. 13-230 (Long Bill) Issue Descriptions**

**No Changes:** The appropriation does not contain changes from the FY 2012-13 Appropriation.

### *Disability Determination Services*

This subsection of the Office of Self Sufficiency provides medical disability decisions to the federal Social Security Administration for Colorado residents applying for federal Social Security Disability Insurance and Supplemental Security Income programs. Federal funding for this program is from the Social Security Administration.

<i>Disability Determination Services</i>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2012-13 Appropriation:</b>						
HB 12-1335	<u>\$19,902,138</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$19,902,138</u>	<u>121.7</u>
<b>TOTAL</b>	<b>\$19,902,138</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$19,902,138</b>	<b>121.7</b>
<b>FY 2013-14 Appropriation:</b>						
FY 2012-13 Appropriation	\$19,902,138	\$0	\$0	\$0	\$19,902,138	121.7
<b>SB 13-230</b>	<b><u>\$19,902,138</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$19,902,138</u></b>	<b><u>121.7</u></b>
<b>TOTAL</b>	<b>\$19,902,138</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$19,902,138</b>	<b>121.7</b>
<b>Increase/(Decrease)</b>	\$0	\$0	\$0	\$0	\$0	0.0
Percentage Change	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

### **FY 2013-14 Appropriation – S.B. 13-230 (Long Bill) Issue Descriptions**

**No Changes:** The appropriation does not contain changes from the FY 2012-13 Appropriation.

### **Behavioral Health Services**

The delivery of mental health and substance abuse services by the Department of Human Services is primarily carried out by the Office of Behavioral Health, including the Division of Behavioral Health (consisting of mental health and substance abuse community programs) and the Mental Health Institute Division (operation of two mental health institutes at Fort Logan and Pueblo).

<b>Behavioral Health Services</b>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2012-13 Appropriation:</b>						
HB 12-1335	\$197,911,192	\$130,910,246	\$18,134,945	\$13,430,009	\$35,435,992	1,230.0
HB 12-1246	539,558	539,558	0	0	0	0.0
HB 12-1310	0	0	(1,270,616)	1,270,616	0	0.0
SB 13-091	<u>(267,669)</u>	<u>144,118</u>	<u>505,318</u>	<u>(917,105)</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$198,183,081</b>	<b>\$131,593,922</b>	<b>\$17,369,647</b>	<b>\$13,783,520</b>	<b>\$35,435,992</b>	<b>1,230.0</b>
<b>FY 2013-14 Appropriation:</b>						
FY 2012-13 Appropriation	\$198,183,081	\$131,593,922	\$17,369,647	\$13,783,520	\$35,435,992	1,230.0
Additional behavioral health community services	4,348,300	4,348,300	0	0	0	0.0
Jail-based mental health restoration program	2,054,819	2,054,819	0	0	0	0.9

<b>Behavioral Health Services</b>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
Community provider rate	1,240,648	1,190,254	12,904	37,490	0	0.0
Correctional treatment fund increase	1,193,890	0	0	1,193,890	0	0.0
Additional school-based mental health services	1,163,876	1,163,876	0	0	0	0.0
Mental health institute treatment modernization	856,709	856,709	0	0	0	6.4
Additional co-occurring behavioral health services	500,000	500,000	0	0	0	0.0
Staff transfer	120,849	0	0	0	120,849	2.0
Mental health institute revenue adjustment	0	411,787	505,318	(917,105)	0	0.0
Reductions based on projected expenditures	(1,017,212)	0	0	(600,000)	(417,212)	(4.5)
Annualize prior year funding	(336,058)	(683,676)	(505,318)	852,936	0	(0.1)
Tobacco settlement revenue adjustment	(13,730)	0	(13,730)	0	0	0.0
<b>SB 13-230</b>	<b>\$208,295,172</b>	<b>\$141,435,991</b>	<b>\$17,368,821</b>	<b>\$14,350,731</b>	<b>\$35,139,629</b>	<b>1,234.7</b>
SB 13-173	70,000	0	0	70,000	0	0.0
SB 13-200	(651,875)	(651,875)	0	0	0	0.0
SB 13-266	19,792,028	19,792,028	0	0	0	0.9
HB 13-1117	<u>(2,355,399)</u>	<u>(2,355,399)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(0.2)</u>
<b>TOTAL</b>	<b>\$225,149,926</b>	<b>\$158,220,745</b>	<b>\$17,368,821</b>	<b>\$14,420,731</b>	<b>\$35,139,629</b>	<b>1,235.4</b>
<b>Increase/(Decrease)</b>	\$26,966,845	\$26,626,823	(\$826)	\$637,211	(\$296,363)	5.4
Percentage Change	13.6%	20.2%	(0.0%)	4.6%	(0.8%)	0.4%

### **FY 2012-13 Appropriation - Mid-year Adjustments**

Senate Bill 13-091 provides supplemental appropriations to the Division to modify FY 2012-13 appropriations included in the FY 2012-13 Long Bill (H.B. 12-1335) to align with patient revenue received by the two mental health institutes.

### **FY 2013-14 Appropriation – S.B. 13-230 (Long Bill) Issue Descriptions**

**Additional behavioral health community services:** The appropriation includes an increase of \$4,348,300 General Fund for community mental health centers to provide additional assertive community treatment, intensive case management, housing vouchers, and residential options for individuals requiring protective oversight and personal services.



**Jail-based mental health restoration program:** The appropriation includes an increase of \$2,054,819 General Fund and 0.9 FTE to contract for the creation of a 20 bed, jail-based restoration to competency to stand trial program.

**Community provider rate:** The appropriation includes an increase of \$1,240,819 total funds, including \$1,190,254 General Fund, for the 2.0 percent community provider rate increase.

**Correctional treatment fund increase:** The appropriation includes an increase of \$1,193,890 reappropriated funds transferred from the Judicial Department for jail-based behavioral health services.

**Additional school-based mental health services:** The appropriation includes an increase of \$1,163,876 General Fund to increase community behavioral health resources in schools.

**Mental health institute treatment modernization:** The appropriation includes an increase of \$856,709 General Fund and 6.4 FTE to implement trauma informed care best practices at the State's two mental health institutes.

**Additional co-occurring behavioral health services:** The appropriation includes an increase of \$500,000 General Fund to increase community capacity for treatment for individuals with co-occurring mental health and substance use disorder issues.

**Staff transfer:** The appropriation includes a transfer of \$120,849 federal funds and 2.0 FTE from the Office of Operations to the Office of Behavioral Health to correctly reflect FTE usage associated with the federal Substance Abuse Prevention and Treatment Block Grant.

**Mental health institute revenue adjustment:** The appropriation includes a net zero refinance of prior-year appropriations based on the projected source of payment for patients at the State's two mental health institutes.

**Reductions based on projected expenditures:** The appropriation includes a reduction of \$1,017,212 total funds and 4.5 FTE based on a decrease in use of the substance use disorder Medicaid benefit for high-risk pregnant women and the projected availability of federal grants for behavioral health.

**Annualize prior year funding:** The appropriation includes adjustments related to prior year legislation and budget actions.

**Tobacco settlement revenue adjustment:** The appropriation reflects a decrease in the amount of tobacco litigation settlement dollars that the state is anticipated to receive for FY 2013-14.

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

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## Services for People with Disabilities

This division includes funding for Community Services for People with Developmental Disabilities, Regional Centers for People with Developmental Disabilities, the Work Therapy Program, the Division of Vocational Rehabilitation, and Homelake Domiciliary and the State Veterans Nursing Homes.

Services for People with Disabilities						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2012-13 Appropriation:</b>						
HB 12-1335	\$563,464,024	\$36,832,306	\$73,884,338	\$396,319,457	\$56,427,923	1,719.8
SB 13-091	356,428	0	0	356,428	0	0.0
SB 13-167	1,866,611	0	0	1,866,611	0	0.0
SB 13-230	5,501,913	1,171,907	0	0	4,330,006	0.0
HB 12-1063	2,500	0	2,500	0	0	0.0
HB 12-1246	189,534	5,004	0	184,530	0	0.0
HB 12-1342	<u>467,116</u>	<u>0</u>	<u>467,116</u>	<u>0</u>	<u>0</u>	<u>1.5</u>
<b>TOTAL</b>	<b>\$571,848,126</b>	<b>\$38,009,217</b>	<b>\$74,353,954</b>	<b>\$398,727,026</b>	<b>\$60,757,929</b>	<b>1,721.3</b>
<b>FY 2013-14 Appropriation:</b>						
SB 13-230	615,309,388	43,842,696	79,367,782	432,805,404	59,293,506	1,719.3
SB 13-040	99,575	99,575	0	0	0	0.0
SB 13-167	1,867,133	0	0	1,867,133	0	0.0
HB 13-1117	<u>(43,430,541)</u>	<u>(19,910,756)</u>	<u>(10,895,900)</u>	<u>(4,582,485)</u>	<u>(8,041,400)</u>	<u>(6.5)</u>
<b>TOTAL</b>	<b>\$573,845,555</b>	<b>\$24,031,515</b>	<b>\$68,471,882</b>	<b>\$430,090,052</b>	<b>\$51,252,106</b>	<b>1,712.8</b>
<b>Increase/(Decrease)</b>	\$1,997,429	(\$13,977,702)	(\$5,882,072)	\$31,363,026	(\$9,505,823)	(8.5)
Percentage Change	0.3%	(36.8%)	(7.9%)	7.9%	(15.6%)	(0.5%)

### *Community Services for People with Developmental Disabilities*

This subdivision provides funding for the three home and community based waivers for individuals with developmental disabilities. Services available through these waivers are provided by private, community-based providers for the majority of individuals with intellectual and developmental disabilities receiving Medicaid waiver services. The remaining developmental disabled population is served by the state-operated Regional Centers, which are funded in the next subdivision.

Nonprofit Community Centered Boards (CCBs) are designated as the point of entry for individuals with developmental disabilities seeking waiver services. CCBs are responsible for determining eligibility, providing case management, service coordination in their service region, and delivery of services through either direct means or through the purchase of services from non-CCB providers. The primary source of funding for this subdivision is Medicaid reappropriated funds. These funds originate as a combination of General Fund and federal funds in the Department of Health Care Policy and Financing and are transferred to this Department.

<i>Community Services for People with Developmental Disabilities</i>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2012-13 Appropriation:</b>						
HB 12-1335	\$414,943,209	\$30,202,743	\$34,310,413	\$343,399,839	\$7,030,214	42.5
HB 12-1246	3,458	150	0	3,308	0	0.0
SB 13-091	<u>356,428</u>	<u>0</u>	<u>0</u>	<u>356,428</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$415,303,095</b>	<b>\$30,202,893</b>	<b>\$34,310,413</b>	<b>\$343,759,575</b>	<b>\$7,030,214</b>	<b>42.5</b>
<b>FY 2013-14 Appropriation:</b>						
FY 2012-13 Appropriation	\$415,303,095	\$30,202,893	\$34,310,413	\$343,759,575	\$7,030,214	42.5
Community provider rate	14,982,577	1,196,193	0	13,786,384	0	0.0
New developmental disabilities FPE	13,521,009	0	0	13,521,009	0	0.0
Informational funds adjustment	8,485,643	0	7,474,457	0	1,011,186	0.0
Colorado Choice Transitions Program	5,436,149	0	0	5,436,149	0	0.0
Annualize prior year funding	3,669,179	(150)	0	3,669,329	0	0.0
Waiting list and eligibility determination	3,072,676	3,072,676	0	0	0	0.0
Early intervention services funding	2,892,543	2,191,837	0	700,706	0	0.0
Case management base adjustment for early intervention services	880,289	0	0	880,289	0	0.0
Developmental disability program technical changes	215,119	0	(86,613)	301,732	0	(2.0)
<b>SB 13-230</b>	<b>\$468,458,279</b>	<b>\$36,663,449</b>	<b>\$41,698,257</b>	<b>\$382,055,173</b>	<b>\$8,041,400</b>	<b>40.5</b>
HB 13-1117	(43,430,541)	(19,910,756)	(10,895,900)	(4,582,485)	(8,041,400)	(6.5)
HB 13-1314	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$425,027,738</b>	<b>\$16,752,693</b>	<b>\$30,802,357</b>	<b>\$377,472,688</b>	<b>\$0</b>	<b>34.0</b>
<b>Increase/(Decrease)</b>	<b>\$9,724,643</b>	<b>(\$13,450,200)</b>	<b>(\$3,508,056)</b>	<b>\$33,713,113</b>	<b>(\$7,030,214)</b>	<b>(8.5)</b>
Percentage Change	2.3%	(44.5%)	(10.2%)	9.8%	(100.0%)	(20.0%)

Note: The Reappropriated Funds amounts reflected in this section of the budget include Medicaid funds transferred from the Department of Health Care Policy and Financing (HCPF).

### **FY 2012-13 Appropriation - Mid-year Adjustments**

Senate Bill 13-091 modifies FY 2012-13 appropriations to add funding for seventeen full program equivalents for individuals transiting from nursing facilities and regional centers to community settings under the Colorado Choice Transitions Program.

## FY 2013-14 Appropriation – S.B. 13-230 (Long Bill) Issue Descriptions

**Community provider rate:** The appropriation includes an increase of \$14,982,577 total funds for a 4.0 percent community provider rate increase.

**New developmental disabilities FPE:** The appropriation includes \$13,521,009 Medicaid reappropriated funds to add 765 new full program equivalents (FPE). The following table summarizes the new FPE funded in FY 2013-14.

FY 2013-14 Funding for New Developmental Disabilities Full Program Equivalents			
Waiver	Title	Description	FPE
HCBS-DD	Foster Care Transitions	FPEs for youth who turn 21 years of age during FY 2013-14 who require comprehensive waiver services.	50
HCBS-DD	Comprehensive Emergencies	FPEs to be allocated to CCBs who have individuals experiencing unforeseen circumstances which force the individual into needing comprehensive services.	40
HCBS-DD	High-risk Waiting List	FPEs for individuals who are categorized as a high risk individual on the waiting list.	93
HCBS-DD	Dually Diagnosed Individuals	Five FPEs to transition individuals out of Regional Centers to make room for five dually-diagnosed individuals who have completed treatment at the Mental Health Institutes	5
<i>Subtotal HCBS-DD</i>			188
HCBS-SLS	Children's Extensive Services Age Outs	FPEs for children turning 18 years old during FY 13-14 who are currently receiving services and require supported living services.	38
HCBS-SLS	High-risk Waiting List	FPEs for adults on the Supported Living Services waiting list who are categorized as high risk.	7
<i>Subtotal HCBS-SLS</i>			45
HCBS-CES	Children's Slots	FPEs for all children on the current waiting list and for children projected to be added to the waiting list by the end of FY 2013-14.	532
<b>Total FY 2013-14 New FPE</b>			<b>765</b>

**Informational funds adjustment:** The appropriation includes an increase of cash funds and \$1,011,186 federal funds reflected in the Long Bill for informational purposes only.

**Colorado Choice Transitions Program:** The appropriation includes additional Medicaid reappropriated funds to transition 47 individuals out of nursing facilities into community settings and to transition 16 individuals out of Regional Centers into community settings.

**Annualize prior year funding:** The appropriation includes adjustments related to prior year legislation and budget actions.

**Waiting list and eligibility determination:** The appropriation includes additional General Fund for functions performed by Community Center Boards related to determining waiver eligibility and managing the waiting list.

**Early intervention services funding:** The appropriation includes an increase to funding for early intervention services and case management based on a projected increase in the number of infants and toddlers under the age of three who are eligible for early intervention services.

**Case management base adjustment for early intervention services:** The appropriation includes an increase of Medicaid reappropriated funds for early intervention case management services performed by Community Center Boards.

**Developmental disabilities program technical changes:** The appropriation includes technical funding changes to align the Long Bill with the programmatic structure of the Department.

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

### *Regional Centers for People with Developmental Disabilities*

The State operates three facilities for individuals with developmental disabilities, known as Regional Centers, in Grand Junction, Wheat Ridge, and Pueblo, and provides services through two different settings: through residential and support services in large congregate settings on campus at the Grand Junction and Wheat Ridge centers; and through group homes that provide services to 4-6 people per home in a community setting. The primary source of funding for this subdivision is Medicaid reappropriated funds. These funds originate as a combination of General Fund and federal funds in the Department of Health Care Policy and Financing and are transferred to this Department.

<i>Regional Centers for People with Developmental Disabilities</i>						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2012-13 Appropriation:</b>						
HB 12-1335	\$49,948,013	\$85,809	\$2,060,389	\$47,801,815	\$0	887.6
HB 12-1246	181,222	0	0	181,222	0	0.0
SB 13-167	<u>1,866,611</u>	<u>0</u>	<u>0</u>	<u>1,866,611</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$51,995,846</b>	<b>\$85,809</b>	<b>\$2,060,389</b>	<b>\$49,849,648</b>	<b>\$0</b>	<b>887.6</b>
<b>FY 2013-14 Appropriation:</b>						
FY 2012-13 Appropriation	\$51,995,846	\$85,809	\$2,060,389	\$49,849,648	\$0	887.6
ICF/IID Provider Fee	(1,867,655)	0	0	(1,867,655)	0	0.0
Developmental disability program technical changes	(301,732)	0	0	(301,732)	0	0.0
Annualize prior year funding	(181,222)	0	0	(181,222)	0	0.0
<b>SB 13-230</b>	<b>\$47,778,626</b>	<b>\$85,809</b>	<b>\$2,060,389</b>	<b>\$45,632,428</b>	<b>\$0</b>	<b>887.6</b>
SB 13-167	<u>1,867,133</u>	<u>0</u>	<u>0</u>	<u>1,867,133</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$49,645,759</b>	<b>\$85,809</b>	<b>\$2,060,389</b>	<b>\$47,499,561</b>	<b>\$0</b>	<b>887.6</b>

<i>Regional Centers for People with Developmental Disabilities</i>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>Increase/(Decrease)</b>	(\$2,350,087)	\$0	\$0	(\$2,350,087)	\$0	(0.0)
Percentage Change	(4.5%)	0.0%	0.0%	(4.7%)	0.0%	(0.0%)

Note: The Reappropriated Funds amounts reflected in this section of the budget include Medicaid funds transferred from the Department of Health Care Policy and Financing (HCPF).

### **FY 2012-13 Appropriation - Mid-year Adjustments**

S.B. 13-167 modified FY 2012-13 appropriations to retroactively restore the Intermediate Care Facility for Individuals with Intellectual and Developmental Disabilities (ICF/IID) provider fee in FY 2012-13.

### **FY 2013-14 Appropriation – S.B. 13-230 (Long Bill) Issue Descriptions**

**ICF/IID provider fee:** The appropriation eliminates funding for the Intermediate Care Facilities for Individuals with Intellectual Disabilities (ICF/IID) provider fee based on required statutory changes to the provider fee. Senate Bill 13-167 contains the FY 2013-14 appropriation for the ICF/IID provider fee.

**Developmental disabilities program technical changes:** The appropriation includes technical funding changes to align the Long Bill with the programmatic structure of the Department.

**Annualize prior year funding:** The appropriation includes adjustments related to prior year legislation and budget actions.

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

### *Work Therapy Program*

This subdivision funds the Work Therapy Program which provides sheltered training and employment workshops for individuals receiving services at the Colorado Mental Health Institute at Fort Logan and the three regional centers. These workshops employ approximately 300 individuals, of which 200 are clients at regional centers and 100 are clients at Fort Logan. Approximately 65.0 percent of the cash funds are from the work completed by regional center clients and 35.0 percent of the cash funds are from work completed by Fort Logan clients. Created in H.B. 12-1342, the Work Therapy Cash Fund is the funding source for this subdivision and receives revenue from contracts with area businesses and organizations for custodial services, printing, packaging, mailing, and other types of manual processing that can be performed by program clients. Enrolled clients are paid from funds received in proportion to the work performed.

<b>Work Therapy Program</b>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2012-13 Appropriation:</b>						
HB 12-1335	\$0	\$0	\$0	\$0	\$0	0.0
HB 12-1342	<u>467,116</u>	<u>0</u>	<u>467,116</u>	<u>0</u>	<u>0</u>	<u>1.5</u>
<b>TOTAL</b>	<b>\$467,116</b>	<b>\$0</b>	<b>\$467,116</b>	<b>\$0</b>	<b>\$0</b>	<b>1.5</b>
<b>FY 2013-14 Appropriation:</b>						
FY 2012-13 Appropriation	\$467,116	\$0	\$467,116	\$0	\$0	1.5
<b>SB 13-230</b>	<b><u>\$467,116</u></b>	<b><u>\$0</u></b>	<b><u>\$467,116</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>1.5</u></b>
<b>TOTAL</b>	<b>\$467,116</b>	<b>\$0</b>	<b>\$467,116</b>	<b>\$0</b>	<b>\$0</b>	<b>1.5</b>
<b>Increase/(Decrease)</b>	\$0	\$0	\$0	\$0	\$0	0.0
Percentage Change	0.0%	n/a	0.0%	n/a	n/a	0.0%

#### **FY 2013-14 Appropriation – S.B. 13-230 (Long Bill) Issue Descriptions**

**No changes:** The appropriation does not include any changes from the FY 2012-13 appropriation.

#### *Division of Vocational Rehabilitation*

This subdivision assists individuals whose disabilities result in barriers to employment or independent living with attaining and maintaining employment and/or independent living. At any of the forty-three field and satellite offices located throughout the state, rehabilitation counselors work with clients to assess their needs and identify appropriate vocational rehabilitation services. The Division also administers state and federal grants to independent living centers working to enable individuals with disabilities to live independently and to programs that provide assistance to elderly blind individuals. The federal government provides reimbursement for 78.7 percent of eligible rehabilitation expenditures up to the total annual federal grant for Colorado. The matched funds for these federal dollars are either General Fund dollars or local government funds, primarily from school districts for the School to Work Alliance Program.

<b>Division of Vocational Rehabilitation</b>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2012-13 Appropriation:</b>						
HB 12-1335	\$51,612,507	\$5,557,624	\$4,085,320	\$5,117,803	\$36,851,760	231.2
HB 12-1246	4,854	4,854	0	0	0	0.0
SB 13-230	<u>5,501,913</u>	<u>1,171,907</u>	<u>0</u>	<u>0</u>	<u>4,330,006</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$57,119,274</b>	<b>\$6,734,385</b>	<b>\$4,085,320</b>	<b>\$5,117,803</b>	<b>\$41,181,766</b>	<b>231.2</b>

***Division of Vocational Rehabilitation***

	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2013-14 Appropriation:</b>						
FY 2012-13 Appropriation	\$57,119,274	\$6,734,385	\$4,085,320	\$5,117,803	\$41,181,766	231.2
Independent living centers	520,532	520,532	0	0	0	0.0
Community provider rate	29,152	29,152	0	0	0	0.0
Annualize prior year funding	(5,436,321)	(1,176,761)	0	0	(4,259,560)	0.0
<b>SB 13-230</b>	<b><u>\$52,232,637</u></b>	<b><u>\$6,107,308</u></b>	<b><u>\$4,085,320</u></b>	<b><u>\$5,117,803</u></b>	<b><u>\$36,922,206</u></b>	<b><u>231.2</u></b>
<b>TOTAL</b>	<b>\$52,232,637</b>	<b>\$6,107,308</b>	<b>\$4,085,320</b>	<b>\$5,117,803</b>	<b>\$36,922,206</b>	<b>231.2</b>
<hr/>						
<b>Increase/(Decrease)</b>	(\$4,886,637)	(\$627,077)	\$0	\$0	(\$4,259,560)	(0.0)
Percentage Change	(8.6%)	(9.3%)	0.0%	0.0%	(10.3%)	(0.0%)

**FY 2012-13 Appropriation - Mid-year Adjustments**

Senate Bill 13-230 modifies FY 2012-13 appropriations to add \$5,501,913 total funds, including \$1,171,907 General Fund, as a result of an increase in eligible consumers and authorized services in the Vocational Rehabilitation Program during the first half of FY 2012-13.

**FY 2013-14 Appropriation – S.B. 13-230 (Long Bill) Issue Descriptions**

**Independent living centers:** The appropriation includes an increase of \$520,532 General Fund for Independent Living Centers.

**Community provider rate:** The appropriation includes an increase of \$29,152 General Fund for the 2.0 percent community provider rate increase.

**Annualize prior year funding:** The appropriation includes adjustments to eliminate one time funding provided through the FY 2012-13 supplemental for the Vocational Rehabilitation Program.

***Homelake Domiciliary and State and Veterans Nursing Homes***

The Department of Human Services operates five state veterans nursing homes and one domiciliary (assisted living facility) located throughout the State. Federal authorities authorize grants of up to 65.0 percent of total costs for the construction of state veterans nursing homes and provide per-diem operating payments for veterans. In return the State must agree that: (1) a minimum of 75.0 percent of residents will be veterans and the remaining 25.0 percent will include spouses or parents whose children died while serving; (2) the facility will remain a veterans home for a minimum of 20 years; and (3) the facility will maintain Veterans Administration (VA) certification. To maintain such certification the facility must submit to various federal audits and surveys demonstrating compliance with VA rules. If any of these requirements are not met, the State is required to repay the VA construction funding.

Cash funds are from the Central Fund for State Nursing Homes, which is continuously appropriated, and federal funds. The appropriation in this subdivision is shown for informational purposes only. The nursing homes and



domiciliary operate as an enterprise. Nonetheless, they are reflected in the Long Bill because they are state owned, employ significant numbers of state FTE, and present a significant financial liability to the State should they fail to comply with VA requirements.

<i>Homelake Domiciliary and State and Veterans Nursing Homes</i>						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2012-13 Appropriation:</b>						
HB 12-1335	\$46,960,295	\$986,130	\$33,428,216	\$0	\$12,545,949	558.5
HB 12-1063	<u>2,500</u>	<u>0</u>	<u>2,500</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$46,962,795</b>	<b>\$986,130</b>	<b>\$33,430,716</b>	<b>\$0</b>	<b>\$12,545,949</b>	<b>558.5</b>
<b>FY 2013-14 Appropriation:</b>						
FY 2012-13 Appropriation	\$46,962,795	\$986,130	\$33,430,716	\$0	\$12,545,949	558.5
Informational funds adjustment	(590,065)	0	(2,374,016)	0	1,783,951	0.0
<b>SB 13-230</b>	<b>\$46,372,730</b>	<b>\$986,130</b>	<b>\$31,056,700</b>	<b>\$0</b>	<b>\$14,329,900</b>	<b>558.5</b>
SB 13-040	<u>99,575</u>	<u>99,575</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$46,472,305</b>	<b>\$1,085,705</b>	<b>\$31,056,700</b>	<b>\$0</b>	<b>\$14,329,900</b>	<b>558.5</b>
<b>Increase/(Decrease)</b>	<b>(\$490,490)</b>	<b>\$99,575</b>	<b>(\$2,374,016)</b>	<b>\$0</b>	<b>\$1,783,951</b>	<b>0.0</b>
Percentage Change	(1.0%)	10.1%	(7.1%)	0.0%	14.2%	0.0%

### **FY 2013-14 Appropriation – S.B. 13-230 (Long Bill) Issue Descriptions**

**Informational funds adjustment:** The appropriation includes an overall decrease of \$590,065 total funds reflected in the Long Bill for informational purposes only.

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

### **Adult Assistance Programs**

This section includes funding for the Old Age Pension Program, for various adult cash assistance programs, for community services for the elderly, including Older Americans Act programs, and for adult protective services programs. Funding changes for each program area are described in the relevant subsections below.

<b>Adult Assistance Programs</b>						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2012-13 Appropriation:</b>						
HB 12-1335	\$146,327,329	\$25,151,219	\$102,035,654	\$1,800	\$19,138,656	28.5
SB 13-091	909,432	0	909,432	0	0	0.0

<b>Adult Assistance Programs</b>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
HB 12-1226	5,650	0	5,650	0	0	0.0
HB 12-1326	<u>6,695,581</u>	<u>0</u>	<u>6,695,581</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$153,937,992</b>	<b>\$25,151,219</b>	<b>\$109,646,317</b>	<b>\$1,800</b>	<b>\$19,138,656</b>	<b>28.5</b>
<b>FY 2013-14 Appropriation:</b>						
SB 13-230	\$160,229,549	\$34,995,282	\$104,106,441	\$1,800	\$21,126,026	28.5
SB 13-111	3,171,208	3,171,208	0	0	0	0.0
SB 13-127	<u>0</u>	<u>(2,000,000)</u>	<u>2,000,000</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$163,400,757</b>	<b>\$36,166,490</b>	<b>\$106,106,441</b>	<b>\$1,800</b>	<b>\$21,126,026</b>	<b>28.5</b>
<b>Increase/(Decrease)</b>	\$9,462,765	\$11,015,271	(\$3,539,876)	\$0	\$1,987,370	0.0
Percentage Change	6.1%	43.8%	(3.2%)	0.0%	10.4%	0.0%

### *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. Reappropriated and federal funds are from various sources, including indirect cost recoveries.

<b>Administration</b>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2012-13 Appropriation:</b>						
HB 12-1335	<u>\$584,225</u>	<u>\$102,311</u>	<u>\$103,950</u>	<u>\$0</u>	<u>\$377,964</u>	<u>6.0</u>
<b>TOTAL</b>	<b>\$584,225</b>	<b>\$102,311</b>	<b>\$103,950</b>	<b>\$0</b>	<b>\$377,964</b>	<b>6.0</b>
<b>FY 2013-14 Appropriation:</b>						
FY 2012-13 Appropriation	\$584,225	\$102,311	\$103,950	\$0	\$377,964	6.0
Fund source adjustment	382,505	382,505	0	0	0	5.0
<b>SB 13-230</b>	<b><u>\$966,730</u></b>	<b><u>\$484,816</u></b>	<b><u>\$103,950</u></b>	<b><u>\$0</u></b>	<b><u>\$377,964</u></b>	<b><u>11.0</u></b>
<b>TOTAL</b>	<b>\$966,730</b>	<b>\$484,816</b>	<b>\$103,950</b>	<b>\$0</b>	<b>\$377,964</b>	<b>11.0</b>
<b>Increase/(Decrease)</b>	\$382,505	\$382,505	\$0	\$0	\$0	5.0
Percentage Change	65.5%	373.9%	0.0%	0.0%	0.0%	83.3%

## FY 2013-14 Appropriation – S.B. 13-230 (Long Bill) Issue Descriptions

**Fund source adjustment:** The appropriation includes an increase in General Fund within the Administration subdivision that is offset by a decrease in cash funds (Old Age Pension Fund) within the Old Age Pension Program subdivision.

### *Old Age Pension Program*

This subsection of Adult Assistance Programs, authorized by the Colorado Constitution, provides cash assistance, up to a maximum of \$725 per person per month in FY 2012-13, to eligible individuals age 60 and older. The projected FY 2012-13 average monthly caseload for the program is 22,566. Revenue for the Old Age Pension Fund (OAP) is generated through 85.0 percent of license fees, liquor and excise taxes. Revenue that is not used for the OAP Program "spills over" into the General Fund. As funding for the OAP is continuously appropriated by the Colorado Constitution, the budget reflects anticipated program expenditures for informational purposes only.

	<b>Old Age Pension Program</b>					
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2012-13 Appropriation:</b>						
HB 12-1335	\$82,798,561	\$0	\$82,798,561	\$0	\$0	14.0
HB 12-1326	6,695,581	0	6,695,581	0	0	0.0
SB 13-091	<u>909,432</u>	<u>0</u>	<u>909,432</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$90,403,574</b>	<b>\$0</b>	<b>\$90,403,574</b>	<b>\$0</b>	<b>\$0</b>	<b>14.0</b>
<b>FY 2013-14 Appropriation:</b>						
FY 2012-13 Appropriation	\$90,403,574	\$0	\$90,403,574	\$0	\$0	14.0
State funding for senior services	1,818,806	0	1,818,806	0	0	0.0
Annualize prior year funding	(8,288,406)	0	(8,288,406)	0	0	0.0
Adult protective services adjustments	(403,258)	0	(403,258)	0	0	(5.5)
Fund source adjustment	(382,505)	0	(382,505)	0	0	(5.0)
<b>SB 13-230</b>	<b><u>\$83,148,211</u></b>	<b><u>\$0</u></b>	<b><u>\$83,148,211</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>3.5</u></b>
<b>TOTAL</b>	<b>\$83,148,211</b>	<b>\$0</b>	<b>\$83,148,211</b>	<b>\$0</b>	<b>\$0</b>	<b>3.5</b>
<b>Increase/(Decrease)</b>	<b>(\$7,255,363)</b>	<b>\$0</b>	<b>(\$7,255,363)</b>	<b>\$0</b>	<b>\$0</b>	<b>(10.5)</b>
Percentage Change	(8.0%)	0.0%	(8.0%)	0.0%	0.0%	(75.0%)

### FY 2012-13 Appropriation - Mid-year Adjustments

Senate Bill 13-091 modifies FY 2012-13 appropriations to increase the Old Age Pension (OAP) Cash Assistance Programs line item by \$909,432 cash funds, to reflect the approval of a 1.7 percent cost of living adjustment (COLA) for the program by the State Board of Human Services, effective January 1, 2013.

## FY 2013-14 Appropriation – S.B. 13-230 (Long Bill) Issue Descriptions

**State funding for senior services:** The appropriation includes an increase of \$1,818,806 from the Old Age Pension Cash Fund to annualize to a full year a 1.7 percent cost of living increase for the Old Age Pension approved by the State Board of Human Services that took effect January 1, 2013.

**Annualize prior year funding:** The appropriation includes adjustments related to prior year legislation and budget actions, including a decrease of \$7,363,767 cash funds due to the impact of H.B. 10-1384 (Noncitizen Eligibility for Old Age Pension).

**Adult protective services adjustments:** The appropriation includes a reduction of \$403,258 cash funds related to adult protective services (APS). The decrease in this subdivision is offset by a like increase in the Adult Protective Services subdivision. The separation ensures that any additional funds provided will be spent on APS.

**Fund source adjustment:** The appropriation includes an increase in General Fund within the Administration subdivision that is offset by a decrease in cash funds (Old Age Pension Cash Fund) within the Old Age Pension Program subdivision.

### *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. These programs include the Aid to the Needy Disabled (AND) and Home Care Allowance programs, among others. Some of these programs provide supplementary funding for individuals who qualify for federal Supplemental Security Income (SSI) income assistance, while others serve those ineligible for federal SSI assistance or whose federal application is pending. The AND-State Only program (the largest of the AND programs) is projected to serve an average monthly caseload of 6,860 and to provide an average monthly payment per person of \$175 in FY 2012-13. Cash funds sources include county matching funds and interim assistance reimbursements from the federal government for individuals who become eligible for SSI.

	<i>Other Grant Programs</i>					
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2012-13 Appropriation:</b>						
HB 12-1335	\$30,658,923	\$23,037,047	\$7,621,876	\$0	\$0	0.0
<b>TOTAL</b>	<b>\$30,658,923</b>	<b>\$23,037,047</b>	<b>\$7,621,876</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
<b>FY 2013-14 Appropriation:</b>						
FY 2012-13 Appropriation	\$30,658,923	\$23,037,047	\$7,621,876	\$0	\$0	0.0
<b>SB 13-230</b>	<b><u>\$30,658,923</u></b>	<b><u>\$23,037,047</u></b>	<b><u>\$7,621,876</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>0.0</u></b>
<b>TOTAL</b>	<b>\$30,658,923</b>	<b>\$23,037,047</b>	<b>\$7,621,876</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
<b>Increase/(Decrease)</b>	\$0	\$0	\$0	\$0	\$0	0.0
Percentage Change	0.0%	0.0%	0.0%	n/a	n/a	n/a

## FY 2013-14 Appropriation – S.B. 13-230 (Long Bill) Issue Descriptions

**No Changes:** The appropriation does not contain changes from the FY 2012-13 Appropriation.

### *Community Services for the Elderly*

This subsection of Adult Assistance Programs includes appropriations for programs associated with the federal Older Americans Act, including the Older Coloradans Program. These programs are administered by 16 Area Agencies on Aging located throughout the State. Services include supportive services, senior centers, nutrition services, in-home services for persons with incomes above the eligibility thresholds for Medicaid, and disease prevention and health promotion services. The cash funds sources are the Older Coloradans Cash Fund and local funds. The Older Coloradans Cash Fund is derived from excise and sales tax revenues which are credited to the Fund in lieu of the General Fund. The federal funds are from Older Americans Act grants.

	<i>Community Services for the Elderly</i>					
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2012-13 Appropriation:</b>						
HB 12-1335	\$32,285,620	\$2,011,861	\$11,511,267	\$1,800	\$18,760,692	8.5
HB 12-1226	<u>5,650</u>	<u>0</u>	<u>5,650</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$32,291,270</b>	<b>\$2,011,861</b>	<b>\$11,516,917</b>	<b>\$1,800</b>	<b>\$18,760,692</b>	<b>8.5</b>
<b>FY 2013-14 Appropriation:</b>						
FY 2012-13 Appropriation	\$32,291,270	\$2,011,861	\$11,516,917	\$1,800	\$18,760,692	8.5
State funding for senior services	4,000,000	4,000,000	0	0	0	0.0
Respite care increase	150,000	150,000	0	0	0	0.0
State Ombudsman increase	75,000	75,000	0	0	0	0.0
Annualize prior year funding	15,207	0	15,207	0	0	0.0
<b>SB 13-230</b>	<b>\$36,531,477</b>	<b>\$6,236,861</b>	<b>\$11,532,124</b>	<b>\$1,800</b>	<b>\$18,760,692</b>	<b>8.5</b>
SB 13-127	<u>0</u>	<u>(2,000,000)</u>	<u>2,000,000</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$36,531,477</b>	<b>\$4,236,861</b>	<b>\$13,532,124</b>	<b>\$1,800</b>	<b>\$18,760,692</b>	<b>8.5</b>
<b>Increase/(Decrease)</b>	\$4,240,207	\$2,225,000	\$2,015,207	\$0	\$0	0.0
Percentage Change	13.1%	110.6%	17.5%	0.0%	0.0%	0.0%

## FY 2013-14 Appropriation – S.B. 13-230 (Long Bill) Issue Descriptions

**State funding for senior services:** The appropriation includes an increase of \$4,000,000 General Fund for State Funding for Senior Services, including congregate meals, "meals on wheels", and senior transportation services.

**Respite care increase:** The appropriation includes an increase of \$150,000 General Fund to provide additional respite services to family caregivers.

**State Ombudsman increase:** The appropriation includes an increase of \$75,000 for the Colorado State Long-term Care Ombudsman and Legal Assistance Developer contract, which funds training for local ombudsmen and onsite performance evaluations.

**Annualize prior year funding:** The appropriation includes adjustments related to prior year legislation and budget actions.

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

### *Adult Protective Services*

This subsection of Adult Assistance Programs includes appropriations for programs associated with adult protective services (APS). The State first passed an APS law in 1983 to address elder-abuse. It was extended to all at-risk adults in 1991. Section 3.1 of Title 26, C.R.S., outlines county responsibilities with respect to at-risk adults. These responsibilities include urging individuals in various job categories (such as physicians and social workers) to report abuse or self-neglect; evaluating the reported level of risk and arranging for an investigation and provision of protective services if warranted; and forming an at-risk adult protection team. The cash funds are local funds and the federal funds are from the Title XX Social Services Block Grant.

	<i>Adult Protective Services</i>					
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2012-13 Appropriation:</b>						
<b>TOTAL</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
<b>FY 2013-14 Appropriation:</b>						
FY 2012-13 Appropriation	\$0	\$0	\$0	\$0	\$0	0.0
Adult protective services adjustments	8,924,208	5,236,558	1,700,280	0	1,987,370	5.5
<b>SB 13-230</b>	<b>\$8,924,208</b>	<b>\$5,236,558</b>	<b>\$1,700,280</b>	<b>\$0</b>	<b>\$1,987,370</b>	<b>5.5</b>
SB 13-111	<u>3,171,208</u>	<u>3,171,208</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$12,095,416</b>	<b>\$8,407,766</b>	<b>\$1,700,280</b>	<b>\$0</b>	<b>\$1,987,370</b>	<b>5.5</b>
<b>Increase/(Decrease)</b>	\$12,095,416	\$8,407,766	\$1,700,280	\$0	\$1,987,370	5.5
Percentage Change	n/a	n/a	n/a	n/a	n/a	n/a

### **FY 2013-14 Appropriation – S.B. 13-230 (Long Bill) Issue Descriptions**

**Adult protective services adjustments:** The appropriation includes an increase of \$8,924,208 total funds (including \$5,236,558 General Fund) related to APS. The increase in this division is offset by a like decrease in County Administration. The separation ensures that any additional funds provided will be spent on APS.

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

## Division of Youth Corrections

The Division of Youth Corrections (DYC) is responsible for the supervision, care, and treatment of: (1) detained juveniles awaiting adjudication; (2) juveniles committed or sentenced to the Department of Human Services by courts; and (3) juveniles on parole (after-care) from a facility operated or contracted for by the Division. The Division is not responsible for juveniles sentenced as adults to the Department of Corrections' Youthful Offender System. In addition to treating incarcerated and paroled juveniles, DYC administers the S.B. 91-094 program that provides alternatives to detention and/or commitment. The Division maintains secure institutional centers and augments this capacity with contracts for community placements, staff secure placements, and detention placements. Reappropriated funds include amounts transferred from the Department of Education for the school breakfast and lunch program and Medicaid funds transferred from the Department of Health Care Policy and Financing, among other sources.

	<b>Division of Youth Corrections</b>					
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2012-13 Appropriation:</b>						
HB 12-1335	\$117,536,181	\$111,787,426	\$91,531	\$3,382,655	\$2,274,569	937.8
HB 12-1246	74,850	74,850	0	0	0	0.0
SB 13-091	(4,045,519)	(3,671,275)	0	(197,173)	(177,071)	4.8
SB 13-177	<u>(1,233,907)</u>	<u>(974,012)</u>	<u>0</u>	<u>(36,464)</u>	<u>(223,431)</u>	<u>(11.5)</u>
<b>TOTAL</b>	<b>\$112,331,605</b>	<b>\$107,216,989</b>	<b>\$91,531</b>	<b>\$3,149,018</b>	<b>\$1,874,067</b>	<b>931.1</b>
<b>FY 2013-14 Appropriation:</b>						
FY 2012-13 Appropriation	\$112,331,605	\$107,216,989	\$91,531	\$3,149,018	\$1,874,067	931.1
Community provider rate	1,217,639	1,143,133	0	38,558	35,948	0.0
Annualize prior year funding	103,026	96,489	0	0	6,537	0.0
Adjust contract placements	(1,686,727)	(1,577,082)	0	(65,499)	(44,146)	0.0
Close living units	(1,054,183)	(1,054,183)	0	0	0	(23.3)
Consolidate three assessment centers	(566,294)	(566,294)	0	0	0	(11.5)
Convert contract workers to state FTE	(112,819)	(112,819)	0	0	0	14.2
<b>SB 13-230</b>	<b>\$110,232,247</b>	<b>\$105,146,233</b>	<b>\$91,531</b>	<b>\$3,122,077</b>	<b>\$1,872,406</b>	<b>910.5</b>
SB 13-047	4,900	4,684	0	0	216	0.0
HB 13-1241	<u>0</u>	<u>(10,000)</u>	<u>0</u>	<u>10,000</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$110,237,147</b>	<b>\$105,140,917</b>	<b>\$91,531</b>	<b>\$3,132,077</b>	<b>\$1,872,622</b>	<b>910.5</b>
<b>Increase/(Decrease)</b>	<b>(\$2,094,458)</b>	<b>(\$2,076,072)</b>	<b>\$0</b>	<b>(\$16,941)</b>	<b>(\$1,445)</b>	<b>(20.6)</b>
Percentage Change	(1.9%)	(1.9%)	0.0%	(0.5%)	(0.1%)	(2.2%)

## FY 2012-13 Appropriation - Mid-year Adjustments

Senate Bill 13-091 and S.B. 13-177 modify FY 2012-13 appropriations in the following ways:

- Senate Bill 13-091 reduces FY 2012-13 appropriations included in the FY 2012-13 Long Bill (H.B. 12-1335) to reduce the number of contract juvenile commitment beds based on the commitment forecast.
- Senate Bill 13-177 reduces the bed cap for the Division of Youth Corrections in DHS from 422 to 382 and reduces appropriations to the division by \$1,233,907 total funds and 11.5 FTE in FY 2012-13.

## FY 2013-14 Appropriation – S.B. 13-230 (Long Bill) Issue Descriptions

**Community provider rate increase:** The appropriation includes a 2.0 percent community provider rate increase.

**Annualize prior year funding:** The appropriation includes adjustments related to prior year legislation and budget actions.

**Adjust contract placements:** The appropriation reflects a reduction in the number of youth who will be placed in private contract commitment and detention beds due to lower caseloads.

**Close living units:** The appropriation closes five pods (living units) at Division of Youth Corrections facilities, reflecting lower caseloads.

**Consolidate three assessment centers:** The appropriation consolidates three Front Range juvenile assessment programs for newly committed youth into a single assessment program and establishes a transportation program for incarcerated juvenile offenders and for families of youth who are being assessed. The consolidation reflects lower caseloads.

**Convert contract workers to state FTE:** The appropriation completes the process, begun in FY 2012-13, of converting 19 contract FTE positions to state FTE as required by state personnel rules.

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

## Recent legislation

### 2012 Session Bills

**S.B. 12-099:** Expands the population that may be served in the Ridge View Youth Services Center (a state-owned, privately operated youth corrections facility) to include youth who are in the temporary custody of county departments of social services.

**H.B. 12-1028:** Extends the funding from the Operational Account of the Severance Tax Trust Fund used for providing low-income energy-related assistance (LEAP) through direct bill payment assistance and home energy-efficiency improvements through FY 2018-19 at a level of \$13 million annually. (Previously, this



provision extended only through FY 2012-13.) Of this total, 25 percent (\$3.25 million) is allocated to the LEAP program in the Department of Human Services.

**H.B. 12-1063:** Establishes the Homelake Military Veterans Cemetery which consists of the existing cemetery at the Colorado State Veterans Center in Homelake and the adjacent portion of the campus available for cemetery expansion. Requires the Department to maintain the cemetery, and allows for the use of contractors. Requires the Department to establish rules and to set a fee to reserve burial plots, with reservations open to all veterans and family members eligible for burial at the cemetery. Creates the Homelake Military Veterans Cemetery Fund (Fund), and appropriate \$2,500 cash funds from the Fund for FY 2012-13.

**H.B. 12-1177:** Creates the Home Care Allowance (HCA) Grant Program in the Department of Human Services. The grant program is to assist certain people who previously were receiving both regular HCA assistance and certain Medicaid waiver home- and -community-based services (HCBS), but who dropped HCA assistance when required to choose between the two programs as a result of House Bill 10-1146, which prohibited simultaneous enrollment in both HCA and HCBS. Includes an appropriation to reallocate \$469,612 General Fund to the Home Care Allowance Grant Program from the Home Care Allowance program for FY 2011-12 (net \$0 change). The fiscal impact of the bill for FY 2012-13, included in the Long Bill, is to reallocate \$799,086 General Fund to the Home Care Allowance Grant Program from the Home Care Allowance program and to make an associated reduction to the Home Care Allowance Program of \$42,057 local cash funds.

**H.B. 12-1139:** Changes the presumption in current law that juveniles who are charged as adults, a process known as direct filing, be detained pending a trial in an adult jail facility. Under the bill, such juvenile defendants are required to be held in a juvenile facility unless a judge determines, after a hearing, that the appropriate place of confinement is an adult jail. This change is projected to increase the number of juveniles in Division of Youth Corrections (DYC) detention facilities awaiting trial and may result in up to 50 new juveniles detained in DYC facilities at a time. Such new detention placements are anticipated to fit within the current DYC detention bed cap of 422.

**H.B. 12-1226:** Adds a surcharge to persons who are convicted of statutorily defined crimes against an at-risk adult or at-risk juvenile and directs 95 percent of revenue to the Crimes Against At-Risk Persons Surcharge Fund and 5 percent to the Judicial Stabilization Cash Fund. Moneys in the Crimes Against At-Risk Persons Surcharge Fund are to be appropriated each year to the Department of Human Services for distribution to a non-profit organization serving as a fiscal agent. The fiscal agent is to award moneys to programs selected by a statewide coalition of nonprofit or not-for-profit organizations that focus on the needs of caregivers of at-risk adults or at-risk juveniles. For FY 2012-13, appropriates \$5,650 from the Crimes Against At-Risk Persons Surcharge Fund to the Department of Human Services for this purpose.

**H.B. 12-1246:** Eliminates payroll date shift for certain General Fund employees. Increases appropriations to the Department by \$984,145 total funds (including \$726,924 General Fund). For additional information on this bill, see the "Recent Legislation" section in the Department of Personnel.

**H.B. 12-1271:** Raises the minimum age at which juveniles charged with certain crimes may be prosecuted as adults ("direct filed") from age 14 to age 16. Also limits the offenses for which a juvenile can be direct filed to class 1 or class 2 felonies; violent sex offenses; and crimes of violence and certain sex offenses committed by prior felony offenders. This change is projected to result in a reduction in costs in the Department of Corrections for Youthful Offender Services (YOS) and an increase in costs in the Department of Human Services for the Division of Youth Corrections (DYC), beginning in FY 2013-14, as reflected in the table below.

<b>H.B. 12-1271 Fiscal Impact On Department of Corrections and Department of Human Services</b>					
<b>Fiscal Year</b>	<b>YOS (DOC) Bed Impact</b>	<b>YOS (DOC) Operating Cost</b>	<b>DYC (DHS) Bed Impact</b>	<b>DYC (DHS) Operating Cost</b>	<b>Total Cost</b>
FY 2012-13	0.0	\$0	0.0	\$0	\$0
FY 2013-14	(3.0)	(185,616)	3.0	177,876	(7,740)
FY 2014-15	(6.0)	(371,232)	6.0	355,752	(15,480)
FY 2015-16	(9.0)	(556,848)	9.0	533,628	(23,220)
FY 2016-17	(12.0)	(742,464)	12.0	711,504	(30,960)
<b>Total</b>	<b>(30.0)</b>	<b>(\$1,856,160)</b>	<b>30.0</b>	<b>\$1,778,760</b>	<b>(\$77,400)</b>

**H.B. 12-1310:** Addresses criminal justice matters in several areas including drug offenses, sentencing, court proceedings, sex offenses, probation, and parole. For the Department of Human Services, the bill makes a technical change to eliminate the direct appropriation of cash funds for treatment and detoxification services and short-term intensive residential remediation treatment (STIRRT) to the Department and instead reappropriates the same moneys from the Judicial Department. For more information on H.B. 12-1310, please see the "Recent Legislation" section in the Department of Corrections section of this document.

**H.B. 12-1326:** Makes the following changes concerning assistance to the elderly: (1) encourages the State Board of Human Services to raise the standard allowance under the Old Age Pension Program from \$699 per month to \$725 per month; (2) allows seniors who are eligible for Medicaid, but not for Medicaid long-term care services, to receive services under the Dental Assistance Program in the Department of Public Health and Environment (DPHE); and (3) transfers funds to the Senior Services Account in the Older Coloradans Cash Fund equal to the amount that funding reflected in the Long Bill for informational purposes for the Senior Homestead Exemption exceeds the actual amount claimed. Increases General Fund appropriations in the DPHE by \$3,022,800 in FY 2012-13 to fund dental services for eligible seniors. Increases cash fund appropriations for the Department of Human Services shown for informational purposes by \$6,695,581 to cover the estimated costs of the Old Age Pension stipend increase encouraged by the bill.

**H.B. 12-1335:** General appropriations act for FY 2012-13.

**HB 12-1339:** Appropriates moneys for the Colorado Benefits Management System (CBMS) improvement and modernization project, and outlines the Governor's Office of Information Technology's reporting requirements for quarterly project status updates.

- Requires the Governor's Office of Information Technology to monitor the project and provide quarterly reports to the Joint Budget Committee;
- Defines the required elements to be included in each quarterly report to the Joint Budget Committee;

- Appropriates \$9.0 million (including \$5.7 million General Fund) for contracting and equipment expenditures associated with the project in FY 2011-12 and FY 2012-13 for the Governor's Office of Information Technology, the Department of Health Care Policy and Financing, and the Department of Human Services; and;
- Appropriates \$13.3 million (including \$7.0 million General Fund) and 22.0 FTE for use in FY 2012-13 for the Governor's Office of Information Technology, the Department of Health Care Policy and Financing, and the Department of Human Services for contracting, operating, and personnel costs associated with the project.

**H.B. 12-1341:** Repeals the Colorado Works Statewide Strategic Use Fund (SSUF) in the Department of Human Services and transfers unexpended and unencumbered federal Temporary Assistance for Needy Families funds in the SSUF to the Colorado Long-term Works Reserve which is expected to result in the transfer of \$1,009,363 federal funds from the SSUF to the Colorado Long-term Works Reserve on December 30, 2012.

**H.B. 12-1342:** Creates the Work Therapy Program and Work Therapy Cash Fund. Appropriates \$467,116 cash funds from the Fund and 1.5 FTE to the Department for FY 2012-13.

## 2013 Session Bills

**S.B. 13-047:** Clarifies and expands the role of counties and the Department of Human Services in obtaining and remediating inaccuracies in credit reports for youths in foster care. Appropriates \$26,200 to the Division of Child Welfare, of which \$19,650 is General Fund and \$6,550 is federal funds, and \$4,900 to the Division of Youth Corrections, of which \$4,684 is General Fund and \$216 is federal funds.

**S.B. 13-111:** Creates a new class of protections for at-risk elders and requires mandatory reporters listed in statute to report known or suspected abuse within 24 hours. Classifies the failure to make a report as a class 3 misdemeanor and requires law enforcement agencies to complete a criminal investigation when appropriate. Requires the Peace Officer Standards Training (P.O.S.T.) Board in the Department of Law to develop and implement a training curriculum to assist peace officers in recognizing and responding to incidents. Appropriates \$3,286,208 General Fund and 1.0 FTE to DHS in FY 2013-14 for the following:

- \$2.2 million for the reduction of county adult protective services caseworker caseloads;
- \$800,000 for the county provision of adult protective services to at-risk adults;
- \$86,208 and 1.0 FTE for adult protective services training and quality assurance activities; and
- \$85,000 for the provision of training to county adult protective services workers and other persons who are required to report the abuse or exploitation of an at-risk elder.

**S.B. 13-127:** Increases the annual diversion of sales and use tax revenues to the Older Coloradans Cash Fund by \$2.0 million to a total of \$10.0 million per year. Reduces General Fund appropriations to the Department of Human Services for state funding for senior services by \$2.0 million in FY 2013-14 and increases cash funds appropriations to the Department from the Older Coloradans Cash Fund by the same amount, also for state funding for senior services.

**S.B. 13-167:** Changes statutory references from Intermediate Care Facilities for the Mentally Retarded to Intermediate Care Facilities for Individuals with Intellectual Disabilities (ICF/IID). Changes the responsibility for administering the provider fee paid by ICF/IIDs from the Department of Human Services to the Department of Health Care Policy and Financing. For FY 2012-13 increases the appropriations to the Department of Human Services by \$1,866,611 reappropriated funds, and increases the appropriations to the Department of Health Care Policy and Financing by \$2,324,517 total funds, including a reduction of \$1,162,256 General Fund, and increase of \$4,192,172 cash funds, a reduction of \$1,867,655 reappropriated funds, and an increase of \$1,162,256 federal funds. For FY 2013-14, appropriates \$1,867,133 reappropriated funds to the Department of Human Services and \$2,155,054 total funds, including a reduction of \$1,018,559 General Fund, an increase of \$2,096,086 cash funds, and an increase of \$1,077,527 federal funds to the Department of Health Care Policy and Financing.

**S.B. 13-173:** Implements recommendations of the 2012 sunset review of the Division of Gaming in the Department of Revenue to license, implement, regulate, and supervise the conduct of limited gaming, and extends its repeal until September 1, 2022. Reappropriates \$70,000 from the Department of Local Affairs to the Department of Human Services for FY 2013-14 for gambling addiction counseling services.

**S.B. 13-177:** Starting April 1, 2013, reduces the juvenile detention bed cap from 422 to 382 beds. This reduction enables a number of other downsizing adjustments to occur at the Division of Youth Corrections (DYC) that respond to DYC's lower population of committed and detained youth. The appropriation adjustments in the bill:

- Reduce by 70 the number of commitment beds provided by the Division.
- Close five "pods" (i.e. living units) in Division facilities.
- Consolidate three Front Range juvenile assessment programs for newly committed youth into a single assessment program and establish a transportation program for incarcerated juvenile offenders and for families of youth who are being assessed.
- Reduce payments to the contractors who provide commitment and deferral beds for youth. The reduced payments to contract providers include Medicaid funds that pass through the Department of Health Care Policy and Financing and appear as reappropriated funds for the DYC.

In total, the bill reduces appropriations to the Department of Human Services by \$1,316,993 total funds and 11.5 FTE, comprised of reductions of \$1,057,098 General Fund, \$36,464 reappropriated funds, and \$223,431 federal funds. The bill also reduces appropriations to the Department of Health Care Policy and Financing by \$36,464, comprised of reductions of \$18,232 General Fund and \$18,232 federal funds.

**S.B. 13-194:** Repeals the Low-income Telephone Assistance Program (LITAP) and makes conforming amendments to statutes that reference the program. Reduces FY 2013-14 cash fund appropriations to the Low-income Telephone Assistance Program line item in the Department of Human Services by the full amount of \$118,272 and 1.5 FTE. For additional information on S.B. 13-194, see the "Recent Legislation" section at the end of the Department of Regulatory Agencies.

**S.B. 13-200:** Expands Medicaid eligibility to 133 percent of the federal poverty level (FPL). Newly eligible populations compared to prior practice include: adults without dependent children with income from 11 percent through 133 percent of the FPL and parents from 101 percent through 133 percent of the FPL. Reduces appropriations for community-based mental health services by \$0.7 million General Fund for FY 2013-14. For additional information on S.B. 13-200, see the "Recent Legislation" section at the end of the Department of Health Care Policy and Financing.

**S.B. 13-227:** Establishes a process for victims who conceive a child as a result of a sexual assault to file a petition with the court to prevent future contact with the parent who committed the sexual assault and terminate the legal parent-child relationship of the parent who committed the sexual assault. Creates a task force on children conceived by rape to study various issues and to make recommendations for protecting rape victims. Appropriates \$9,000 General Fund to the Department of Human Services in FY 2013-14 for temporary staff to assist the task force.

**S.B. 13-230:** General appropriations act for FY 2013-14.

**S.B. 13-255:** Extends the look-back period for the Department of Human Services child fatality review teams determining previous involvement with the child welfare system from 2 to 3 years and defines "previous involvement" to include the provision of child welfare services as defined in state law. Expands the time period from 30 days to 55 days for DHS to complete case reviews and submit a confidential, case-specific draft report to counties involved. Requires the DHS review team to include system recommendations in its annual report to the General Assembly and the public. Appropriates \$63,755 and 1.0 FTE to the Department of Human Services for costs associated with the review of additional child fatality cases under the expanded look-back period.

**S.B. 13-260:** Changes the "Public School Finance Act of 1994" by modifying the funding for K-12 public schools. Appropriates \$43,898 General Fund and 0.7 FTE to the Department of Human Services for FY 2013-14 to license and inspect new preschool facilities. For additional information on S.B. 13-260, see the "Recent Legislation" section at the end of the Department of Education.

**S.B. 13-266:** Directs the Department to issue a request for proposals to entities with the capacity to create a statewide coordinated and seamless behavioral health crisis response system. Proposals will be accepted for each of five specific components of a crisis system: a 24-hour crisis telephone hotline, walk-in crisis services and crisis stabilization units, mobile crisis services, residential and respite crisis services, and a public information campaign. Appropriates \$19.8 million General Fund to the Department for implementation of the five components.

**H.B. 13-1004:** Requires the Department of Human Services to administer a transitional jobs program to provide unemployed and underemployed adults an opportunity to experientially learn, model, and practice successful workplace behaviors that help them obtain long-term unsubsidized employment. Appropriates \$2.4 million General Fund and 2.0 FTE for this purpose in FY 2013-14.

**H.B. 13-1117:** Transfers and consolidates various child development programs into the Department of Human Services, with no impact on the current level of state spending (\$19.9 million) for these programs. Increases spending of federal funds, at the discretion of the Governor, by continuing the Early Childhood Leadership Council. Rearranges several budget line items within the 2013 Long Bill to reflect the organizational structure in DHS following the transfer. The programs transferred include the Early Childhood Leadership Council in the Governor's Office and the following programs from the Department of Public Health and Environment:

- The Nurse Home Visitation Program;
- The Tony Grampas Youth Services Program;
- The Colorado Student Dropout Prevention and Intervention Program;

- The Colorado Before-and-After School Project;
- The Colorado Children's Trust Fund and its board; and
- The Family Resource Center Program.

**H.B. 13-1180:** Restores the distribution of tobacco master settlement agreement moneys to the Nurse Home Visitor Program, less amounts that are redirected to the Defense Account of the Tobacco Litigation Settlement Cash Fund. Appropriates \$803,330 Nursing Home Visitor Program Fund moneys to DHS in FY 2013-14. For more information, see the 'Recent Legislation' section at the end of Appendix G (Tobacco Revenue Allocation).

**H.B. 13-1239:** Requires the board of the Tony Grampsas Youth Services Program to convene a group of interested parties to create a statewide youth development plan that identifies key issues and aligns strategic efforts to achieve positive outcome for all youths. Transfers the resources required for the youth development plan to DHS for FY 2013-14, resulting in an increase of \$133,284 General Fund and 1.0 FTE in the Department of Human Services and a decrease of \$133,284 General Fund and 2.0 FTE in the Department of Public Health and Environment.

**H.B. 13-1241:** Funds the Statewide Automated Victim Information Notification Everyday (VINE) system with General Fund. Appropriates \$440,373 General Fund to the Department of Public Safety in FY 2013-14, of which \$10,000 is reappropriated to DHS. Decreases the General Fund appropriation to the DHS Division of Youth Corrections by \$10,000 in FY 2013-14. For more information, see the corresponding bill description for the Department of Public Safety.

**H.B. 13-1271:** Requires the Department of Human Services to establish a steering committee to develop an implementation plan for a statewide child abuse reporting hotline and specifies that the committee submit its recommendations to the executive director of the Department of Human Services and the State Board of Human Services by July 1, 2014. Requires the hotline to be operational and publicized statewide no later than January 1, 2015. Appropriates \$200,000 General Fund to the Department of Human Services in FY 2012-13, with roll-forward authority to FY 2013-14, and \$529,800 to DHS in FY 2013-14, of which the entire amount is reappropriated to the Governor's Office of Information Technology.

**H.B. 13-1291:** Creates the Colorado Infant and Toddler Quality and Availability Grant Program in the Department of Human Services. Appropriates \$3.0 million General Fund and 1.0 FTE to allow early childhood programs to implement a tiered reimbursement pay structure providing an increased rate of reimbursement for early childhood programs that receive moneys through the Colorado Child Care Assistance Program (CCCAP).

**H.B. 13-1314:** Transfers the powers, duties, and functions from the Department of Human Services (DHS) relating to the programs, services, and supports for persons with intellectual and developmental disabilities to the Department of Health Care Policy and Financing (HCPF) on March 1, 2014. Changes terminology used in the statutes, including "developmental disabilities" to "intellectual and developmental disabilities". Creates the Office of Community Living (Office) in HCPF and the Division of Intellectual and Developmental Disabilities (Division) in the Office. Requires HCPF, in conjunction with intellectual and developmental disability advocates and service providers, to report to the Joint Budget Committee in 2013 on any issues relating to the set-up of the Office and the upcoming transfer of programs. Additionally, quarterly, commencing after the March 2014 transfer and concluding in December 2014, HCPF, along with the above-referenced advocates and providers, must report to the Joint Budget Committee and the Health Care Committees of the General Assembly concerning the operation of the Division, administration of the transferred programs, services, and supports.

# Department Details

## JUDICIAL DEPARTMENT

### FY 2012-13 and FY 2013-14 Appropriations by Division and Bill

Judicial Department						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2012-13 Total Appropriation:</b>	<b>\$511,376,813</b>	<b>\$353,411,788</b>	<b>\$134,221,003</b>	<b>\$19,319,022</b>	<b>\$4,425,000</b>	<b>4,269.6</b>
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Supreme Court/Court of Appeals	20,741,344	10,242,962	10,292,390	205,992	0	210.5
Courts Administration	120,650,479	51,715,798	65,758,753	3,175,928	0	345.8
Trial Courts	144,664,759	110,648,635	30,991,124	1,400,000	1,625,000	1,808.1
Probation and Related Services	119,853,384	75,605,806	26,910,476	14,537,102	2,800,000	1,213.4
Office of the State Public Defender	63,558,095	63,309,835	248,260	0	0	656.4
Office of the Alternate Defense Counsel	22,560,446	22,540,446	20,000	0	0	7.5
Office of the Child's Representative	19,123,343	19,123,343	0	0	0	26.9
Independent Ethics Commission	224,963	224,963	0	0	0	1.0
<u>Breakdown of Total Appropriation by Bill</u>						
HB 12-1335	502,529,529	352,071,327	129,120,172	16,913,030	4,425,000	4,266.6
HB 12-1246	16,115	16,115	0	0	0	0.0
HB 12-1310	5,907,509	0	3,707,509	2,200,000	0	1.0
SB 13-092	2,923,660	1,324,346	1,393,322	205,992	0	2.0
<b>FY 2013-14 Total Appropriation:</b>	<b>\$552,453,960</b>	<b>\$383,079,450</b>	<b>\$139,134,949</b>	<b>\$25,814,561</b>	<b>\$4,425,000</b>	<b>4,358.7</b>
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Supreme Court/Court of Appeals	20,754,343	10,248,849	10,442,373	63,121	0	210.5
Courts Administration	141,908,835	66,288,347	67,745,731	7,874,757	0	366.7
Trial Courts	147,698,881	111,142,566	33,531,315	1,400,000	1,625,000	1,834.5
Probation and Related Services	124,473,203	77,950,990	27,245,530	16,476,683	2,800,000	1,216.7
Office of the State Public Defender	74,701,240	74,551,240	150,000	0	0	693.0
Office of the Alternate Defense Counsel	22,896,598	22,876,598	20,000	0	0	8.4
Office of the Child's Representative	19,705,113	19,705,113	0	0	0	26.9
Independent Ethics Commission	315,747	315,747	0	0	0	2.0

Judicial Department						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<u>Breakdown of Total Appropriation by Bill</u>						
SB 13-230	546,480,115	378,170,241	138,070,313	25,814,561	4,425,000	4,302.1
SB 13-123	533,199	533,199	0	0	0	6.9
SB 13-197	45,742	45,742	0	0	0	0.8
SB 13-250	339,764	339,764	0	0	0	4.8
HB 13-1035	776,974	0	776,974	0	0	8.0
HB 13-1156	425,000	425,000	0	0	0	0.5
HB 13-1160	(362,525)	(362,525)	0	0	0	(6.0)
HB 13-1210	3,795,400	3,795,400	0	0	0	37.9
HB 13-1230	100,000	100,000	0	0	0	0.0
HB 13-1254	32,892	20,629	12,263	0	0	0.5
HB 13-1259	275,399	0	275,399	0	0	3.2
HB 13-1325	12,000	12,000	0	0	0	0.0
<b>Increase/(Decrease)</b>	\$41,077,147	\$29,667,662	\$4,913,946	\$6,495,539	\$0	89.1
Percentage Change	8.0%	8.4%	3.7%	33.6%	0.0%	2.1%

**Informational Funds:** The FY 2013-14 Long Bill and other legislation indicates when an amount is shown solely for informational purposes through an "(I)" notation. The following amounts in the Judicial Department are annotated with the "(I)". For additional information, see Appendix J.

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds
FY 2013-14 Appropriations containing an (I) notation	\$42,084,983	\$0	\$37,659,983	\$0	\$4,425,000

## Detail of Appropriation by Administrative Section

### Supreme Court/Court of Appeals

This section provides funding for the Colorado Supreme Court and the Colorado Court of Appeals. The *Supreme Court* is the court of last resort, and its decisions are binding on the Court of Appeals and all county and district courts. While requests to review decisions of the Colorado Court of Appeals constitute the majority of the Supreme Court's filings, the Court also has direct appellate jurisdiction over other types of cases, such as those cases in which a statute has been held to be unconstitutional. The Supreme Court also oversees the regulation of attorneys and the practice of law. The Supreme Court is composed of seven Justices who serve renewable 10-year terms. The Chief Justice, selected by the Justices of the Court, is the executive head of the Department.



Created by statute, the *Court of Appeals* is generally the first court to hear appeals of judgments and orders in criminal, juvenile, civil, domestic relations, and probate matters. The Court of Appeals also has initial jurisdiction to review actions and decisions of several state agencies, boards, and commissions. Its determination of an appeal is final unless the Colorado Supreme Court agrees to review the matter. The Court of Appeals is currently composed of 22 judges who serve renewable 8-year terms.

Cash fund sources primarily include annual attorney registration fees, law examination application fees, appellate court filing fees, and court docket fees that are credited to the Judicial Stabilization Cash Fund. Reappropriated funds are funds transferred from the Department of Law.

<b>Supreme Court/Court of Appeals</b>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2012-13 Appropriation:</b>						
HB 12-1335	\$20,519,237	\$10,226,847	\$10,292,390	\$0	\$0	208.5
HB 12-1246	16,115	16,115	0	0	0	0.0
SB 13-092	<u>205,992</u>	<u>0</u>	<u>0</u>	<u>205,992</u>	<u>0</u>	<u>2.0</u>
<b>TOTAL</b>	<b>\$20,741,344</b>	<b>\$10,242,962</b>	<b>\$10,292,390</b>	<b>\$205,992</b>	<b>\$0</b>	<b>210.5</b>
<b>FY 2013-14 Appropriation:</b>						
FY 2012-13 Appropriation	\$20,741,344	\$10,242,962	\$10,292,390	\$205,992	\$0	210.5
Indirect cost assessment	149,983	0	149,983	0	0	0.0
Annualize prior year funding	5,887	5,887	0	0	0	0.0
Law library staff	417	0	0	417	0	0.0
Law library operations	(143,288)	0	0	(143,288)	0	0.0
<b>SB 13-230</b>	<b><u>\$20,754,343</u></b>	<b><u>\$10,248,849</u></b>	<b><u>\$10,442,373</u></b>	<b><u>\$63,121</u></b>	<b><u>\$0</u></b>	<b><u>210.5</u></b>
<b>TOTAL</b>	<b>\$20,754,343</b>	<b>\$10,248,849</b>	<b>\$10,442,373</b>	<b>\$63,121</b>	<b>\$0</b>	<b>210.5</b>
<b>Increase/(Decrease)</b>	\$12,999	\$5,887	\$149,983	(\$142,871)	\$0	0.0
Percentage Change	0.1%	0.1%	1.5%	(69.4%)	n/a	0.0%

### **FY 2012-13 Appropriation - Mid-year Adjustments**

Senate Bill 13-092 modifies FY 2012-13 appropriations to authorize the Supreme Court Law Library to receive \$205,992 reappropriated funds from other state agencies and 2.0 FTE for library staff support and for a joint contract for online legal resources.

### **FY 2013-14 Appropriation – S.B. 13-230 (Long Bill) Issue Descriptions**

**Indirect cost assessment:** The appropriation reflects a change in the Long Bill format to reflect indirect cost assessments.

**Annualize prior year funding:** The appropriation includes adjustments related to prior year legislation and budget actions.

**Law library staff:** The appropriation adds reappropriated funds to reflect an increase in the amount transferred from the Department of Law to support staff at the Supreme Court Law Library, now located in the Ralph L. Carr Colorado Judicial Center.

**Law library operations:** The appropriation eliminates a one-time appropriation to allow the Supreme Court Law Library to receive funds from the Department of Law and the Legislature to initiate a joint contract for online legal resources.

## Courts Administration

The Justices of the Supreme Court appoint a State Court Administrator to oversee the daily administration of the Department and provide technical and administrative support to the courts and probation. The Courts Administration section is comprised of four subsections: Administration and Technology; Central Appropriations; Centrally Administered Programs; and Ralph L. Carr Colorado Judicial Center.

Courts Administration						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2012-13 Appropriation:</b>						
HB 12-1335	\$119,135,548	\$51,607,972	\$64,447,429	\$3,080,147	\$0	344.8
HB 12-1310	13,783	0	(81,998)	95,781	0	1.0
SB 13-092	<u>1,501,148</u>	<u>107,826</u>	<u>1,393,322</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$120,650,479</b>	<b>\$51,715,798</b>	<b>\$65,758,753</b>	<b>\$3,175,928</b>	<b>\$0</b>	<b>345.8</b>
<b>FY 2013-14 Appropriation:</b>						
SB 13-230	\$140,890,230	\$65,480,960	\$67,534,513	\$7,874,757	\$0	364.2
SB 13-123	94,606	94,606	0	0	0	0.0
SB 13-250	137,027	137,027	0	0	0	1.5
HB 13-1035	141,498	0	141,498	0	0	0.0
HB 13-1156	425,000	425,000	0	0	0	0.5
HB 13-1210	30,125	30,125	0	0	0	0.0
HB 13-1230	100,000	100,000	0	0	0	0.0
HB 13-1254	32,892	20,629	12,263	0	0	0.5
HB 13-1259	<u>57,457</u>	<u>0</u>	<u>57,457</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$141,908,835</b>	<b>\$66,288,347</b>	<b>\$67,745,731</b>	<b>\$7,874,757</b>	<b>\$0</b>	<b>366.7</b>
<b>Increase/(Decrease)</b>	\$21,258,356	\$14,572,549	\$1,986,978	\$4,698,829	\$0	20.9
Percentage Change	17.6%	28.2%	3.0%	148.0%	n/a	6.0%

### Administration and Technology

This subsection provides funding and staff associated with central administration of the State's judicial system, including information technology systems and support. Cash funds are primarily from fees and cost recoveries that are credited to the Judicial Department Information Technology Cash Fund, court docket fees that are credited to the Judicial Stabilization Cash Fund, and drug offender surcharges that are credited to the Correctional Treatment Cash Fund. Reappropriated funds are primarily from departmental indirect cost recoveries.

<i>Administration and Technology</i>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2012-13 Appropriation:</b>						
HB 12-1335	\$24,012,559	\$11,841,496	\$10,048,453	\$2,122,610	\$0	195.4
HB 12-1310	91,078	0	0	91,078	0	1.0
SB 13-092	<u>1,374,339</u>	<u>0</u>	<u>1,374,339</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$25,477,976</b>	<b>\$11,841,496</b>	<b>\$11,422,792</b>	<b>\$2,213,688</b>	<b>\$0</b>	<b>196.4</b>
<b>FY 2013-14 Appropriation:</b>						
FY 2012-13 Appropriation	\$25,477,976	\$11,841,496	\$11,422,792	\$2,213,688	\$0	196.4
ICCES E-file project	1,569,264	0	1,569,264	0	0	0.0
Implementation of evidence-based practices	241,127	241,127	0	0	0	3.0
Legal FTE	150,109	150,109	0	0	0	1.6
Court appointed professionals coordinator	73,992	73,992	0	0	0	1.0
Fund source adjustment	0	206,351	91,078	(297,429)	0	0.0
Indirect cost assessment	(1,387,373)	0	(1,398,653)	11,280	0	0.0
Annualize prior year funding	(974,475)	0	(974,475)	0	0	4.0
<b>SB 13-230</b>	<b>\$25,150,620</b>	<b>\$12,513,075</b>	<b>\$10,710,006</b>	<b>\$1,927,539</b>	<b>\$0</b>	<b>206.0</b>
SB 13-250	112,832	112,832	0	0	0	1.5
HB 13-1156	33,547	33,547	0	0	0	0.5
HB 13-1254	<u>30,540</u>	<u>18,277</u>	<u>12,263</u>	<u>0</u>	<u>0</u>	<u>0.5</u>
<b>TOTAL</b>	<b>\$25,327,539</b>	<b>\$12,677,731</b>	<b>\$10,722,269</b>	<b>\$1,927,539</b>	<b>\$0</b>	<b>208.5</b>
<b>Increase/(Decrease)</b>	(\$150,437)	\$836,235	(\$700,523)	(\$286,149)	\$0	12.1
Percentage Change	(0.6%)	7.1%	(6.1%)	(12.9%)	n/a	6.2%

## **FY 2012-13 Appropriation - Mid-year Adjustments**

Senate Bill 13-092 modifies FY 2012-13 appropriations to add \$1,374,339 cash funds for credit card processing and mailing expenses related to the new in-house e-filing system called the "Integrated Colorado Courts E-filing System" (ICCES).

## **FY 2013-14 Appropriation – S.B. 13-230 (Long Bill) Issue Descriptions**

**ICCES E-file project:** The appropriation includes an increase to provide a full year of funding for credit card processing and mailing expenses related to the new in-house e-filing system.

**Implementation of evidence-based practices:** The appropriation includes funding to add 3.0 FTE to support probation staff throughout the state in implementing several evidence-based or promising programs and practices.

**Legal FTE:** The appropriation includes funding to add 1.6 FTE legal staff within the State Court Administrator's Office to address increased demands for legal services related to contracts, grants, forms, and policies.

**Court appointed professionals coordinator:** The appropriation includes funding to add a staff position dedicated to administering the Respondent Parents' Counsel Program and to improve the quality of advocacy for respondent parents in dependency and neglect cases.

**Fund source adjustment:** The appropriation includes a \$206,351 decrease in the amount of total department indirect cost recoveries applied to offset the need for General Fund in this subsection, which necessitates a \$206,351 increase in the General Fund appropriation. In addition, the appropriation reflects a shift of \$91,078 from reappropriated funds to cash funds to consistently reflect all Judicial Department staff that are supported by the Correctional Treatment Cash Fund (CTCF) from fee revenue rather than from General Fund that is credited to the CTCF.

**Indirect cost assessment:** The appropriation reflects a change in the Long Bill format to reflect indirect cost assessments.

**Annualize prior year funding:** The appropriation includes adjustments related to prior year legislation and budget actions, including the following:

- An increase of \$339,785 cash funds and 4.0 FTE consistent with a budget initiative that was approved in FY 2010-11 to allow the Department to develop and implement in-house public access and e-filing systems. This funding allows the Department to fully staff its Support Center for system users.
- A reduction of \$454,260 cash funds that were used to purchase hardware and software required for the development and implementation of the e-filing system.
- The elimination of \$860,000 cash funds that was provided in FY 2012-13 for the purchase of hardware necessary to maintain the reliability and efficiency of the Department's IT infrastructure (*i.e.*, replacing four servers and three data storage controller units).

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

### *Central Appropriations*

This subsection includes funding related to employee benefits, leased space, and services purchased from other agencies such as legal and technology services. The sources of cash funds include: court docket fees that are credited to the Judicial Stabilization Cash Fund; payments and fees that are credited to the Offender Services Fund; fees and cost recoveries that are credited to the Judicial Department Information Technology Cash Fund; fines that are credited to the Fines Collection Cash Fund; drug offender surcharges that are credited to the Correctional Treatment Cash Fund; fees that are credited to the Alcohol and Drug Driving Safety Program Fund; and court docket fees that are credited to the State Commission on Judicial Performance Cash Fund.

<i>Central Appropriations</i>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2012-13 Appropriation:</b>						
HB 12-1335	\$41,200,736	\$35,900,903	\$5,299,833	\$0	\$0	0.0
HB 12-1310	(81,998)	0	(81,998)	0	0	0.0
SB 13-092	<u>107,826</u>	<u>107,826</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$41,226,564</b>	<b>\$36,008,729</b>	<b>\$5,217,835</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
<b>FY 2013-14 Appropriation:</b>						
FY 2012-13 Appropriation	\$41,226,564	\$36,008,729	\$5,217,835	\$0	\$0	0.0
Centrally appropriated line items	13,489,782	10,876,439	2,613,343	0	0	0.0
Statewide IT common policy adjustments	1,053,881	1,053,881	0	0	0	0.0
Relocation to Carr Center	739,851	911,331	(171,480)	0	0	0.0
Annualize prior year funding	(1,270,602)	(309,680)	(960,922)	0	0	0.0
<b>SB 13-230</b>	<b><u>\$55,239,476</u></b>	<b><u>\$48,540,700</u></b>	<b><u>\$6,698,776</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>0.0</u></b>
<b>TOTAL</b>	<b>\$55,239,476</b>	<b>\$48,540,700</b>	<b>\$6,698,776</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
<b>Increase/(Decrease)</b>	\$14,012,912	\$12,531,971	\$1,480,941	\$0	\$0	0.0
Percentage Change	34.0%	34.8%	28.4%	n/a	n/a	n/a

### **FY 2012-13 Appropriation - Mid-year Adjustments**

Senate Bill 13-092 modifies FY 2012-13 appropriations to add \$107,826 General Fund for risk management-related payments due to a fund balance shortfall.

FY 2013-14 Appropriation – S.B. 13-230 (Long Bill) Issue Descriptions

**Centrally appropriated line items:** The appropriation includes adjustments to centrally appropriated line items for the following: state contributions for health, life, and dental benefits; merit pay; salary survey; short-term disability; supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund; vehicle lease payments; workers' compensation; legal services; and payment to risk management and property funds.

**Statewide IT common policy adjustments:** The appropriation includes adjustments to line items appropriated for: purchase of services from the computer center; Colorado state network; communication services payments, and information technology security.

**Relocation to Carr Center:** The appropriation reflects the transfer of: \$472,560 General Fund from the independent agencies to this subsection to consolidate leased space appropriations for most Judicial Branch agencies that have relocated to the Ralph L. Carr Colorado Judicial Center; and \$171,480 cash funds from this subsection to the Carr Center subsection to reflect employee parking fees with other revenues that are used to cover parking garage operational expenses. The appropriation also includes an increase of \$438,771 General Fund to cover the increased cost of leased space for Judicial Branch agencies.

**Annualize prior year funding:** The appropriation includes adjustments related to prior year legislation and budget actions. Primarily, the appropriation reflects the transfer of funding that was appropriated to provide salary increases for certain court and probation staff in FY 2012-13 to the corresponding sections of the budget for FY 2013-14.

*Centrally Administered Programs*

This subsection includes line items that support specific functions, grant programs, and distributions that are administered centrally through the State Court Administrator’s Office.

Significant sources of cash funds include the following: the Victims and Witnesses Assistance and Law Enforcement (VALE) Fund; the Crime Victim Compensation Fund; time payment and late penalty fees credited to the Judicial Collection Enhancement Fund; fines credited to the Fines Collection Cash Fund; docket fees credited to the Judicial Stabilization Cash Fund and the State Commission on Judicial Performance Cash Fund; various fees and cost recovery charges paid by court system users; surcharges credited to the Court Security Cash Fund and the Family-Friendly Court Program Cash Fund; and fees for divorce proceedings credited to the Family Violence Justice Fund. Reappropriated funds include local VALE funds transferred from the Trial Courts section and federal child support enforcement funds that are transferred from the Department of Human Services.

<i>Centrally Administered Programs</i>						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2012-13 Appropriation:</b>						
HB 12-1335	\$49,780,644	\$3,865,573	\$44,957,534	\$957,537	\$0	147.4
HB 12-1310	<u>4,703</u>	<u>0</u>	<u>0</u>	<u>4,703</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$49,785,347	\$3,865,573	\$44,957,534	\$962,240	\$0	147.4

<i>Centrally Administered Programs</i>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2013-14 Appropriation:</b>						
FY 2012-13 Appropriation	\$49,785,347	\$3,865,573	\$44,957,534	\$962,240	\$0	147.4
Courthouse capital and infrastructure maintenance	3,848,500	0	3,848,500	0	0	0.0
Problem-solving court coordinators	750,951	0	750,951	0	0	8.8
Increase in grant funding	541,570	541,570	0	0	0	0.0
Procedural fairness and leadership education	517,500	0	517,500	0	0	0.0
Self-represented litigant coordinators	47,030	0	47,030	0	0	0.0
Implementation of evidence-based practices	14,109	14,109	0	0	0	0.0
Court appointed professionals coordinator	4,703	4,703	0	0	0	0.0
Legal FTE	1,230	1,230	0	0	0	0.0
Annualize prior year funding	(1,754,089)	0	(1,749,386)	(4,703)	0	0.0
Courthouse security grant spending authority	(650,000)	0	(650,000)	0	0	0.0
Reduction to Senior Judge Program	(100,000)	0	(100,000)	0	0	0.0
<b>SB 13-230</b>	<b>\$53,006,851</b>	<b>\$4,427,185</b>	<b>\$47,622,129</b>	<b>\$957,537</b>	<b>\$0</b>	<b>156.2</b>
SB 13-123	94,606	94,606	0	0	0	0.0
SB 13-250	24,195	24,195	0	0	0	0.0
HB 13-1035	141,498	0	141,498	0	0	0.0
HB 13-1156	391,453	391,453	0	0	0	0.0
HB 13-1210	30,125	30,125	0	0	0	0.0
HB 13-1230	100,000	100,000	0	0	0	0.0
HB 13-1254	2,352	2,352	0	0	0	0.0
HB 13-1259	<u>57,457</u>	<u>0</u>	<u>57,457</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$53,848,537</b>	<b>\$5,069,916</b>	<b>\$47,821,084</b>	<b>\$957,537</b>	<b>\$0</b>	<b>156.2</b>
<b>Increase/(Decrease)</b>	\$4,063,190	\$1,204,343	\$2,863,550	(\$4,703)	\$0	8.8
Percentage Change	8.2%	31.2%	6.4%	(0.5%)	n/a	6.0%

### **FY 2013-14 Appropriation – S.B. 13-230 (Long Bill) Issue Descriptions**

**Courthouse capital and infrastructure maintenance:** The appropriation includes funding to address required infrastructure and courthouse furnishing needs, including: \$3,020,000 to furnish new courthouse and probation

facilities in Pueblo County; \$280,000 to replace a critical phone system in Larimer County; and \$548,500 for a variety of projects in 12 other judicial districts.

**Problem-solving court coordinators:** The appropriation includes funding to add Problem-solving Court Coordinators, including 6.8 FTE for existing family dependency treatment courts and 2.0 FTE for veterans treatment courts that do not have permanent funding for a coordinator.

**Increase in grant funding:** The appropriation includes an increase of \$541,570 to provide a full \$1.0 million General Fund for grants to organizations that provide legal advice, representation, and advocacy for indigent clients who are victims of family violence (*i.e.*, typically assistance with restraining orders, divorce proceedings, and custody matters).

**Procedural fairness and leadership education:** The appropriation includes funding to provide training and technical assistance on procedural fairness to judges, district administrators, chief probation officers, and senior staff in the Office of the State Court Administrator.

**Self-represented litigant coordinators:** The appropriation includes funding to cover the capital outlay expenditures associated with expanding the statewide network of services to assist self-represented parties in court cases.

**Implementation of evidence-based practices:** The appropriation includes funding to cover the capital outlay expenditures associated with adding 3.0 FTE for the Division of Probation Services.

**Court appointed professionals coordinator:** The appropriation includes funding to cover the capital outlay expenditures associated with adding a staff position for the Respondent Parents' Counsel Program.

**Legal FTE:** The appropriation includes funding to cover the capital outlay expenditures associated with expanding the legal staff within the State Court Administrator's Office.

**Annualize prior year funding:** The appropriation eliminates one-time funding for capital outlay expenditures related to prior year legislation and budget actions.

**Courthouse security grant spending authority:** The appropriation includes a decrease for the Courthouse Security grant program to better reflect actual expenditures.

**Reduction to Senior Judge Program:** The appropriation reduces funding for the Senior Judge program.

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

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#### *Ralph L. Carr Colorado Judicial Center*

This subsection includes funding for the operations of the Carr Center. This subsection is entirely supported by the Justice Center Cash Fund. Cash fund sources include court docket fees, parking fees, and certain leased space payments. Reappropriated funds are from leased space payments that are reflected initially in appropriations to this department and the Department of Law for "Ralph L. Carr Colorado Judicial Center Leased Space".



<b>Ralph L. Carr Colorado Judicial Center</b>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2012-13 Appropriation:</b>						
HB 12-1335	\$4,141,609	\$0	\$4,141,609	\$0	\$0	2.0
SB 13-092	<u>18,983</u>	<u>0</u>	<u>18,983</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$4,160,592</b>	<b>\$0</b>	<b>\$4,160,592</b>	<b>\$0</b>	<b>\$0</b>	<b>2.0</b>
<b>FY 2013-14 Appropriation:</b>						
FY 2012-13 Appropriation	\$4,160,592	\$0	\$4,160,592	\$0	\$0	2.0
Relocation to Carr Center	3,332,691	0	(1,656,990)	4,989,681	0	0.0
<b>SB 13-230</b>	<b><u>\$7,493,283</u></b>	<b><u>\$0</u></b>	<b><u>\$2,503,602</u></b>	<b><u>\$4,989,681</u></b>	<b><u>\$0</u></b>	<b><u>2.0</u></b>
<b>TOTAL</b>	<b>\$7,493,283</b>	<b>\$0</b>	<b>\$2,503,602</b>	<b>\$4,989,681</b>	<b>\$0</b>	<b>2.0</b>
<b>Increase/(Decrease)</b>	\$3,332,691	\$0	(\$1,656,990)	\$4,989,681	\$0	0.0
Percentage Change	80.1%	n/a	(39.8%)	n/a	n/a	0.0%

### **FY 2012-13 Appropriation - Mid-year Adjustments**

Senate Bill 13-092 modifies FY 2012-13 appropriations to increase funding for the purchase of State Patrol security services due to the early completion of the Carr Center.

### **FY 2013-14 Appropriation – S.B. 13-230 (Long Bill) Issue Descriptions**

**Relocation to Carr Center:** The appropriation includes a total increase of \$3,332,691 for this subsection, including:

- an increase of \$2,136,211 to reflect the first full year of Carr Center operations;
- an increase of \$1,025,000 for future controlled maintenance expenses; and
- the transfer of \$171,480 cash funds from the Central Appropriations subsection to reflect employee parking fees with other revenues that are used to cover parking garage operational expenses.

Appropriations for the Carr Center for FY 2013-14 include \$4,989,681 reappropriated funds that will be transferred from leased space appropriations to the Judicial Branch and the Department of Law for the space each agency occupies in the office tower. The remainder of the appropriations in this subsection will come from leased space payments received from other tenants, parking fee revenues, and docket fee revenues.

### **Trial Courts**

State trial courts include district courts in 22 judicial districts, water courts, and county courts. *District courts* preside over felony criminal matters, civil claims, juvenile matters, probate, mental health, and divorce proceedings. In addition, district courts handle appeals from municipal and county courts and review decisions of administrative boards and agencies. Within the district court system, the General Assembly has established seven *water divisions*, one for each river basin. Water courts have exclusive jurisdiction over cases involving

the determination of water rights and the use and administration of water. The General Assembly establishes judicial districts and the number of judges for each district in statute; district court judges serve renewable six-year terms.

*County courts* have limited jurisdiction, handling civil actions involving no more than \$15,000, misdemeanor cases, civil and criminal traffic infractions, and felony complaints. County courts also issue search warrants and protection orders in cases involving domestic violence. In addition, county courts handle appeals from municipal courts. The General Assembly establishes the number of judges for each county in statute; these judges serve renewable four-year terms.

Significant cash fund sources include court docket fees that are credited to the Judicial Stabilization Cash Fund, various fees and cost recovery charges paid by court system users, and grants. Reappropriated funds include funds transferred from the Department of Human Services and the Department of Public Safety.

	<b>Trial Courts</b>					
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2012-13 Appropriation:</b>						
HB 12-1335	\$144,008,319	\$109,992,195	\$30,991,124	\$1,400,000	\$1,625,000	1,808.1
SB 13-092	<u>656,440</u>	<u>656,440</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$144,664,759</b>	<b>\$110,648,635</b>	<b>\$30,991,124</b>	<b>\$1,400,000</b>	<b>\$1,625,000</b>	<b>1,808.1</b>
<b>FY 2013-14 Appropriation:</b>						
FY 2012-13 Appropriation	\$144,664,759	\$110,648,635	\$30,991,124	\$1,400,000	\$1,625,000	1,808.1
Annualize prior year funding	1,048,066	5,146	1,042,920	0	0	0.0
Self-represented litigant coordinators	623,853	0	623,853	0	0	10.0
DA mandated costs	122,367	102,367	20,000	0	0	0.0
Mediation services	40,000	40,000	0	0	0	0.0
<b>SB 13-230</b>	<b>\$146,499,045</b>	<b>\$110,796,148</b>	<b>\$32,677,897</b>	<b>\$1,400,000</b>	<b>\$1,625,000</b>	<b>1,818.1</b>
SB 13-123	438,593	438,593	0	0	0	6.9
SB 13-197	45,742	45,742	0	0	0	0.8
HB 13-1035	635,476	0	635,476	0	0	8.0
HB 13-1160	(192,283)	(192,283)	0	0	0	(3.3)
HB 13-1210	54,366	54,366	0	0	0	0.8
HB 13-1259	<u>217,942</u>	<u>0</u>	<u>217,942</u>	<u>0</u>	<u>0</u>	<u>3.2</u>
<b>TOTAL</b>	<b>\$147,698,881</b>	<b>\$111,142,566</b>	<b>\$33,531,315</b>	<b>\$1,400,000</b>	<b>\$1,625,000</b>	<b>1,834.5</b>
<b>Increase/(Decrease)</b>	\$3,034,122	\$493,931	\$2,540,191	\$0	\$0	26.4
Percentage Change	2.1%	0.4%	8.2%	0.0%	0.0%	1.5%

## **FY 2012-13 Appropriation - Mid-year Adjustments**

Senate Bill 13-092 modifies FY 2012-13 appropriations to add:

- \$391,340 General Fund for a growing number of court appointments of state-paid counsel in mental health and probate cases; and
- \$265,100 General Fund to cover unanticipated prosecution expenditures associated with two specific criminal cases.

## **FY 2013-14 Appropriation – S.B. 13-230 (Long Bill) Issue Descriptions**

**Annualize prior year funding:** The appropriation includes funding transferred from the Courts Administration section to incorporate salary increases provided for certain court staff in FY 2012-13.

**Self-represented litigant coordinators:** The appropriation includes funding to expand a statewide network of services to assist self-represented parties in court cases. This funding will expand the number of staff in judicial districts that coordinate and provide these services from 12.0 FTE to 22.0 FTE.

**DA mandated costs:** The appropriation includes an increase to reimburse district attorneys for costs incurred for prosecution of state matters.

**Mediation services:** The appropriation increases annual funding for the provision of mediation services for indigent parties from \$160,000 to \$200,000.

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

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## **Probation and Related Services**

Persons convicted of certain offenses are eligible to apply to the court for probation. An offender on probation serves a sentence in the community under the supervision of a probation officer, subject to conditions imposed by the court. A breach of any imposed condition may result in revocation or modification of probation, or incarceration. As of June 30, 2012, a total of 74,330 individuals who were sentenced to probation were under supervision, including 68,859 adults and 5,471 juveniles. Managed by the Chief Probation Officer in each judicial district, employees prepare assessments and provide pre-sentence investigation services to the courts, supervise adult and juvenile offenders sentenced to community programs, and provide notification and support services to victims.

Cash fund sources include: payments and fees that are credited to the Offender Services Fund, the Correctional Treatment Cash Fund, the Alcohol and Drug Driving Safety Program Fund, the Sex Offender Surcharge Fund, the Interstate Compact Probation Transfer Cash Fund, and the Offender Identification Fund; and various fees, cost recoveries, and grants. Sources of reappropriated funds include: General Fund moneys that are appropriated to the Correctional Treatment Cash Fund; Victims and Witnesses Assistance and Law Enforcement (VALE) Board grants that are transferred from the Courts Administration section; and transfers from the Departments of Education, Human Services, and Public Safety.

Probation and Related Services						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2012-13 Appropriation:</b>						
HB 12-1335	\$113,959,658	\$75,605,806	\$23,120,969	\$12,432,883	\$2,800,000	1,213.4
HB 12-1310	<u>5,893,726</u>	<u>0</u>	<u>3,789,507</u>	<u>2,104,219</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$119,853,384</b>	<b>\$75,605,806</b>	<b>\$26,910,476</b>	<b>\$14,537,102</b>	<b>\$2,800,000</b>	<b>1,213.4</b>
<b>FY 2013-14 Appropriation:</b>						
FY 2012-13 Appropriation	\$119,853,384	\$75,605,806	\$26,910,476	\$14,537,102	\$2,800,000	1,213.4
Annualize prior year funding	4,002,702	2,142,447	11,752	1,848,503	0	0.0
Indirect cost assessment	1,031,039	0	1,031,039	0	0	0.0
Fund source adjustment	0	0	(91,078)	91,078	0	0.0
Other	(616,659)	0	(616,659)	0	0	0.0
<b>SB 13-230</b>	<b>\$124,270,466</b>	<b>\$77,748,253</b>	<b>\$27,245,530</b>	<b>\$16,476,683</b>	<b>\$2,800,000</b>	<b>1,213.4</b>
SB 13-250	<u>202,737</u>	<u>202,737</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3.3</u>
<b>TOTAL</b>	<b>\$124,473,203</b>	<b>\$77,950,990</b>	<b>\$27,245,530</b>	<b>\$16,476,683</b>	<b>\$2,800,000</b>	<b>1,216.7</b>
<b>Increase/(Decrease)</b>	\$4,619,819	\$2,345,184	\$335,054	\$1,939,581	\$0	3.3
Percentage Change	3.9%	3.1%	1.2%	13.3%	0.0%	0.3%

### FY 2013-14 Appropriation – S.B. 13-230 (Long Bill) Issue Descriptions

**Annualize prior year funding:** The appropriation includes adjustments related to prior year legislation and budget actions, primarily including \$1,843,800 General Fund for offender treatment as required by H.B. 12-1310, and the transfer of \$298,547 General Fund from the Courts Administration section to incorporate salary increases provided for certain probation staff in FY 2012-13.

**Indirect cost assessment:** The appropriation reflects a change in the Long Bill format to reflect indirect cost assessments.

**Fund source adjustment:** The appropriation reflects a fund source adjustment so that all appropriations from the Correctional Treatment Cash Fund that support staff are categorized as cash funds appropriations (from drug offender surcharge revenues).

**Other:** The appropriation reduces spending authority from the Correctional Treatment Cash Fund to better reflect the amount of cash fund revenues that will be available for offender treatment.

**Additional legislation:** For information on S.B. 13-250 see the "Recent Legislation" section at the end of this department.

## Office of the State Public Defender

The Office of the State Public Defender (OSPD) is an independent agency that provides legal representation for indigent defendants who are facing the possibility of incarceration. The OSPD provides representation through employees who are located around the state. The OSPD is comprised of a central administrative office, an appellate office, and 21 regional trial offices. Cash fund sources include grants and training fees.

Office of the State Public Defender						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2012-13 Appropriation:</b>						
HB 12-1335	\$62,998,015	\$62,749,755	\$248,260	\$0	\$0	656.4
SB 13-092	<u>560,080</u>	<u>560,080</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$63,558,095</b>	<b>\$63,309,835</b>	<b>\$248,260</b>	<b>\$0</b>	<b>\$0</b>	<b>656.4</b>
<b>FY 2013-14 Appropriation:</b>						
FY 2012-13 Appropriation	\$63,558,095	\$63,309,835	\$248,260	\$0	\$0	656.4
Attorney pay parity	5,293,924	5,293,924	0	0	0	0.0
Centrally appropriated line items	1,993,565	1,993,565	0	0	0	0.0
Operating shortfalls	600,613	600,613	0	0	0	0.0
Annualize prior year funding	96,096	194,356	(98,260)	0	0	2.2
Relocation to Carr Center	(391,830)	(391,830)	0	0	0	0.0
Other	(1,890)	(1,890)	0	0	0	0.0
<b>SB 13-230</b>	<b>\$71,148,573</b>	<b>\$70,998,573</b>	<b>\$150,000</b>	<b>\$0</b>	<b>\$0</b>	<b>658.6</b>
HB 13-1160	(170,242)	(170,242)	0	0	0	(2.7)
HB 13-1210	3,710,909	3,710,909	0	0	0	37.1
HB 13-1325	<u>12,000</u>	<u>12,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$74,701,240</b>	<b>\$74,551,240</b>	<b>\$150,000</b>	<b>\$0</b>	<b>\$0</b>	<b>693.0</b>
<b>Increase/(Decrease)</b>	\$11,143,145	\$11,241,405	(\$98,260)	\$0	\$0	36.6
Percentage Change	17.5%	17.8%	(39.6%)	n/a	n/a	5.6%

### FY 2012-13 Appropriation - Mid-year Adjustments

Senate Bill 13-092 modifies FY 2012-13 appropriations to add \$560,080 General Fund for the OSPD to address several operational funding shortfalls.

### FY 2013-14 Appropriation – S.B. 13-230 (Long Bill) Issue Descriptions

**Attorney pay parity:** The appropriation includes funding to increase OSPD attorney salaries to a level competitive with Colorado public sector attorney compensation practices.

**Centrally appropriated line items:** The appropriation includes adjustments to centrally appropriated line items for the following: state contributions for health, life, and dental benefits; merit pay; salary survey; short-term disability; supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund; and vehicle lease payments.

**Operating shortfalls:** The appropriation includes \$600,613 General Fund to address ongoing funding shortfalls for OSPD information technology asset maintenance and mandated costs.

**Annualize prior year funding:** The appropriation includes adjustments related to prior year legislation and budget actions.

**Relocation to Carr Center:** The appropriation transfers funds to the Courts Administration section to consolidate appropriations for Judicial Branch agencies that have relocated to the Ralph L. Carr Colorado Judicial Center.

**Other:** The appropriation includes a decrease for the OSPD's expenses related to attorney registration fees.

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

## Office of the Alternate Defense Counsel

The Office of Alternate Defense Counsel (OADC) is an independent agency that provides legal representation for indigent defendants in criminal and juvenile delinquency cases in which the Office of the State Public Defender is precluded from doing so because of an ethical conflict of interest. The OADC provides legal representation by contracting with licensed attorneys and investigators. Cash funds are from training fees.

Office of the Alternate Defense Counsel						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2012-13 Appropriation:</b>						
HB 12-1335	<u>\$22,560,446</u>	<u>\$22,540,446</u>	<u>\$20,000</u>	<u>\$0</u>	<u>\$0</u>	<u>7.5</u>
<b>TOTAL</b>	<b>\$22,560,446</b>	<b>\$22,540,446</b>	<b>\$20,000</b>	<b>\$0</b>	<b>\$0</b>	<b>7.5</b>
<b>FY 2013-14 Appropriation:</b>						
FY 2012-13 Appropriation	\$22,560,446	\$22,540,446	\$20,000	\$0	\$0	7.5
Conflict of interest contracts	334,489	334,489	0	0	0	0.0
Centrally appropriated line items	37,543	37,543	0	0	0	0.0
Legal resource and technology coordinator	0	0	0	0	0	0.9
Relocation to Carr Center	(35,880)	(35,880)	0	0	0	0.0
<b>SB 13-230</b>	<b><u>\$22,896,598</u></b>	<b><u>\$22,876,598</u></b>	<b><u>\$20,000</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>8.4</u></b>
<b>TOTAL</b>	<b>\$22,896,598</b>	<b>\$22,876,598</b>	<b>\$20,000</b>	<b>\$0</b>	<b>\$0</b>	<b>8.4</b>

Office of the Alternate Defense Counsel						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Increase/(Decrease)	\$336,152	\$336,152	\$0	\$0	\$0	0.9
Percentage Change	1.5%	1.5%	0.0%	n/a	n/a	12.0%

### FY 2013-14 Appropriation – S.B. 13-230 (Long Bill) Issue Descriptions

**Conflict of interest contracts:** The appropriation includes an increase to cover a projected increase in contract counsel expenses.

**Centrally appropriated line items:** The appropriation includes adjustments to centrally appropriated line items for the following: state contributions for health, life, and dental benefits; merit pay; salary survey; short-term disability; and supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund.

**Legal resource and technology coordinator:** The appropriation includes \$101,321 General Fund to add a full-time Legal Resource and Technology Coordinator to maintain and administer the OADC's centralized system of legal resources and technology for contractors. This increase is fully offset by a \$101,321 reduction in funding for OADC's conflict of interest contracts.

**Relocation to Carr Center:** The appropriation transfers funds to the Courts Administration section to consolidate appropriations for Judicial Branch agencies that have relocated to the Ralph L. Carr Colorado Judicial Center.

### Office of the Child's Representative

The Office of the Child's Representative (OCR) is an independent agency that is responsible for ensuring the provision of uniform, high-quality legal representation and non-legal advocacy to children involved in judicial proceedings. Generally, this includes representing children involved in the court system due to abuse or neglect, delinquency, truancy, high conflict divorce, alcohol or drug abuse, mental health issues, and probate matters. In most judicial districts, OCR provides legal representation by contracting with private attorneys or multi-disciplinary law offices. However, in El Paso county, the OCR employs attorneys and other staff to provide legal representation through a centralized office rather than through contracted services.

Office of the Child's Representative						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2012-13 Appropriation:</b>						
HB 12-1335	<u>\$19,123,343</u>	<u>\$19,123,343</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>26.9</u>
<b>TOTAL</b>	<b>\$19,123,343</b>	<b>\$19,123,343</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>26.9</b>
<b>FY 2013-14 Appropriation:</b>						
FY 2012-13 Appropriation	\$19,123,343	\$19,123,343	\$0	\$0	\$0	26.9
Increase in grant funding	500,000	500,000	0	0	0	0.0

Office of the Child's Representative						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Centrally appropriated line items	141,740	141,740	0	0	0	0.0
Appropriation realignment	0	0	0	0	0	0.0
Relocation to Carr Center	(44,850)	(44,850)	0	0	0	0.0
Leased space adjustment	(15,120)	(15,120)	0	0	0	0.0
<b>SB 13-230</b>	<b><u>\$19,705,113</u></b>	<b><u>\$19,705,113</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>26.9</u></b>
<b>TOTAL</b>	<b>\$19,705,113</b>	<b>\$19,705,113</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>26.9</b>
<b>Increase/(Decrease)</b>	\$581,770	\$581,770	\$0	\$0	\$0	0.0
Percentage Change	3.0%	3.0%	n/a	n/a	n/a	0.0%

### FY 2013-14 Appropriation – S.B. 13-230 (Long Bill) Issue Descriptions

**Increase in grant funding:** The appropriation includes an increase of \$500,000 to provide a total of \$1,020,000 General Fund to support court-appointed special advocate (CASA) programs.

**Centrally appropriated line items:** The appropriation includes adjustments to centrally appropriated line items for the following: state contributions for health, life, and dental benefits; merit pay; salary survey; short-term disability; and supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund.

**Appropriation realignment:** The appropriation adds \$10,772 General Fund for Mandated Costs and decreases funding for Court Appointed Counsel by \$10,772 General Fund to better reflect OCR's likely expenditures.

**Relocation to Carr Center:** The appropriation transfers funds to the Courts Administration section to consolidate appropriations for Judicial Branch agencies that have relocated to the Ralph L. Carr Colorado Judicial Center.

**Leased space adjustment:** The appropriation reflects a decrease in leased space expenses for OCR's Colorado Springs office.

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### Independent Ethics Commission

The Independent Ethics Commission is an independent agency that is responsible for providing advice and guidance on ethics-related matters concerning public officers, members of the General Assembly, local government officials, and government employees.



<b>Independent Ethics Commission</b>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2012-13 Appropriation:</b>						
HB 12-1335	<u>\$224,963</u>	<u>\$224,963</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>1.0</u>
<b>TOTAL</b>	<b>\$224,963</b>	<b>\$224,963</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>1.0</b>
<b>FY 2013-14 Appropriation:</b>						
FY 2012-13 Appropriation	\$224,963	\$224,963	\$0	\$0	\$0	1.0
Restoration of FTE	72,048	72,048	0	0	0	1.0
Centrally appropriated line items	18,736	18,736	0	0	0	0.0
<b>SB 13-230</b>	<b><u>\$315,747</u></b>	<b><u>\$315,747</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>2.0</u></b>
<b>TOTAL</b>	<b>\$315,747</b>	<b>\$315,747</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>2.0</b>
<b>Increase/(Decrease)</b>	\$90,784	\$90,784	\$0	\$0	\$0	1.0
Percentage Change	40.4%	40.4%	n/a	n/a	n/a	100.0%

### **FY 2013-14 Appropriation – S.B. 13-230 (Long Bill) Issue Descriptions**

**Restoration of FTE:** The appropriation includes \$72,048 General Fund and 1.0 FTE to restore Commission staffing levels to 2.0 FTE.

**Centrally appropriated line items:** The appropriation includes adjustments to centrally appropriated line items for the following: state contributions for health, life, and dental benefits; merit pay; salary survey; short-term disability; supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund; and legal services.

## **Recent Legislation**

### **2012 Session Bills**

**H.B. 12-1246:** Reverses the annual pay date shift as it applies to state employees paid on a biweekly basis. Appropriates \$16,115 General Fund to the Judicial Department for FY 2012-13. For additional information see the corresponding bill description in the "Recent Legislation" section of the Department of Personnel.

**H.B. 12-1310:** Makes a number of changes to state criminal law, as summarized below.

- **Drug Treatment Fund Consolidation.** Consolidates the major state funding sources for substance abuse treatment (including the Drug Offender Surcharge Fund and the Drug Offender Treatment Fund) into a newly created Correctional Treatment Cash Fund. Replaces the State Drug Offender Treatment Board and the Interagency Task Force on Treatment with the newly created Correctional Treatment Board, and expands the membership requirements for each judicial district's drug offender treatment board. Requires

the Correctional Treatment Board to prepare an annual treatment plan that the Judicial Department will include in its annual presentation to the Joint Budget Committee.

- **Aggravated Juvenile Offenders.** When a juvenile is adjudicated a delinquent for either murder in the first or second degree and adjudicated an aggravated juvenile offender or convicted of a crime of violence, allows the court to sentence the juvenile consecutively or concurrently for all adjudicated offenses arising from the petition. Establishes a ten year period of mandatory parole for an aggravated juvenile offender who was adjudicated a delinquent for first degree murder. Requires the court to order a psychological evaluation and risk assessment before the hearing on the offender's further placement at age 21 to determine if the juvenile is a danger to himself or herself or others. As part of the hearing, requires the court to reconsider the length of the remaining sentence. Adds placement options, including a correctional facility, the youthful offender system, a community corrections program, or adult parole.
- **Bath Salts as Controlled Substances.** Defines "cathinones" and establishes criminal penalties for possession of cathinones and for distributing, manufacturing, dispensing, or selling cathinones. Establishes that any person or entity that sells a product that is labeled as a "bath salt" or any other trademark and contains any amount of a cathinone commits a deceptive trade practice and is subject to a civil penalty.
- **Criminal Proceedings.** Addresses several areas of statute governing criminal proceedings, including changes and clarifications concerning: sentencing; court proceedings; the collection of court fines, fees, costs, restitution, and surcharges; the preparation of presentence reports; eligibility for probation; and the types of parole hearings that a release hearing officer may conduct. Expands the information that the Judicial Department is to include in its annual report regarding the state's pretrial services programs. Clarifies that the court cannot charge a probationer for the costs of returning the probationer to Colorado, but requires a probationer who wishes to transfer his or her probation to another state to pay a \$100 filing fee that is deposited into the newly created Interstate Compact Probation Transfer Cash Fund to cover the costs associated with returning probationers to Colorado. Allows the interest earned on moneys in the Sex Offender Surcharge Fund to remain in the Fund rather than being credited to the General Fund.
- **Penalties for Drug Offenses.** Directs the Colorado Commission on Criminal and Juvenile Justice (Commission), using empirical analysis and evidence-based data and research, to consider the development of a comprehensive drug sentencing scheme for all drug crimes. Specifies items that the sentencing scheme is to consider. Requires the Commission to provide a written report of its recommendations for a comprehensive drug sentencing scheme to the Judiciary Committees by December 15, 2012.

Includes several appropriation clauses affecting multiple departments, as detailed in the following table. Sections 40 and 41 of the act adjust appropriations in the FY 2012-13 Long Bill (H.B. 12-1335) to reflect the consolidation of drug treatment funding originally made available pursuant to S.B. 03-318 and H.B. 10-1352. Section 42 of the act appropriates moneys to the Department of Corrections and the Governor's Office to implement provisions concerning juvenile offenders. Section 43 of the act appropriates moneys to the Judicial Department from the Interstate Compact Probation Transfer Cash Fund to cover the costs associated with returning probationers to Colorado.

House Bill 12-1310: FY 2012-13 Appropriations and Long Bill Adjustments		
Department/ Line item/ Purpose	Amount	Fund Source
<b>Sections 40 and 41: Drug Treatment Fund Consolidation</b>		
<b>Department of Corrections</b>		
<i>Inmate Programs, Drug and Alcohol Treatment Subprogram</i>		
Drug Offender Surcharge Program	(\$995,127)	Cash Funds (CF) - Drug Offender Surcharge Fund (DOSF)
Contract Services	(250,000)	CF - DOSF
<i>Community Services, Parole Subprogram</i>		
Contract Services	(1,757,100)	Reappropriated Funds (RF) - Transfer from Judicial (from DOSF per H.B. 10-1352)
Services and activities authorized by Sections 18-19-103 (5) (c) and (d), C.R.S. [S.B. 12-104]	<u>3,002,227</u>	RF - Transfer from Judicial (from Correctional Treatment Cash Fund or CTCF)
Subtotal - Corrections	0	
<b>Department of Human Services</b>		
<i>Mental Health and Alcohol and Drug Abuse Services, Alcohol and Drug Abuse Division, Treatment Services</i>		
Treatment and Detoxification Contracts	(887,300)	CF - DOSF
Short-term Intensive Residential Remediation and Treatment (STIRRT)	(383,316)	CF - DOSF
<i>Mental Health and Alcohol and Drug Abuse Services, Co-occurring Behavioral Health Services</i>		
Substance Use Disorder Offender Services (H.B. 10-1352)	(1,819,900)	RF - Transfer from Judicial (from DOSF per H.B. 10-1352)
Services and activities authorized by Sections 18-19-103 (5) (c) and (d), C.R.S.	<u>3,090,516</u>	RF - Transfer from Judicial (from CTCF)
Subtotal - Human Services	0	
<b>Judicial Department</b>		
<i>Courts Administration, Administration and Technology</i>		
General Courts Administration	91,078	RF - CTCF (GF credited to Fund)
	1.0 FTE	
<i>Courts Administration, Central Appropriations</i>		
Various centrally appropriated line items	(81,998)	CF - DOSF
<i>Courts Administration, Centrally Administered Programs</i>		
Courthouse Capital/Infrastructure Maintenance	4,703	RF - CTCF (GF credited to Fund)
<i>Probation and Related Services</i>		
Probation Programs	(702,114)	CF - DOSF
Offender Treatment and Services	(1,010,006)	CF - DOSF
Offender Treatment and Services	(7,656,200)	RF - DOSF (GF credited to fund)
S.B. 03-318 Community Treatment Funding	(2,200,000)	General Fund (GF)
H.B. 10-1352 Appropriation to Drug Offender Surcharge Fund	(7,656,200)	GF
Appropriation to Correctional Treatment Cash Fund	9,856,200	GF
Services and activities authorized by Sections 18-19-103 (5) (c) and (d), C.R.S.	5,407,877	CF - CTCF (fee revenue)

House Bill 12-1310: FY 2012-13 Appropriations and Long Bill Adjustments		
Department/ Line item/ Purpose	Amount	Fund Source
Services and activities authorized by Sections 18-19-103 (5) (c) and (d), C.R.S.	<u>9,760,419</u>	RF - CTCF (GF credited to Fund)
Subtotal - Judicial	5,813,759	
	1.0 FTE	
<b>Department of Public Safety</b>		
<i>Executive Director's Office, Administration</i>		
Various centrally appropriated line items	(10,793)	CF - DOSF
<i>Division of Criminal Justice, Administration</i>		
DCJ Administrative Services	(84,803)	CF - DOSF
DCJ Administrative Services	(37,964)	GF
	(0.5 FTE)	
Indirect Cost Assessment	(8,401)	CF - DOSF
<i>Division of Criminal Justice, Community Corrections</i>		
Community Corrections Placement	(994,019)	CF - DOSF
Treatment for Substance Abuse and Co-occurring Disorders	(1,568,750)	RF - Transfer from Judicial (from DOSF per H.B. 10-1352)
Services and activities authorized by Sections 18-19-103 (5) (c) and (d), C.R.S.	<u>2,666,766</u>	RF - Transfer from Judicial (from CTCF)
Subtotal - Public Safety	(37,964)	GF
	(0.5 FTE)	
<b>Section 42: Juvenile Offenders</b>		
<b>Department of Corrections</b>		
Purchase of computer center services	11,840	GF
<b>Governor - Lieutenant Governor - State Planning and Budgeting</b>		
<i>Office of Information Technology</i>	11,840	RF - Transfer from Corrections
<b>Section 43: Criminal Proceedings</b>		
<b>Judicial Department</b>		
<i>Probation and Related Services</i>	93,750	CF - Interstate Compact Probation Transfer Cash Fund
<b>Totals</b>	<u>\$5,893,225</u>	Total Funds
	(26,124)	General Fund
	93,750	Cash Funds
	5,825,599	Reappropriated Funds
	0.5 FTE	

**H.B. 12-1335:** General appropriations act for FY 2012-13.

## 2013 Session Bills

**S.B. 13-092:** Supplemental appropriation to the Judicial Department to modify FY 2012-13 appropriations included in the FY 2012-13 Long Bill (H.B. 12-1335).

**S.B. 13-123:** Allows defendants who enter into an alternative to sentencing or receive probation or a sentence to community corrections to apply for an order of collateral relief for the conviction. Establishes procedures for the application and standards for granting collateral relief. Provides that a pardon or commutation of sentence issued by the Governor waives all collateral consequences associated with each conviction for which the person received a pardon unless otherwise specified in the pardon. Requires the Governor to provide a copy of any pardon or a commutation of sentence to the Colorado Bureau of Investigation (CBI), and requires the CBI to include a note in the individual's record in the Colorado Crime Information Center that a pardon was issued or clemency was granted.

Specifies certain information to be contained in the notice that is provided by a probation or parole officer to a person before he or she is released from probation or parole. Expands the types of convictions and violations that are subject to record sealing, establishes procedures for petitions and hearings, and specifies that a person may only file a petition to seal criminal records once during a 12-month period. Adds to the factors to be reviewed by the Department of Regulatory Agencies (DORA) in a sunset or sunrise review whether the agency imposes or should impose a disqualification based upon a person's criminal history.

Appropriates \$533,199 General Fund and 6.9 FTE to the Judicial Department for FY 2013-14. Appropriates a total of \$184,902 and 3.0 FTE to the Department of Public Safety's Colorado Bureau of Investigation for FY 2013-14, including \$169,902 cash funds from the Colorado Bureau of Investigation Identification Unit Fund and 3.0 FTE and \$15,000 General Fund.

**S.B. 13-197:** Requires the court to require a person to relinquish any firearm or ammunition in the person's immediate possession or control or subject to the person's immediate possession or control under the following circumstances:

- (1) when the court subjects a person to a protection order to prevent domestic violence;
- (2) when the court subjects a person to a protection order that prohibits the person from possessing or controlling firearms or other weapons; or
- (3) when the court convicts a person of a misdemeanor or felony domestic violence offense.

Appropriates \$45,742 General Fund and 0.8 FTE to the Judicial Department for FY 2013-14.

**S.B. 13-227:** Establishes a process for victims who conceive a child as a result of a sexual assault to file a petition with the court to: (1) prevent future contact with the parent who committed the sexual assault; and (2) terminate the legal parent-child relationship of the parent who committed the sexual assault. Allows the court to appoint a guardian ad litem to represent the child's best interests in the proceeding after a petition has been filed. Creates a Task Force on Children Conceived by Rape to study the new process for termination created in the act and to study and make recommendations to the General Assembly for protecting rape victims and for addressing parental rights in cases in which there are allegations that a sexual assault has occurred, a conviction of or prosecution for sexual assault has not occurred, and a child has been conceived as a result of the alleged sexual assault. Appropriates \$9,000 General Fund to the Department of Human Services to assist the Task Force.

**S.B. 13-230:** General appropriations act for FY 2013-14.

**S.B. 13-246:** Creates a 12 member Discovery Task Force to meet to address the issue of discovery costs in criminal cases, including the State Court Administrator (or his designee) who shall serve as the Vice Chair. The Task Force is required to study several topics and report back to the Joint Budget Committee and the Judiciary Committees by January 31, 2014. For additional information see the corresponding bill description at the end of Part III for the Department of Law.

**S.B. 13-250:** Creates new felony and misdemeanor drug sentencing grids, and assigns each of the drug crimes a new drug penalty based on the new felony and misdemeanor drug sentencing grids. Creates a sentencing option for offenders convicted of certain drug felonies that allows the court to vacate the felony conviction and enter a misdemeanor conviction in its place if the offender successfully completes a community-based sentence. Allows the court to impose residential drug treatment as a condition of probation when a defendant is sentenced to probation for a drug offense. Amends the intensive supervision probation program to allow defendants convicted of a misdemeanor to participate if they are assessed as higher risk.

Authorizes the statewide organization representing District Attorneys the ability to receive, manage, and expend state funds in the manner prescribed by the General Assembly on behalf of the District Attorneys who are members of the organization. Directs the General Assembly to appropriate at least \$3,500,000 in FY 2014-15 to the Correctional Treatment Cash Fund from the estimated savings from S.B. 13-250. Requires the Division of Criminal Justice in the Department of Public Safety to collect data on drug cases and issue a report by December 31, 2016. For FY 2013-14, appropriates \$339,764 General Fund and 4.8 FTE to the Judicial Department, and appropriates \$521,850 General Fund to the Department of Corrections and reappropriates this amount to the Governor's Office of Information Technology.

**H.B. 13-1035:** Modifies the number of judges allocated to the 5<sup>th</sup> judicial district (Clear Creek, Eagle, Lake, and Summit counties) and the 9th judicial district (Garfield, Pitkin, and Rio Blanco counties), increasing the allocation for each judicial district by one district court judge. Appropriates \$776,974 cash funds from the Judicial Stabilization Fund and 8.0 FTE to the Judicial Department for FY 2013-14.

**H.B. 13-1156:** Repeals the adult deferred prosecution sentencing option and replaces it with an adult diversion program. Creates a Diversion Funding Committee to review applications and allocate funding for diversion programs. Requires a District Attorney that receives funding pursuant to the act to collect data and provide a status report to the Judicial Department based on its adult diversion program. Requires the Judicial Department to provide an annual status report to the Joint Budget Committee beginning in January 2015. Appropriates \$425,000 General Fund and 0.5 FTE to the Judicial Department for FY 2013-14.

**H.B. 13-1160:** Amends the penalties for criminal theft and amends criminal theft to include the existing statutory offenses of theft of rental property and theft by receiving. Repeals the existing statutory offenses of theft of rental property, theft by receiving, fuel piracy, and newspaper theft. Reduces General Fund appropriations for FY 2013-14 by a total of \$882,925 and 6.0 FTE, including \$520,400 for the Department of Corrections and \$362,525 and 6.0 FTE for the Judicial Department.

**H.B. 13-1210:** Repeals a statute that requires an indigent person charged with a misdemeanor, petty offense, or motor vehicle or traffic offense to meet with the prosecuting attorney for plea negotiations before legal counsel is appointed. Clarifies that appointment of the State Public Defender to represent indigent persons applies when the charged offense includes a possible sentence of incarceration. Appropriates a total of \$3,795,400 General

Fund and 37.9 FTE to the Judicial Department for FY 2013-14, including \$3,710,909 and 37.1 FTE to the Office of the State Public Defender, and \$84,491 and 0.8 FTE for the trial courts.

**H.B. 13-1230:** Creates a state compensation program for persons who are found actually innocent of felony crimes after serving time in jail, prison, or juvenile placement. To become eligible for state funds, the exonerated person (or his or her immediate family members) must submit a petition and supporting documentation to the district court in the county that heard the original case. The Attorney General and District Attorney for that judicial district may concur or contest the petition. If contested, the district court may order for evidence to be retested and is authorized to consider new evidence, whether or not it was part of the original trial. If a petition is contested, the burden to prove actual innocence is upon the petitioner. Either the Attorney General or the District Attorney may contest a finding of actual innocence, but payments are to be made while the appeal is pending. If the outcome of the appeal is favorable to the State, the court is authorized to take the necessary steps to recover any moneys disbursed. If found actually innocent, the exonerated person is eligible to receive the following benefits:

- monetary compensation in the amount of \$70,000 for each year incarcerated, plus an additional \$25,000 for each year he or she served on parole and \$50,000 for each year he or she was incarcerated and awaited execution;
- tuition waivers at state institutions of higher education, if the exonerated person was incarcerated for at least three years;
- compensation for child support payments and associated interest owed by the exonerated person that were incurred during his or her incarceration;
- reasonable attorney fees; and
- the amount of any fine, penalty, court costs, or restitution imposed as a result of the exonerated person's wrongful conviction.

Specifies circumstances under which no payments are allowed. Appropriates \$100,000 General Fund to the Judicial Department for FY 2013-14 for the State Court Administrator to compensate eligible persons. Also appropriates \$128,662 General Fund and 1.4 FTE to the Department of Law for FY 2013-14 to respond to petitions, and if appropriate, contest the petition in district court. Appropriates \$1,920 General Fund to the Department of Higher Education for FY 2013-14 for stipends for students attending state institutions, and reappropriates that amount to the State Board for Community Colleges and Occupational Education State System Community Colleges.

**H.B. 13-1254:** Modifies the existing requirement that restorative justice victim-offender conferences must be initiated by the victim, permitting in some instances a suitable defendant to request to participate. Expands the membership of the Restorative Justice Coordinating Council (Council) in the State Court Administrator's Office. Requires the Council to develop a uniform restorative justice satisfaction evaluation and to collect information regarding all existing restorative justice programs and practices and report that data to the Judiciary Committees by January 31, 2014. Creates a pilot project for restorative justice programs in four judicial districts. Creates a \$10 surcharge on all crimes to be credited to a newly created Restorative Justice Surcharge Fund, to support restorative justice programs and the Council. Appropriates a total of \$32,892 and 0.5 FTE to the Judicial Department for FY 2013-14, including \$20,639 General Fund and \$12,263 cash funds from the Restorative Justice Surcharge Fund.

**H.B. 13-1259:** Makes amendments to various provisions of law relating to civil actions and orders, and changes procedures concerning the allocation of parental rights and responsibilities in cases involving child abuse and neglect and domestic violence. Appropriates \$275,399 cash funds from the Judicial Stabilization Cash Fund and 3.2 FTE to the Judicial Department for FY 2013-14.

**H.B. 13-1325:** States that in any DUI prosecution, and in any prosecution for vehicular homicide or vehicular assault, if at the time of driving (or within a reasonable time thereafter) the driver's blood contains five nanograms or more of delta 9-tetrahydrocannabinol per milliliter in whole blood such fact gives rise to a permissible inference that the defendant was under the influence of one or more drugs. Removes instances of the term "habitual user" from the traffic code. Appropriates \$12,000 General Fund to the Office of the State Public Defender for FY 2013-14. Makes statutory appropriations totaling \$26,367 General Fund to the Department of Corrections, including \$20,816 for FY 2014-15 and \$5,551 for FY 2015-16.

**H.J.R. 13-1019:** Creates a 2013 legislative interim committee to study the role of legal defense counsel in the juvenile justice system. The Committee shall consist of ten legislative members (five from each house), as well as up to 10 nonvoting, unpaid members who have experience in juvenile proceedings. Requires the Committee to make a report to the Legislative Council, including any recommendations for legislation. The Committee is charged with studying issues concerning juvenile justice, including the following:

- current laws, procedures, and practices related to appointment of counsel for children in juvenile delinquency court;
- comparing the role of defense counsel with the role of a guardian *ad litem*;
- methods for improving professionalism in the practice of juvenile defense;
- the impact of inadequate access to counsel on minority, immigrant, disabled and mentally-ill children;
- funding attorneys to represent indigent children and the most efficient way to provide counsel to juveniles in delinquency proceedings; and
- issues related to public access to juvenile delinquency records.



# Department Details

## DEPARTMENT OF LABOR AND EMPLOYMENT

### FY 2012-13 and FY 2013-14 Appropriations by Division and Bill

Department of Labor and Employment						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2012-13 Total Appropriation:</b>	<b>\$158,126,901</b>	<b>\$0</b>	<b>\$60,492,110</b>	<b>\$651,881</b>	<b>\$96,982,910</b>	<b>1,006.3</b>
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Executive Director's Office	35,684,965	0	17,374,145	157,006	18,153,814	99.9
Division of Unemployment Insurance	34,698,482	0	7,364,002	0	27,334,480	467.1
Division of Employment and Training	61,342,510	0	10,081,758	475,557	50,785,195	239.2
Division of Labor	1,171,056	0	1,171,056	0	0	15.0
Division of Oil and Public Safety	5,358,218	0	4,629,479	19,318	709,421	67.0
Division of Workers' Compensation	19,871,670	0	19,871,670	0	0	118.1
<u>Breakdown of Total Appropriation by Bill</u>						
HB 12-1335	158,069,463	0	60,441,580	651,881	96,976,002	1,006.3
HB 12-1272	47,198	0	47,198	0	0	0.0
SB 13-093	10,240	0	3,332	0	6,908	0.0
<b>FY 2013-14 Total Appropriation:</b>	<b>\$163,342,035</b>	<b>\$98,519</b>	<b>\$65,399,832</b>	<b>\$650,740</b>	<b>\$97,192,944</b>	<b>1,012.5</b>
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Executive Director's Office	38,205,220	34,762	18,516,534	157,006	19,496,918	99.9
Division of Unemployment Insurance	38,634,594	0	11,300,114	0	27,334,480	479.1
Division of Employment and Training	60,208,299	0	10,081,758	474,416	49,652,125	239.2
Division of Labor	1,257,877	63,757	1,194,120	0	0	16.3
Division of Oil and Public Safety	5,358,218	0	4,629,479	19,318	709,421	67.0
Division of Workers' Compensation	19,677,827	0	19,677,827	0	0	111.0
<u>Breakdown of Total Appropriation by Bill</u>						
SB 13-230	163,075,888	0	65,232,204	650,740	97,192,944	1,011.2
HB 13-1046	23,064	0	23,064	0	0	0.3
HB 13-1124	144,564	0	144,564	0	0	0.0
HB 13-1292	98,519	98,519	0	0	0	1.0

Department of Labor and Employment						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>Increase/(Decrease)</b>	\$5,215,134	\$98,519	\$4,907,722	(\$1,141)	\$210,034	6.2
Percentage Change	3.3%	n/a	8.1%	(0.2%)	0.2%	0.6%

**Informational Funds:** The FY 2013-14 Long Bill and other legislation indicates when an amount is shown solely for informational purposes through an "(I)" notation. The following amounts in the Department of Labor and Employment are annotated with the "(I)". For additional information, see Appendix J.

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds
FY 2013-14 Appropriations containing an (I) notation	\$105,389,930	\$0	\$8,196,986	\$0	\$97,192,944

## Detail of Appropriation by Administrative Section

### Executive Director's Office

The Executive Director's Office provides funding for common services to all divisions including legal services from the Department of Law and information technology services from the Governor's Office of Information Technology. Additionally, this office provides support services to all divisions including budgeting, accounting and human resources.

Funding for this division is 48.5 percent cash funds, 0.4 percent reappropriated funds, and 51.0 percent federal funds. The Employment Support Fund and Workers' Compensation Cash Fund are the largest sources of cash funds. Reappropriated funds are from statewide indirect cost recoveries.

Executive Director's Office						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2012-13 Appropriation:</b>						
HB 12-1335	\$35,674,725	\$0	\$17,370,813	\$157,006	\$18,146,906	99.9
SB 13-093	<u>10,240</u>	<u>0</u>	<u>3,332</u>	<u>0</u>	<u>6,908</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$35,684,965</b>	<b>\$0</b>	<b>\$17,374,145</b>	<b>\$157,006</b>	<b>\$18,153,814</b>	<b>99.9</b>
<b>FY 2013-14 Appropriation:</b>						
FY 2012-13 Appropriation	\$35,684,965	\$0	\$17,374,145	\$157,006	\$18,153,814	99.9
Centrally appropriated line items	2,679,023	0	1,389,485	0	1,289,538	0.0
Statewide IT common policy adjustments	(183,290)	0	(243,764)	0	60,474	0.0
Annualize prior year funding	(10,240)	0	(3,332)	0	(6,908)	0.0
<b>SB 13-230</b>	<b>\$38,170,458</b>	<b>\$0</b>	<b>\$18,516,534</b>	<b>\$157,006</b>	<b>\$19,496,918</b>	<b>99.9</b>

Executive Director's Office						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
HB 13-1292	<u>34,762</u>	<u>34,762</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$38,205,220</b>	<b>\$34,762</b>	<b>\$18,516,534</b>	<b>\$157,006</b>	<b>\$19,496,918</b>	<b>99.9</b>
<b>Increase/(Decrease)</b>	\$2,520,255	\$34,762	\$1,142,389	\$0	\$1,343,104	0.0
Percentage Change	7.1%	n/a	6.6%	0.0%	7.4%	0.0%

### FY 2012-13 Appropriation - Mid-year Adjustments

Senate Bill 13-093 increases the FY 2012-13 appropriation by \$10,240 for adjustments to common policy line items.

### FY 2013-14 Appropriation – S.B. 13-230 (Long Bill) Issue Descriptions

**Centrally appropriated line items:** The appropriation includes adjustments to centrally appropriated line items for the following: state contributions for health, life, and dental benefits; merit pay; salary survey; short-term disability; supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund; vehicle lease payments; workers' compensation; legal services; payment to risk management and property funds; Capitol complex leased space; and statewide indirect cost assessments.

**Statewide IT common policy adjustments:** The appropriation includes adjustments to line items appropriated for: purchase of services from the computer center; Colorado state network payments; management and administration of the Governor's Office of Information Technology (OIT); communication services payments; COFRS modernization; and information technology security.

**Annualize prior year funding:** The appropriation includes adjustments related to prior year legislation including S.B. 13-093 (Supplemental Appropriation).

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

### Division of Unemployment Insurance

Unemployment insurance programs (UI Programs) provide up to 63 weeks of benefits to individuals who have lost their job through no fault of their own. Responsibilities of the UI Programs include tax collection from employers, benefit payments, employer tax audits, call center operation, and claimant appeal application processing. Additionally, the UI Fraud Program identifies, investigates, and prosecutes unqualified individuals who receive UI benefits and employers who fail to pay UI premiums and taxes. Federal funds make up 70.8 percent and cash funds comprise 29.2 percent of funding for these programs. The Employment Support Fund is the primary source of cash funds.

Division of Unemployment Insurance						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2012-13 Appropriation:</b>						
HB 12-1335	\$34,651,284	\$0	\$7,316,804	\$0	\$27,334,480	467.1
HB 12-1272	<u>47,198</u>	<u>0</u>	<u>47,198</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$34,698,482</b>	<b>\$0</b>	<b>\$7,364,002</b>	<b>\$0</b>	<b>\$27,334,480</b>	<b>467.1</b>
<b>FY 2013-14 Appropriation:</b>						
FY 2012-13 Appropriation	\$34,698,482	\$0	\$7,364,002	\$0	\$27,334,480	467.1
Unemployment insurance technology and automation	3,838,746	0	3,838,746	0	0	12.0
Annualize prior year funding	(47,198)	0	(47,198)	0	0	0.0
<b>SB 13-230</b>	<b>\$38,490,030</b>	<b>\$0</b>	<b>\$11,155,550</b>	<b>\$0</b>	<b>\$27,334,480</b>	<b>479.1</b>
HB 13-1124	<u>144,564</u>	<u>0</u>	<u>144,564</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$38,634,594</b>	<b>\$0</b>	<b>\$11,300,114</b>	<b>\$0</b>	<b>\$27,334,480</b>	<b>479.1</b>
<b>Increase/(Decrease)</b>	\$3,936,112	\$0	\$3,936,112	\$0	\$0	12.0
Percentage Change	11.3%	n/a	53.5%	n/a	0.0%	2.6%

### FY 2013-14 Appropriation – S.B. 13-230 (Long Bill) Issue Descriptions

**Unemployment insurance technology and automation:** The appropriation reflects an increase of \$3,838,746 cash funds and 12.0 FTE related to Colorado’s role in a multi-state consortium tasked with developing a new unemployment insurance software program.

**Annualize prior year funding:** The appropriation includes adjustments related to prior year legislation including H.B. 12-1272 (Enhanced UI Benefits).

**Additional legislation:** For information on additional legislation, see the “Recent Legislation” section at the end of Part III of this department.

### Division of Employment and Training

The Division of Employment and Training administers two subdivisions: Employment and Training Programs, and Labor Market Information.

- Employment and Training Programs offer free assistance to job seekers including: job search assistance, additional job training, and classes to improve interview and resume skills. These services are offered through state and county one-stop centers. Additionally, workforce centers match employers with qualified candidates to fill job vacancies. Funding for these programs consists of cash funds, primarily from the Employment Support Fund, and various federal funds including the Workforce Investment Act and Trade Adjustment Act.

- Labor Market Information (LMI) provides data on labor force trends across the state including monthly unemployment numbers and job growth information. LMI collaborates with one-stop centers to provide relevant training classes in fields that have potential long-term growth in Colorado. Federal funds make up 99.4 percent of LMI's funding, and the remaining 0.6 percent is cash funds from the sale of publications.

	<b>Division of Employment and Training</b>					
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2012-13 Appropriation:</b>						
HB 12-1335	<u>\$61,342,510</u>	<u>\$0</u>	<u>\$10,081,758</u>	<u>\$475,557</u>	<u>\$50,785,195</u>	<u>239.2</u>
<b>TOTAL</b>	<b>\$61,342,510</b>	<b>\$0</b>	<b>\$10,081,758</b>	<b>\$475,557</b>	<b>\$50,785,195</b>	<b>239.2</b>
<b>FY 2013-14 Appropriation:</b>						
FY 2012-13 Appropriation	\$61,342,510	\$0	\$10,081,758	\$475,557	\$50,785,195	239.2
Technical adjustment	(1,134,211)	0	0	(1,141)	(1,133,070)	0.0
<b>SB 13-230</b>	<b><u>\$60,208,299</u></b>	<b><u>\$0</u></b>	<b><u>\$10,081,758</u></b>	<b><u>\$474,416</u></b>	<b><u>\$49,652,125</u></b>	<b><u>239.2</u></b>
<b>TOTAL</b>	<b>\$60,208,299</b>	<b>\$0</b>	<b>\$10,081,758</b>	<b>\$474,416</b>	<b>\$49,652,125</b>	<b>239.2</b>
<b>Increase/(Decrease)</b>	(\$1,134,211)	\$0	\$0	(\$1,141)	(\$1,133,070)	(0.0)
Percentage Change	(1.8%)	n/a	0.0%	(0.2%)	(2.2%)	(0.0%)

### **FY 2013-14 Appropriation – S.B. 13-230 (Long Bill) Issue Descriptions**

**Technical Adjustment:** The appropriation includes reductions to reappropriated funds and federal funds appropriations for operating expenses to reflect actual expenditures.

### **Division of Labor**

The Division of Labor ensures compliance with Colorado's wage, youth, and labor laws, and facilitates labor dispute resolution and mediation. The Division of Labor is cash funded from the Employment Support Fund, and the Employment Verification Cash Fund.

	<b>Division of Labor</b>					
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2012-13 Appropriation:</b>						
HB 12-1335	<u>\$1,171,056</u>	<u>\$0</u>	<u>\$1,171,056</u>	<u>\$0</u>	<u>\$0</u>	<u>15.0</u>
<b>TOTAL</b>	<b>\$1,171,056</b>	<b>\$0</b>	<b>\$1,171,056</b>	<b>\$0</b>	<b>\$0</b>	<b>15.0</b>
<b>FY 2013-14 Appropriation:</b>						
FY 2012-13 Appropriation	\$1,171,056	\$0	\$1,171,056	\$0	\$0	15.0
<b>SB 13-230</b>	<b>\$1,171,056</b>	<b>\$0</b>	<b>\$1,171,056</b>	<b>\$0</b>	<b>\$0</b>	<b>15.0</b>

Division of Labor						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
HB 13-1046	23,064	0	23,064	0	0	0.3
HB 13-1292	<u>63,757</u>	<u>63,757</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1.0</u>
<b>TOTAL</b>	<b>\$1,257,877</b>	<b>\$63,757</b>	<b>\$1,194,120</b>	<b>\$0</b>	<b>\$0</b>	<b>16.3</b>
<b>Increase/(Decrease)</b>	\$86,821	\$63,757	\$23,064	\$0	\$0	1.3
Percentage Change	7.4%	n/a	2.0%	n/a	n/a	8.7%

### FY 2013-14 Appropriation – S.B. 13-230 (Long Bill) Issue Descriptions

**No Changes:** The appropriation does not contain changes from FY 2012-13.

**Additional legislation:** For information on additional legislation, see the “Recent Legislation” section at the end of Part III of this department.

### Division of Oil and Public Safety

This Division is comprised of the Public Safety Unit (PSU) and the Office of the State Oil Inspector (Inspector). The PSU conducts inspections of boilers and pressure vessels in commercial and multi-unit residential buildings; regulates the distribution and storage of petroleum products; regulates the remediation of contamination caused by leaking underground storage tanks; enforces statutory requirements related to carnival and amusement park rides; licenses conveyances, conveyance inspectors and mechanics; and regulates and monitors proper storage of explosives.

The majority of cash funds are from the Petroleum Storage Tank Fund and the Boiler Inspection Fund. Reappropriated funds are from the Department of Public Health and Environment.

Division of Oil and Public Safety						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2012-13 Appropriation:</b>						
HB 12-1335	<u>\$5,358,218</u>	<u>\$0</u>	<u>\$4,629,479</u>	<u>\$19,318</u>	<u>\$709,421</u>	<u>67.0</u>
<b>TOTAL</b>	<b>\$5,358,218</b>	<b>\$0</b>	<b>\$4,629,479</b>	<b>\$19,318</b>	<b>\$709,421</b>	<b>67.0</b>
<b>FY 2013-14 Appropriation:</b>						
FY 2012-13 Appropriation	\$5,358,218	\$0	\$4,629,479	\$19,318	\$709,421	67.0
<b>SB 13-230</b>	<b><u>\$5,358,218</u></b>	<b><u>\$0</u></b>	<b><u>\$4,629,479</u></b>	<b><u>\$19,318</u></b>	<b><u>\$709,421</u></b>	<b><u>67.0</u></b>
<b>TOTAL</b>	<b>\$5,358,218</b>	<b>\$0</b>	<b>\$4,629,479</b>	<b>\$19,318</b>	<b>\$709,421</b>	<b>67.0</b>
<b>Increase/(Decrease)</b>	\$0	\$0	\$0	\$0	\$0	0.0
Percentage Change	0.0%	n/a	0.0%	0.0%	0.0%	0.0%

## FY 2013-14 Appropriation – S.B. 13-230 (Long Bill) Issue Descriptions

**No Changes:** The appropriation does not contain changes from FY 2012-13.

### Division of Workers' Compensation

The Division of Workers' Compensation is comprised of five major units: customer service, dispute resolution, medical cost containment, employer services, and special funds.

- The customer service unit provides administrative oversight of injury claims to ensure compliance with all benefit and reporting requirements, and provides information and technical assistance and audits insurers' claims handling practices.
- The dispute resolution unit provides mediation, arbitration, pre-hearing, and settlement services to quickly resolve contested issues without administrative hearings and/or litigation.
- The medical cost containment unit oversees the programs intended to ensure that medical services for workers' compensation claims are provided in a cost-effective manner.
- The employer services section administers the self-insurance and premium cost-containment programs, and ensures employer compliance with workers' compensation coverage requirements.
- The special funds section administers two large insurance programs, the Major Medical Insurance Fund (MMIF) and Subsequent Injury Fund (SIF). The MMIF covers the medical expenses in excess of \$20,000 of an injured worker who sustained catastrophic injuries between July 1971 and June 1981. The Subsequent Injury Fund covers an injured worker's medical expenses from a second workplace injury, that occurred before 1994, resulting in permanent disability, or up to \$10,000 of a worker's medical expenses from a second or subsequent exposure to certain occupational materials.

The Division of Workers' Compensation is cash funded primarily from the Workers' Compensation Cash Fund, the Subsequent Injury Fund, and the Major Medical Insurance Fund.

Division of Workers' Compensation						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2012-13 Appropriation:</b>						
HB 12-1335	<u>\$19,871,670</u>	<u>\$0</u>	<u>\$19,871,670</u>	<u>\$0</u>	<u>\$0</u>	<u>118.1</u>
<b>TOTAL</b>	<b>\$19,871,670</b>	<b>\$0</b>	<b>\$19,871,670</b>	<b>\$0</b>	<b>\$0</b>	<b>118.1</b>
<b>FY 2013-14 Appropriation:</b>						
FY 2012-13 Appropriation	\$19,871,670	\$0	\$19,871,670	\$0	\$0	118.1
Technical adjustment	(110,780)	0	(110,780)	0	0	(7.1)
Centrally appropriated line items	(83,063)	0	(83,063)	0	0	0.0
<b>SB 13-230</b>	<b><u>\$19,677,827</u></b>	<b><u>\$0</u></b>	<b><u>\$19,677,827</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>111.0</u></b>

Division of Workers' Compensation						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>TOTAL</b>	<b>\$19,677,827</b>	<b>\$0</b>	<b>\$19,677,827</b>	<b>\$0</b>	<b>\$0</b>	<b>111.0</b>
<b>Increase/(Decrease)</b>	<b>(\$193,843)</b>	<b>\$0</b>	<b>(\$193,843)</b>	<b>\$0</b>	<b>\$0</b>	<b>(7.1)</b>
<b>Percentage Change</b>	<b>(1.0%)</b>	<b>n/a</b>	<b>(1.0%)</b>	<b>n/a</b>	<b>n/a</b>	<b>(6.0%)</b>

## FY 2013-14 Appropriation – S.B. 13-230 (Long Bill) Issue Descriptions

**Technical Adjustment:** The appropriation includes reductions to FTE and cash funds for operating expenses to reflect actual expenditures.

**Centrally appropriated line items:** The appropriation includes adjustments to centrally appropriated line items for the following: administrative law judges and legal services.

## Recent legislation

### 2012 Session Bills

**H.B. 12-1272:** Extends enhanced unemployment insurance compensation benefits for eligible unemployment insurance claimants engaged in an approved training program until June 30, 2014. This bill authorizes the CDLE to obligate the remaining \$8.0 million for FY 2012-13 and FY 2013-14.

**H.B. 12-1335:** General appropriations act for FY 2012-13.

### 2013 Session Bills

**S.B. 13-093:** Supplemental appropriation to the Department of Labor and Employment for FY 2012-13.

**S.B. 13-230:** General appropriations act for FY 2013-14.

**H.B. 13-1046:** Prohibits employers from requesting or requiring an employee or applicant to provide access to personal information using electronic communications devices; appropriates \$23,064 cash funds in FY 2013-14.

**H.B. 13-1124:** Allows the Department to charge a penalty if employers repeatedly fail to provide timely information regarding unemployment insurance claims, resulting in an overpayment of unemployment insurance benefits. The penalty is set at 65.0 percent of the overpayment that was issued. For FY 2013-14 provides \$144,564 cash funds for this purpose.

**H.B. 13-1292:** Creates a program to enforce and impose fines on contractors that violate the 80.0 percent labor law for construction projects financed in whole or part by state funds; directs the Department of Personnel to administer a resident bidder preference; allows competitive sealed best value bidding for construction projects. Requires construction vendors to disclose information about the purchases and services occurring out of State. For FY 2013-14 appropriates \$98,519 General Fund to the Department of Labor and Employment and reappropriates \$36,588 General Fund to the Department of Personnel.



# Department Details

## DEPARTMENT OF LAW

### FY 2012-13 and FY 2013-14 Appropriations by Division and Bill

Department of Law						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2012-13 Total Appropriation:</b>	<b>\$58,484,678</b>	<b>\$10,452,022</b>	<b>\$10,979,963</b>	<b>\$35,476,528</b>	<b>\$1,576,165</b>	<b>432.7</b>
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Administration	10,290,540	1,752,560	889,950	7,414,030	234,000	41.7
Legal Services to State Agencies	25,654,688	0	280,576	25,374,112	0	241.5
Criminal Justice and Appellate	10,771,976	4,082,558	3,966,603	1,380,650	1,342,165	91.5
Water and Natural Resources	2,338,124	513,883	845,198	979,043	0	12.0
Consumer Protection	4,163,482	931,023	2,953,766	278,693	0	46.0
Special Purpose	5,265,868	3,171,998	2,043,870	50,000	0	0.0
<u>Breakdown of Total Appropriation by Bill</u>						
HB 12-1335	57,000,607	9,887,386	10,583,286	34,953,770	1,576,165	427.1
SB 12-110	196,677	0	196,677	0	0	2.0
HB 12-1246	8,799	8,799	0	0	0	0.0
HB 12-1300	2,271	0	0	2,271	0	0.0
HB 12-1303	16,656	0	0	16,656	0	0.1
HB 12-1311	23,092	0	0	23,092	0	0.0
HB 12-1330	3,028	0	0	3,028	0	0.0
SB 13-094	517,918	40,207	0	477,711	0	3.5
SB 13-230	715,630	515,630	200,000	0	0	0.0
<b>FY 2013-14 Total Appropriation:</b>	<b>\$67,564,072</b>	<b>\$12,168,714</b>	<b>\$12,330,132</b>	<b>\$41,294,862</b>	<b>\$1,770,364</b>	<b>446.5</b>
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Administration	17,657,601	3,273,003	1,215,275	12,753,161	416,162	42.7
Legal Services to State Agencies	26,477,678	0	848,945	25,628,733	0	246.0
Criminal Justice and Appellate	12,142,894	4,773,845	4,415,775	1,599,072	1,354,202	100.8
Water and Natural Resources	2,341,441	513,883	845,198	982,360	0	12.0
Consumer Protection	4,025,978	931,023	2,813,419	281,536	0	45.0
Special Purpose	4,918,480	2,676,960	2,191,520	50,000	0	0.0

Department of Law						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<u>Breakdown of Total Appropriation by Bill</u>						
SB 13-230	66,991,115	13,473,403	10,800,781	40,946,567	1,770,364	443.6
SB 13-014	2,318	0	0	2,318	0	0.0
SB 13-026	7,725	0	0	7,725	0	0.0
SB 13-039	11,294	0	0	11,294	0	0.0
SB 13-083	4,635	0	0	4,635	0	0.0
SB 13-151	21,244	0	0	21,244	0	0.0
SB 13-162	5,794	0	0	5,794	0	0.0
SB 13-172	5,021	0	0	5,021	0	0.0
SB 13-180	12,746	0	0	12,746	0	0.0
SB 13-200	24,910	0	0	24,910	0	0.0
SB 13-207	6,180	0	0	6,180	0	0.0
SB 13-219	15,450	0	0	15,450	0	0.1
SB 13-221	69,525	0	0	69,525	0	0.5
SB 13-238	5,794	0	0	5,794	0	0.0
SB 13-241	13,905	0	0	13,905	0	0.0
SB 13-251	7,725	0	0	7,725	0	0.1
SB 13-283	20,000	0	20,000	0	0	0.0
HB 13-1111	16,995	0	0	16,995	0	0.0
HB 13-1180	0	(1,433,351)	1,433,351	0	0	0.0
HB 13-1230	128,662	128,662	0	0	0	1.4
HB 13-1292	46,350	0	0	46,350	0	0.3
HB 13-1317	146,684	0	76,000	70,684	0	0.5
<b>Increase/(Decrease)</b>	\$9,079,394	\$1,716,692	\$1,350,169	\$5,818,334	\$194,199	13.8
Percentage Change	15.5%	16.4%	12.3%	16.4%	12.3%	3.2%

**Informational Funds:** The FY 2013-14 Long Bill and other legislation indicates when an amount is shown solely for informational purposes through an "(I)" notation. The following amounts in the Department of Law are annotated with the "(I)". For additional information, see Appendix J.

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds
FY 2013-14 Appropriations containing an (I) notation	\$2,845,073	\$0	\$1,074,709	\$0	\$1,770,364

## Detail of Appropriation by Administrative Section

### Administration

This section includes funding for the Attorney General, the Solicitor General, and other management staff, as well as the Department's human resources, accounting, budgeting, information technology, and legal support services units. These units are supported by General Fund and indirect cost recoveries. This section also includes centrally appropriated line items for the entire Department, including funding for employee benefits, facilities, vehicles, and information technology. Cash funds appropriations include moneys received by the Attorney General as an award of attorney fees or costs, and various other sources. Reappropriated funds are from indirect cost recoveries and moneys transferred from a variety of other appropriations. Federal funds are from the Medicaid Fraud Control Program and the Colorado Justice Review Project. The central appropriations reflect the same funding sources that support each section within the Department.

	Administration					FTE
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	
<b>FY 2012-13 Appropriation:</b>						
HB 12-1335	\$10,250,333	\$1,712,353	\$889,950	\$7,414,030	\$234,000	41.7
SB 13-094	<u>40,207</u>	<u>40,207</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$10,290,540</b>	<b>\$1,752,560</b>	<b>\$889,950</b>	<b>\$7,414,030</b>	<b>\$234,000</b>	<b>41.7</b>
<b>FY 2013-14 Appropriation:</b>						
FY 2012-13 Appropriation	\$10,290,540	\$1,752,560	\$889,950	\$7,414,030	\$234,000	41.7
Attorney pay parity	3,644,082	739,975	107,749	2,747,260	49,098	0.0
Centrally appropriated line items	2,163,076	400,528	166,480	1,506,948	89,120	0.0
Relocation to Carr Center	1,512,678	380,891	219,603	867,852	44,332	0.0
Statewide IT common policy adjustments	115,195	(167)	(849)	116,599	(388)	0.0
Fund source adjustment	89,284	5,944	(20,016)	103,356	0	1.0
Tobacco litigation	0	22,828	(22,828)	0	0	0.0
Annualize prior year funding	(157,254)	0	(154,370)	(2,884)	0	0.0
<b>SB 13-230</b>	<b>\$17,657,601</b>	<b>\$3,302,559</b>	<b>\$1,185,719</b>	<b>\$12,753,161</b>	<b>\$416,162</b>	<b>42.7</b>
HB 13-1180	<u>0</u>	<u>(29,556)</u>	<u>29,556</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$17,657,601</b>	<b>\$3,273,003</b>	<b>\$1,215,275</b>	<b>\$12,753,161</b>	<b>\$416,162</b>	<b>42.7</b>
<b>Increase/(Decrease)</b>	\$7,367,061	\$1,520,443	\$325,325	\$5,339,131	\$182,162	1.0
Percentage Change	71.6%	86.8%	36.6%	72.0%	77.8%	2.4%

## **FY 2012-13 Appropriation - Mid-year Adjustments**

Senate Bill 13-094 adds \$40,207 General Fund for the Payment to Risk Management and Property Funds to fix a fund balance shortfall.

## **FY 2013-14 Appropriation – S.B. 13-230 (Long Bill) Issue Descriptions**

**Attorney pay parity:** The appropriation includes funding to increase Department of Law's attorney salaries to a level competitive with Colorado public sector attorney compensation practices.

**Centrally appropriated line items:** The appropriation includes adjustments to centrally appropriated line items for the following: state contributions for health, life, and dental benefits; merit pay; salary survey; short-term disability; supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund; vehicle lease payments; workers' compensation; administrative law judges; and payment to risk management and property funds.

**Relocation to Carr Center:** The appropriation includes funding to cover the increased leased space expenses related to the Department's relocation to the Ralph L. Carr Colorado Judicial Center.

**Statewide IT common policy adjustments:** The appropriation includes adjustments to line items appropriated for: purchase of services from the computer center; Colorado state network; communication services payments, and information technology security.

**Fund source adjustment:** The appropriation includes an adjustment to move funding for the Department's Public Information Officer from the Consumer Protection section of the budget to this section and to support the position with indirect cost recoveries, rather than custodial funds.

**Tobacco litigation:** The appropriation includes a fund source adjustment related to the Department's tobacco enforcement efforts.

**Annualize prior year funding:** The appropriation includes adjustments related to prior year legislation and budget actions.

**Additional legislation:** For information on H.B. 13-1180, see the "Recent Legislation" section at the end of this department.

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## **Legal Services to State Agencies**

The Department provides legal services on a fee-for-service basis to state agencies and enterprises. This section includes appropriations for the attorneys, legal assistants, and support personnel who provide these services. In most cases, the appropriations in this section are reflected as reappropriated funds because a duplicate appropriation for the purchase of legal services appears in the client agency's budget. Cash funds appropriations in this section reflect payments the Department receives from state agencies that are not duplicated in appropriations elsewhere in the budget. In FY 2013-14, the Department expects to provide 386,096 hours of legal services at an average hourly billing rate of \$91.08. The FY 2013-14 billing rate represents an annual increase of 17.9 percent, primarily due to increased costs for employee salaries and benefits and increased costs associated with the Department's relocation to the Ralph L. Carr Colorado Judicial Center.

Legal Services to State Agencies						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2012-13 Appropriation:</b>						
HB 12-1335	\$25,131,930	\$0	\$280,576	\$24,851,354	\$0	237.9
HB 12-1300	2,271	0	0	2,271	0	0.0
HB 12-1303	16,656	0	0	16,656	0	0.1
HB 12-1311	23,092	0	0	23,092	0	0.0
HB 12-1330	3,028	0	0	3,028	0	0.0
SB 13-094	<u>477,711</u>	<u>0</u>	<u>0</u>	<u>477,711</u>	<u>0</u>	<u>3.5</u>
<b>TOTAL</b>	<b>\$25,654,688</b>	<b>\$0</b>	<b>\$280,576</b>	<b>\$25,374,112</b>	<b>\$0</b>	<b>241.5</b>
<b>FY 2013-14 Appropriation:</b>						
FY 2012-13 Appropriation	\$25,654,688	\$0	\$280,576	\$25,374,112	\$0	241.5
Indirect cost assessment	245,971	0	0	245,971	0	0.0
Provision of legal services	179,526	0	568,369	(388,843)	0	2.5
Fund source adjustment	67,610	0	0	67,610	0	0.0
Annualize prior year funding	30,972	0	0	30,972	0	0.5
Relocation to Carr Center	(49,384)	0	0	(49,384)	0	0.0
<b>SB 13-230</b>	<b>\$26,129,383</b>	<b>\$0</b>	<b>\$848,945</b>	<b>\$25,280,438</b>	<b>\$0</b>	<b>244.5</b>
SB 13-014	2,318	0	0	2,318	0	0.0
SB 13-026	7,725	0	0	7,725	0	0.0
SB 13-039	11,294	0	0	11,294	0	0.0
SB 13-083	4,635	0	0	4,635	0	0.0
SB 13-151	21,244	0	0	21,244	0	0.0
SB 13-162	5,794	0	0	5,794	0	0.0
SB 13-172	5,021	0	0	5,021	0	0.0
SB 13-180	12,746	0	0	12,746	0	0.0
SB 13-200	24,910	0	0	24,910	0	0.0
SB 13-207	6,180	0	0	6,180	0	0.0
SB 13-219	15,450	0	0	15,450	0	0.1
SB 13-221	69,525	0	0	69,525	0	0.5
SB 13-238	5,794	0	0	5,794	0	0.0
SB 13-241	13,905	0	0	13,905	0	0.0
SB 13-251	7,725	0	0	7,725	0	0.1
HB 13-1111	16,995	0	0	16,995	0	0.0
HB 13-1292	46,350	0	0	46,350	0	0.3

Legal Services to State Agencies						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
HB 13-1317	70,684	0	0	70,684	0	0.5
<b>TOTAL</b>	<b>\$26,477,678</b>	<b>\$0</b>	<b>\$848,945</b>	<b>\$25,628,733</b>	<b>\$0</b>	<b>246.0</b>
<b>Increase/(Decrease)</b>	\$822,990	\$0	\$568,369	\$254,621	\$0	4.5
Percentage Change	3.2%	n/a	202.6%	1.0%	n/a	1.8%

### FY 2012-13 Appropriation - Mid-year Adjustments

Senate Bill 13-094 adds \$477,711 reappropriated funds and 3.5 FTE for the provision of legal services to the Department of Public Health and Environment and the Department of Public Safety, and to make a technical correction related to H.B. 12-1110.

### FY 2013-14 Appropriation – S.B. 13-230 (Long Bill) Issue Descriptions

**Indirect cost assessment:** The appropriation includes a net increase in this section's indirect cost assessment.

**Provision of legal services:** The appropriation reflects an increase to meet state agencies' anticipated demand for legal services in FY 2013-14.

**Fund source adjustment:** The appropriation includes an adjustment to move funding for the Department's Public Information Officer from the Consumer Protection section of the budget to the Administration section and to support the position with indirect cost recoveries, rather than custodial funds.

**Annualize prior year funding:** The appropriation includes adjustments related to prior year legislation and budget actions.

**Relocation to Carr Center:** The appropriation reflects savings that will be experienced by the Department due to the library consolidation project with the Supreme Court Law Library, which is now located in the Ralph L. Carr Colorado Judicial Center.

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

## Criminal Justice and Appellate

This section provides funding for Department staff who:

- investigate and prosecute certain complex and multi-jurisdictional cases, environmental crimes, and foreign prosecutions;
- investigate and prosecute Medicaid provider fraud and patient abuse;
- investigate and prosecute securities, insurance, and workers' compensation fraud;
- provide investigative and prosecutorial support to district attorneys for certain homicide cases;
- represent the State in criminal appeal cases in state and federal courts; and

- assure that the constitutional and statutory rights of victims are preserved in criminal cases being prosecuted or defended by the Department.

This section also provides funding to support the Peace Officers Standards and Training (P.O.S.T.) Board and the Safe2Tell program.

Cash fund sources include moneys paid by insurance companies for the investigation and prosecution of insurance fraud, fees paid by peace officers for P.O.S.T. Board certification, and a statewide vehicle registration fee to support training for peace officers. Reappropriated fund sources include departmental indirect cost recoveries, moneys transferred from the Department of Public Safety from the Colorado Auto Theft Prevention Cash Fund and from the Victims Assistance and Law Enforcement (VALE) Fund, and moneys transferred from the Department of Regulatory Agencies from fees paid by regulated entities for the investigation and prosecution of securities fraud. Federal moneys support the Medicaid Fraud Control Unit.

<b>Criminal Justice and Appellate</b>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2012-13 Appropriation:</b>						
HB 12-1335	\$10,569,419	\$4,076,678	\$3,769,926	\$1,380,650	\$1,342,165	89.5
SB 12-110	196,677	0	196,677	0	0	2.0
HB 12-1246	<u>5,880</u>	<u>5,880</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$10,771,976</b>	<b>\$4,082,558</b>	<b>\$3,966,603</b>	<b>\$1,380,650</b>	<b>\$1,342,165</b>	<b>91.5</b>
<b>FY 2013-14 Appropriation:</b>						
FY 2012-13 Appropriation	\$10,771,976	\$4,082,558	\$3,966,603	\$1,380,650	\$1,342,165	91.5
Add appellate FTE	531,436	531,436	0	0	0	5.5
Additional P.O.S.T. grant spending authority	282,700	0	282,700	0	0	0.0
Add special prosecution FTE	238,552	155,160	41,696	41,696	0	1.9
Indirect cost assessment	58,636	0	42,271	7,925	8,440	0.0
Change in anticipated grant funding	43,159	0	0	43,159	0	0.5
Fund source adjustment	10,196	(123,971)	4,928	125,642	3,597	0.0
Annualize prior year funding	(18,423)	0	(18,423)	0	0	0.0
<b>SB 13-230</b>	<b>\$11,918,232</b>	<b>\$4,645,183</b>	<b>\$4,319,775</b>	<b>\$1,599,072</b>	<b>\$1,354,202</b>	<b>99.4</b>
SB 13-283	20,000	0	20,000	0	0	0.0
HB 13-1230	128,662	128,662	0	0	0	1.4
HB 13-1317	<u>76,000</u>	<u>0</u>	<u>76,000</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$12,142,894</b>	<b>\$4,773,845</b>	<b>\$4,415,775</b>	<b>\$1,599,072</b>	<b>\$1,354,202</b>	<b>100.8</b>
<b>Increase/(Decrease)</b>	<b>\$1,370,918</b>	<b>\$691,287</b>	<b>\$449,172</b>	<b>\$218,422</b>	<b>\$12,037</b>	<b>9.3</b>
Percentage Change	12.7%	16.9%	11.3%	15.8%	0.9%	10.2%

**FY 2013-14 Appropriation – S.B. 13-230 (Long Bill) Issue Descriptions**

**Add appellate FTE:** The appropriation includes funding to add Assistant Attorneys General to address the growing backlog of criminal appeals cases.

**Additional P.O.S.T. grant spending authority:** The appropriation includes an increase to allow the P.O.S.T. Board to develop and provide additional peace officer training, expand the availability of online training, and improve the functionality of its website.

**Add special prosecution FTE:** The appropriation includes funding to: (1) add a First Assistant Attorney General to assist in the supervision and management of the Special Prosecution Unit; (2) fill a vacant Criminal Investigator position; and (3) add a Program Assistant to provide clerical support to the Unit.

**Indirect cost assessment:** The appropriation includes a net increase in this section's indirect cost assessment.

**Change in anticipated grant funding:** The appropriation reflects an increase in anticipated funding available from the Colorado Automobile Theft Prevention Authority.

**Fund source adjustment:** The appropriation includes an adjustment to move funding for the Department's Public Information Officer from the Consumer Protection of the budget to the Administration section and to support the position with indirect cost recoveries, rather than custodial funds.

**Annualize prior year funding:** The appropriation includes adjustments related to prior year legislation and budget actions.

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

**Water and Natural Resources**

This section provides funding for Department staff who protect and defend the interests of the State and its citizens in all areas of natural resources law and environmental law, including the use of surface and ground water, oil and gas development, mining and minerals, wildlife, the clean-up of contaminated sites, the proper storage or disposal of hazardous wastes, and protection of the state's air and water. Cash fund sources include the Colorado Water Conservation Board's Litigation Fund and moneys received by the Attorney General as an award of attorney fees or costs. Reappropriated funds are transferred from the Department of Public Health and Environment from the Hazardous Substance Response Fund.

Water and Natural Resources						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2012-13 Appropriation:						
HB 12-1335	\$2,338,124	\$513,883	\$845,198	\$979,043	\$0	12.0
TOTAL	\$2,338,124	\$513,883	\$845,198	\$979,043	\$0	12.0



Water and Natural Resources						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2013-14 Appropriation:</b>						
FY 2012-13 Appropriation	\$2,338,124	\$513,883	\$845,198	\$979,043	\$0	12.0
Indirect cost assessment	2,326	0	0	2,326	0	0.0
Fund source adjustment	991	0	0	991	0	0.0
<b>SB 13-230</b>	<b><u>\$2,341,441</u></b>	<b><u>\$513,883</u></b>	<b><u>\$845,198</u></b>	<b><u>\$982,360</u></b>	<b><u>\$0</u></b>	<b><u>12.0</u></b>
<b>TOTAL</b>	<b>\$2,341,441</b>	<b>\$513,883</b>	<b>\$845,198</b>	<b>\$982,360</b>	<b>\$0</b>	<b>12.0</b>
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<b>Increase/(Decrease)</b>	\$3,317	\$0	\$0	\$3,317	\$0	0.0
Percentage Change	0.1%	0.0%	0.0%	0.3%	n/a	0.0%

### FY 2013-14 Appropriation – S.B. 13-230 (Long Bill) Issue Descriptions

**Indirect cost assessment:** The appropriation includes a net increase in this section's indirect cost assessment.

**Fund source adjustment:** The appropriation includes an adjustment to move funding for the Department's Public Information Officer from the Consumer Protection of the budget to the Administration section and to support the position with indirect cost recoveries, rather than custodial funds.

### Consumer Protection

This section provides funding for Department staff that protect Colorado consumers against fraud and maintain a competitive business environment by enforcing state and federal laws regarding consumer protection, antitrust, consumer lending, mortgage fraud, predatory lending, debt collection, rent-to-own, and credit repair. In 2012, 7,911 consumer protection complaints were filed with the Department. This section also provides funding to support one attorney who is responsible for enforcing the tobacco Master Settlement Agreement. Cash fund sources include fees paid by regulated entities, custodial moneys awarded to the Attorney General in consumer protection lawsuits, and tobacco settlement moneys. Reappropriated funds are transferred from the Department of Regulatory Agencies for consumer protection activities related to mortgage brokers.

Consumer Protection						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2012-13 Appropriation:</b>						
HB 12-1335	\$4,160,563	\$928,104	\$2,953,766	\$278,693	\$0	46.0
HB 12-1246	<u>2,919</u>	<u>2,919</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$4,163,482</b>	<b>\$931,023</b>	<b>\$2,953,766</b>	<b>\$278,693</b>	<b>\$0</b>	<b>46.0</b>
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<b>FY 2013-14 Appropriation:</b>						
FY 2012-13 Appropriation	\$4,163,482	\$931,023	\$2,953,766	\$278,693	\$0	46.0
Tobacco litigation	0	153,795	(153,795)	0	0	0.0

<b>Consumer Protection</b>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
Fund source adjustment	(78,804)	0	(79,654)	850	0	(1.0)
Annualize prior year funding	(44,176)	0	(44,176)	0	0	0.0
Indirect cost assessment	(14,524)	0	(16,517)	1,993	0	0.0
<b>SB 13-230</b>	<b>\$4,025,978</b>	<b>\$1,084,818</b>	<b>\$2,659,624</b>	<b>\$281,536</b>	<b>\$0</b>	<b>45.0</b>
HB 13-1180	<u>0</u>	<u>(153,795)</u>	<u>153,795</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$4,025,978</b>	<b>\$931,023</b>	<b>\$2,813,419</b>	<b>\$281,536</b>	<b>\$0</b>	<b>45.0</b>
<b>Increase/(Decrease)</b>	(\$137,504)	\$0	(\$140,347)	\$2,843	\$0	(1.0)
Percentage Change	(3.3%)	0.0%	(4.8%)	1.0%	n/a	(2.2%)

### **FY 2013-14 Appropriation – S.B. 13-230 (Long Bill) Issue Descriptions**

**Tobacco litigation:** The appropriation includes a fund source adjustment to provide General Fund support for the Department attorney who is responsible for enforcing the tobacco Master Settlement Agreement and related tobacco laws. To date, this position has been supported by cash funds from the Tobacco Litigation Settlement Cash Fund. However, the balance in this fund is anticipated to be exhausted before the end of FY 2012-13, so the appropriation provides General Fund for this purpose. [Please note that H.B. 13-1180 replenishes the Tobacco Litigation Settlement Cash Fund and replaces the General Fund appropriation that is included in S.B. 13-230 with an appropriation from this cash fund.]

**Fund source adjustment:** The appropriation includes an adjustment to move funding for the Department's Public Information Officer from this section of the budget to the Administration section and to support the position with indirect cost recoveries, rather than custodial funds.

**Annualize prior year funding:** The appropriation includes adjustments related to prior year legislation and budget actions.

**Indirect cost assessment:** The appropriation includes a net decrease in this section's indirect cost assessment.

**Additional legislation:** For information on H.B. 13-1180, see the "Recent Legislation" section at the end of this department.

### **Special Purpose**

The section includes funding to cover 80 percent of the statutory minimum salary for Colorado's 22 district attorneys, for unanticipated legal costs and technology costs, and for litigation expenses associated with significant lawsuits. Cash fund sources include tobacco settlement moneys, moneys received from State Board of Land Commissioners from its Investment and Development Fund, excess earnings that are credited to the Legal Services Cash Fund, and moneys received by the Attorney General as an award of attorney fees or costs. Reappropriated funds are transferred from the Office of the Governor.

Special Purpose						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2012-13 Appropriation:</b>						
HB 12-1335	\$4,550,238	\$2,656,368	\$1,843,870	\$50,000	\$0	0.0
SB 13-230	<u>715,630</u>	<u>515,630</u>	<u>200,000</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$5,265,868</b>	<b>\$3,171,998</b>	<b>\$2,043,870</b>	<b>\$50,000</b>	<b>\$0</b>	<b>0.0</b>
<b>FY 2013-14 Appropriation:</b>						
FY 2012-13 Appropriation	\$5,265,868	\$3,171,998	\$2,043,870	\$50,000	\$0	0.0
Centrally appropriated line items	20,592	20,592	0	0	0	0.0
Tobacco litigation	(345,630)	734,370	(1,080,000)	0	0	0.0
Annualize prior year funding	(22,350)	0	(22,350)	0	0	0.0
<b>SB 13-230</b>	<b>\$4,918,480</b>	<b>\$3,926,960</b>	<b>\$941,520</b>	<b>\$50,000</b>	<b>\$0</b>	<b>0.0</b>
HB 13-1180	<u>0</u>	<u>(1,250,000)</u>	<u>1,250,000</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$4,918,480</b>	<b>\$2,676,960</b>	<b>\$2,191,520</b>	<b>\$50,000</b>	<b>\$0</b>	<b>0.0</b>
<b>Increase/(Decrease)</b>	<b>(\$347,388)</b>	<b>(\$495,038)</b>	<b>\$147,650</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
Percentage Change	(6.6%)	(15.6%)	7.2%	0.0%	n/a	n/a

### FY 2012-13 Appropriation - Mid-year Adjustments

Senate Bill 13-230 modifies FY 2012-13 appropriations to increase support for the Department's litigation efforts to challenge a settlement proposed by 19 other states involved in ongoing arbitration concerning the State's diligent enforcement of tobacco master settlement agreement provisions related to nonparticipating tobacco manufacturers. To date, the Department's tobacco litigation efforts have been supported by cash funds from the Tobacco Litigation Settlement Cash Fund. However, the balance in this fund is anticipated to be exhausted before the end of FY 2012-13, so the appropriation provides additional support from the General Fund and the Attorney Fees and Costs Account.

### FY 2013-14 Appropriation – S.B. 13-230 (Long Bill) Issue Descriptions

**Centrally appropriated line items:** The appropriation includes an increase to cover scheduled increases in supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund related to district attorneys' salaries.

**Tobacco litigation:** The appropriation reflects a projected decrease in the cost of outside counsel and other expenses related to the ongoing tobacco master settlement agreement arbitration (compared to the adjusted FY 2012-13 appropriation). The appropriation reflects an increase in General Fund and a decrease in cash funds as the balance in the Tobacco Litigation Settlement Cash Fund is anticipated to be exhausted before the end of FY 2012-13. [Please note that H.B. 13-1180 replenishes the Tobacco Litigation Settlement Cash Fund and replaces the General Fund appropriation that is included in S.B. 13-230 with an appropriation from this cash fund.]

**Annualize prior year funding:** The appropriation includes adjustments related to prior year legislation and budget actions.

**Additional legislation:** For information on H.B. 13-1180, see the "Recent Legislation" section at the end of this department.

## Recent Legislation

### 2012 Session Bills

**S.B. 12-110:** Replaces the existing fee paid by insurance companies to support the Department of Law's efforts to investigate and prosecute allegations of insurance fraud with a tiered fee schedule. Under the tiered fee schedule, regulated insurance entities that receive more than \$1.0 million income in Colorado will pay one fee, and those receiving less than \$1.0 million income will pay a lesser fee. Subjects Pinnacol Assurance to the same tiered fee schedule as other insurance companies. Appropriates \$196,677 cash funds from the Insurance Fraud Cash Fund and 2.0 FTE to the Department of Law for FY 2012-13.

**H.B. 12-1110:** Establishes within the Department of Regulatory Agencies' (DORAs') Division of Real Estate a licensure program for appraisal management companies. Although the act included an appropriation of \$62,839 reappropriated funds and 0.5 FTE to the Department of Law for FY 2012-13, the act was not effective until July 1, 2013. Thus, the appropriation could not go into effect initially. This technical error was corrected through S.B. 13-094 and S.B. 13-102. For additional information see the corresponding bill description in the "Recent Legislation" section of DORA.

**H.B. 12-1246:** Reverses the annual pay date shift as it applies to state employees paid on a biweekly basis. Appropriates \$8,799 General Fund to the Department of Law for FY 2012-13. For additional information see the corresponding bill description in the "Recent Legislation" section of the Department of Personnel.

**H.B. 12-1248:** Authorizes the Department of Law, for three fiscal years (through June 30, 2015), to spend gifts, grants, and donations without an appropriation. Requires the Department to include with its annual budget request a report describing the receipt and expenditure of any such moneys. Also creates the Legal Services Cash Fund for purposes of accounting for moneys received from other state agencies for the provision of legal services. Moneys in the Fund are subject to annual appropriation to the Department for the direct and indirect costs associated with providing legal services to state agencies and for any litigation expenses.

**H.B. 12-1300:** Implements the recommendations from the DORA 2011 Sunset Review concerning professional review committees under the Colorado Professional Review Act, and extends the functions of the committees until 2019. For FY 2012-13, provides \$2,271 reappropriated funds to the Department of Law for the provision of legal services to DORA. For additional information see the corresponding bill description in the "Recent Legislation" section of DORA.

**H.B. 12-1303:** Creates within DORAs' Division of Registrations a certification program for speech-language pathologists. For FY 2012-13, provides \$16,656 reappropriated funds and 0.1 FTE to the Department of Law for the provision of legal services to DORA. For additional information see the corresponding bill description in the "Recent Legislation" section of DORA.

**H.B. 12-1311:** Modifies and recodifies laws regulating the practice of pharmacy and continues until 2021 the Colorado State Board of Pharmacy, which is located in DORA. For FY 2012-13, provides \$23,092 reappropriated funds to the Department of Law for the provision of legal services to DORA. For additional information see the corresponding bill description in the "Recent Legislation" section of DORA.

**H.B. 12-1330:** Creates a hearing process to end a suspension of hunting and fishing licenses. For FY 2012-13, provides \$3,028 reappropriated funds to the Department of Law for the provision of legal services to the Department of Natural Resources (DNR). For additional information see the corresponding bill description in the "Recent Legislation" section of DNR.

**H.B. 12-1335:** General appropriations act for FY 2012-13.

## **2013 Session Bills**

**S.B. 13-014:** Addresses liability issues related to the administration of an opiate antagonist to a person who is believed to be suffering an opiate-related overdose. For FY 2013-14, provides \$2,318 reappropriated funds to the Department of Law for the provision of legal services to DORA. For additional information see the corresponding bill description at the end of Part III for DORA.

**S.B. 13-026:** Modifies the Michael Skolnik Medical Transparency Act, which requires most regulated medical practitioners to disclose certain information to DORA's Division of Professions and Occupations whenever they obtain or renew a license. For FY 2013-14, provides \$7,725 reappropriated funds to the Department of Law for the provision of legal services to DORA. For additional information see the corresponding bill description at the end of Part III for DORA.

**S.B. 13-039:** Reauthorizes DORA's Division of Professions and Occupations to regulate audiologists. For FY 2013-14, provides \$11,294 reappropriated funds to the Department of Law for the provision of legal services to DORA. For additional information see the corresponding bill description at the end of Part III for DORA.

**S.B. 13-083:** Defines the role of the Division of Fire Prevention and Control (DFPC) in the Department of Public Safety (DPS), and specific duties related to the DFPC. For FY 2013-14, provides \$4,635 reappropriated funds to the Department of Law for the provision of legal services to DPS. For additional information see the corresponding bill description at the end of Part III for DPS.

**S.B. 13-094:** Supplemental appropriation to the Department of Law to modify FY 2012-13 appropriations included in the FY 2012-13 Long Bill (H.B. 12-1335).

**S.B. 13-151:** Continues the regulation of massage therapists until September 1, 2022, and implements the recommendations of the sunset review on the "Massage Therapy Practice Act". For FY 2013-14, provides \$21,244 reappropriated funds to the Department of Law for the provision of legal services to DORA. For additional information see the corresponding bill description at the end of Part III for DORA.

**S.B. 13-162:** Continues the regulation of plumbers until September 1, 2024, and implements the recommendations of the sunset review on the plumbers licensing program. For FY 2013-14, provides \$5,794 reappropriated funds to the Department of Law for the provision of legal services to DORA. For additional information see the corresponding bill description at the end of Part III for DORA.

**S.B. 13-172:** Continues the regulation of acupuncturists until September 1, 2022, and implements the recommendations of the sunset review on the acupuncturist licensing program. For FY 2013-14, provides \$5,021 reappropriated funds to the Department of Law for the provision of legal services to DORA. For additional information see the corresponding bill description at the end of Part III for DORA.

**S.B. 13-180:** Continues the regulation of occupational therapists in DORA's Division of Professions and Occupations until September 1, 2018. For FY 2013-14, provides \$12,746 reappropriated funds to the Department of Law for the provision of legal services to DORA. For additional information see the corresponding bill description at the end of Part III for DORA.

**S.B. 13-200:** Expands Medicaid eligibility from 100 percent of the federal poverty level (FPL) to 133 percent for parents and caretaker relatives with dependent children and adults without dependent children, and allows the state's share of costs for these eligibility groups, up to 133 percent of FPL, to be paid from the Hospital Provider Fee Cash Fund. For FY 2013-14, provides \$24,910 reappropriated funds to the Department of Law for the provision of legal services to the Department of Health Care Policy and Financing (DHCPF). For additional information see the corresponding bill description at the end of Part III for DHCPF.

**S.B. 13-207:** Allows mental health professionals to perform auricular acudetox under their current scope of practice if they have completed specific training. For FY 2013-14, provides \$6,180 reappropriated funds to the Department of Law for the provision of legal services to DORA. For additional information see the corresponding bill description at the end of Part III for DORA.

**S.B. 13-219:** Creates a process to certify and monitor the activities of professionals involved in the remediation of property contaminated by illegal drug labs. For FY 2013-14, provides \$15,450 reappropriated funds and 0.1 FTE to the Department of Law for the provision of legal services to the Department of Public Health and Environment (DPHE). For additional information see the corresponding bill description at the end of Part III for DPHE.

**S.B. 13-221:** Requires that the Division of Real Estate in DORA to create an application and certification process for landowners seeking to claim an income tax credit for a conservation easement. For FY 2013-14, provides \$69,525 reappropriated funds and 0.5 FTE to the Department of Law for the provision of legal services to DORA. For additional information see the corresponding bill description at the end of Part III for DORA.

**S.B. 13-230:** General appropriations act for FY 2013-14. Also includes a supplemental adjustment to modify appropriations to the Department of Law included in the FY 2012-13 Long Bill (H.B. 12-1335).

**S.B. 13-238:** Requires hearing aid providers to be licensed by DORA's Division of Professions and Occupations. For FY 2013-14, provides \$5,794 reappropriated funds to the Department of Law for the provision of legal services to DORA. For additional information see the corresponding bill description at the end of Part III for DORA.

**S.B. 13-241:** Repeals H.B. 12-1099, the Industrial Hemp Remediation Pilot Program in the DPHE, and establishes a registration program in the Department of Agriculture for people cultivating industrial hemp either commercially or for research and development purposes. For FY 2013-14, provides \$13,905 reappropriated funds to the Department of Law for the provision of legal services to the Department of Agriculture. For additional information see the corresponding bill description at the end of Part III for the Department of Agriculture.

**S.B. 13-246:** Creates a Discovery Task Force to meet to address the issue of discovery costs in criminal cases. In addition to a non-voting technology advisor from the Office of Information Technology, the Task Force consists of the following 11 members: (1) the Attorney General (or his designee), who shall serve as the Chair of the Task Force; (2) the State Court Administrator (or his designee), who shall serve as the Vice-Chair of the Task Force; (3) the State Public Defender (or his designee); (4) a representative of the criminal defense bar; (5) three district attorneys (DAs) who represent differently sized judicial districts; (6) a county sheriff; (7) the Alternate Defense Counsel (or her designee); (8) a chief of police; and (9) a district court judge. The Task Force is required to study several topics and report back to the Joint Budget Committee and the Judiciary Committees by January 31, 2014. Topics the Task Force will study include the following:

- The ability of DAs' offices to obtain law enforcement discoverable evidence in an electronic format, and options for addressing the short-term needs of law enforcement and DAs to facilitate greater use of electronic discovery;
- The reimbursements paid to reimburse DAs' offices for the expenses for which the DA is responsible related to the discovery process; and
- An alternative funding process to reimburse the DAs for appropriate discovery costs without requiring the State Public Defender, Alternate Defense Counsel, or any indigent *pro se* defendant to pay for discovery.

**S.B. 13-251:** Allows the State to issue a driver's license, minor's driver's license, instruction permit or state-issued identification card to a noncitizen resident of Colorado who cannot provide proof of lawful presence in the United States. For FY 2013-14, provides \$7,725 reappropriated funds and 0.1 FTE to the Department of Law for the provision of legal services to the Department of Revenue (DOR). For additional information see the corresponding bill description at the end of Part III for DOR.

**S.B. 13-283:** Implements major provisions of Amendment 64, which allows for an adult 21 years or older to consume or possess up to one ounce of marijuana. Encourages the P.O.S.T. Board to include advanced roadside impaired driving enforcement (ARIDE) training in the curriculum for persons who enroll in a training academy for basic peace officer training, and requires the P.O.S.T. Board (subject to available funding) to arrange to provide training in ARIDE to drug recognition experts who will act as trainers in ARIDE for all peace officers. For FY 2013-14, appropriates \$20,000 cash funds from the P.O.S.T. Board Cash Fund for implementation of this provision. For additional information see the corresponding bill description at the end of Part III for DPHE.

**S.B. 13-288:** Modifies provisions regarding tort claims against the State brought under the "Colorado Governmental Immunity Act". In connection with a recommendation made by the State Claims Board (Board) to make a payment to one or more claimants resulting from a claim of an injury arising out of the March 2012 Lower North Fork wildfire that is received by the General Assembly while it is adjourned *sine die*, upon certification from the Department of Law that the Board process has been satisfied, authorizes the Office of the State Controller to pay one or more additional payments to such claimants from moneys previously appropriated by bill until such specifically appropriated moneys are exhausted or replenished. For additional information see the corresponding bill description at the end of Part III for the Department of Personnel.

**H.B. 13-1111:** Creates a registration program for naturopathic doctors in DORA's Division of Professions and Occupations and creates the seven-member Naturopathic Medicine Advisory Committee. For FY 2013-14, provides \$16,995 reappropriated funds to the Department of Law for the provision of legal services to DORA. For additional information see the corresponding bill description at the end of Part III for DORA.

**H.B. 13-1180:** Reinstates scheduled increases in the allocation of tobacco master settlement agreement (MSA) moneys to the Nurse Home Visitor Program, less amounts that are redirected to the Defense Account of the

Tobacco Litigation Settlement Cash Fund. From FY 2012-13 through FY 2015-16, transfers a total of \$4,792,244 of MSA moneys to the Defense Account. Adjusts appropriations to the Department of Law for FY 2013-14, substituting \$1,433,351 cash funds from the Defense Account for \$1,433,351 General Fund that was included in S.B. 13-230. Appropriates \$803,330 cash funds from the Nurse Home Visitor Program Fund to the Department of Human Services for FY 2013-14.

**H.B. 13-1230:** Creates a state compensation program for persons who are found actually innocent of felony crimes after serving time in jail, prison, or juvenile placement. To become eligible for state funds, the exonerated person must submit a petition and supporting documentation to the district court in the county that heard the original case. The Attorney General and district attorney may concur or contest the petition. If a petition is contested, the burden to prove actual innocence is upon the petitioner. Appropriates \$128,662 General Fund and 1.4 FTE to the Department of Law for FY 2013-14 to respond to petitions, and if appropriate, contest the petition in district court. For additional information see the corresponding bill description at the end of Part III for the Judicial Department.

**H.B. 13-1292:** Makes changes to contracting requirements for state and local government agencies. For FY 2013-14, provides a total of \$46,350 reappropriated funds and 0.3 FTE to the Department of Law for the provision of legal services, including \$34,762 and 0.3 FTE for the Department of Labor and Employment (DOLE) and \$11,588 for the Department of Personnel. For additional information see the corresponding bill description at the end of Part III for DOLE.

**H.B. 13-1317:** Implements major provisions of Amendment 64 by creating the Colorado Retail Marijuana Code. For FY 2013-14: appropriates \$76,000 cash funds from the Marijuana Cash Fund to the Department of Law's P.O.S.T. Board for the implementation of a provision in S.B. 13-283 that encourages the Board to include advanced roadside impaired driving enforcement (ARIDE) training in the curriculum for persons who enroll in a training academy for basic peace officer training. Also provides \$70,684 reappropriated funds and 0.5 FTE to the Department of Law for the provision of legal services to the DOR. For additional information see the corresponding bill description at the end of Part III for DOR.



# Department Details

## LEGISLATIVE BRANCH

### FY 2012-13 and FY 2013-14 Appropriations by Division and Bill

Legislative Department						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2012-13 Total Appropriation:</b>	<b>\$37,046,125</b>	<b>\$35,963,244</b>	<b>\$179,065</b>	<b>\$903,816</b>	<b>\$0</b>	<b>271.0</b>
<u>Breakdown of Total Appropriation by Administrative Section</u>						
General Assembly	13,793,774	13,699,958	90,000	3,816	0	66.0
State Auditor	8,244,403	7,255,338	89,065	900,000	0	68.0
Joint Budget Committee	1,552,356	1,552,356	0	0	0	16.0
Legislative Council	7,996,155	7,996,155	0	0	0	68.0
Committee on Legal Services	5,459,437	5,459,437	0	0	0	53.0
<u>Breakdown of Total Appropriation by Bill</u>						
HB 12-1301 (Legislative Appropriation)	34,335,208	33,245,827	179,065	910,316	0	271.0
HB 12-1335 (Long Bill)	2,644,911	2,644,911	0	0	0	0.0
HB 12-1246	69,278	69,278	0	0	0	0.0
SB 13-095	3,228	3,228	0	0	0	0.0
SB 13-129	(6,500)	0	0	(6,500)	0	0.0
<b>FY 2013-14 Total Appropriation:</b>	<b>\$40,399,019</b>	<b>\$38,592,648</b>	<b>\$179,000</b>	<b>\$1,627,371</b>	<b>\$0</b>	<b>272.6</b>
<u>Breakdown of Total Appropriation by Administrative Section</u>						
General Assembly	15,334,803	15,240,987	90,000	3,816	0	66.0
State Auditor	9,032,604	7,575,049	89,000	1,368,555	0	68.0
Joint Budget Committee	1,641,201	1,641,201	0	0	0	16.0
Legislative Council	8,708,896	8,453,896	0	255,000	0	69.3
Committee on Legal Services	5,681,515	5,681,515	0	0	0	53.3
<u>Breakdown of Total Appropriation by Bill</u>						
SB 13-187 (Legislative Appropriation)	35,989,551	34,906,735	179,000	903,816	0	271.0
SB 13-230 (Long Bill)	4,228,189	3,509,634	0	718,555	0	0.0
SB 13-007	6,061	6,061	0	0	0	0.1
HB 13-1079	75,247	75,247	0	0	0	1.2
HB 13-1296	5,000	0	0	5,000	0	0.0

Legislative Department						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
HB 13-1299	89,971	89,971	0	0	0	0.3
HB 13-1301	5,000	5,000	0	0	0	0.0
<b>Increase/(Decrease)</b>	\$3,352,894	\$2,629,404	(\$65)	\$723,555	\$0	1.6
Percentage Change	9.1%	7.3%	(0.0%)	80.1%	n/a	0.6%

**Informational Funds:** The FY 2013-14 Long Bill and other legislation indicates when an amount is shown solely for informational purposes through an "(I)" notation. No amounts in the Legislative Department are annotated with an "(I)" notation.

## Detail of Appropriation by Administrative Section

### General Assembly

Comprised of 35 members in the Senate and 65 members in the House of Representatives, the General Assembly meets annually beginning in early January and, per the Colorado Constitution, must adjourn within 120 days. The Colorado Constitution vests all legislative power in the General Assembly, except those powers specifically reserved by the people.

General Assembly						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2012-13 Appropriation:</b>						
HB 12-1301 (Legislative Appropriation)	\$12,200,098	\$12,106,282	\$90,000	\$3,816	\$0	66.0
HB 12-1335 (Long Bill)	1,536,411	1,536,411	0	0	0	0.0
HB 12-1246	54,037	54,037	0	0	0	0.0
SB 13-095	<u>3,228</u>	<u>3,228</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$13,793,774</b>	<b>\$13,699,958</b>	<b>\$90,000</b>	<b>\$3,816</b>	<b>\$0</b>	<b>66.0</b>
<b>FY 2013-14 Appropriation:</b>						
FY 2012-13 Appropriation	\$13,793,774	\$13,699,958	\$90,000	\$3,816	\$0	66.0
Salary/benefits/operating adjustments	521,171	521,171	0	0	0	0.0
Expansion to 1525 Sherman	482,037	482,037	0	0	0	0.0
Operating adjustments	379,458	379,458	0	0	0	0.0
PERA amortization disbursement	83,519	83,519	0	0	0	0.0
<b>SB 13-187 (Legislative Appropriation)<sup>/1</sup></b>	<b>\$12,858,825</b>	<b>\$12,765,009</b>	<b>\$90,000</b>	<b>\$3,816</b>	<b>\$0</b>	<b>66.0</b>
<b>SB 13-230 (Long Bill)<sup>/1</sup></b>	<b>\$2,401,134</b>	<b>\$2,401,134</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>

General Assembly						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
HB 13-1299	<u>74,844</u>	<u>74,844</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$15,334,803</b>	<b>\$15,240,987</b>	<b>\$90,000</b>	<b>\$3,816</b>	<b>\$0</b>	<b>66.0</b>
<b>Increase/(Decrease)</b>	\$1,541,029	\$1,541,029	\$0	\$0	\$0	0.0
Percentage Change	11.2%	11.2%	0.0%	0.0%	n/a	0.0%

<sup>1</sup>The FY 2012-13 Appropriation plus the sum of the appropriation highlights equals the combination of S.B. 13-187 (Legislative Appropriation) and S.B. 13-230 (Long Bill).

### FY 2012-13 Appropriation - Mid-year Adjustments

Senate Bill 13-095 provides \$3,228 General Fund in FY 2012-13 for supplemental appropriations for a payment to risk management and property funds.

### FY 2013-14 Appropriation – S.B. 13-187 (Legislative Appropriation) and S.B. 13-230 (Long Bill) Issue Descriptions

**Salary/benefits/operating adjustments:** The increase in appropriation is primarily the result of increases for health, life, and dental insurance benefits; increases for a 3.6 percent base salary adjustment; increases for the legislative aides program, and increases for State Patrol Capitol security.

**Expansion to 1525 Sherman:** The increase in appropriation is for additional legislative space in the Capitol complex at 1525 Sherman Street pursuant to H.B. 12-1348.

**Operating adjustments:** The increase in appropriations is for centrally 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, maintenance of legislative space, and COFRS modernization. Operating adjustments are a function of recoverable costs in the Department of Personnel, the Governor's Office of Information Technology, or the Department of Law that are allocated to other departments based on a proportionate share of risk or utilization.

**PERA amortization disbursement:** The increase in appropriation reflects the amount necessary to contribute an additional 0.9 percent of base salaries to the Public Employees' Retirement Association (0.4 percent pursuant to S.B. 04-257 and 0.5 percent pursuant to S.B. 06-235).

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

### State Auditor

The duties of the State Auditor are to conduct post audits of all financial transactions and accounts of all state departments, institutions, and agencies of the executive, legislative, and judicial branches; conduct performance post audits; and prepare summary audit reports and recommendations concerning each agency. Legislative oversight is provided by the Legislative Audit Committee, which is comprised of four senators, two from each major political party, and four representatives, two from each major political party.

	State Auditor					
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2012-13 Appropriation:</b>						
HB 12-1301 (Legislative Appropriation)	\$8,245,777	\$7,250,212	\$89,065	\$906,500	\$0	68.0
HB 12-1246	5,126	5,126	0	0	0	0.0
SB 13-129	<u>(6,500)</u>	<u>0</u>	<u>0</u>	<u>(6,500)</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$8,244,403</b>	<b>\$7,255,338</b>	<b>\$89,065</b>	<b>\$900,000</b>	<b>\$0</b>	<b>68.0</b>
<b>FY 2013-14 Appropriation:</b>						
FY 2012-13 Appropriation	\$8,244,403	\$7,255,338	\$89,065	\$900,000	\$0	68.0
Child welfare study	468,555	0	0	468,555	0	0.0
Salary/benefits/operating adjustments	259,995	266,560	(65)	(6,500)	0	0.0
PERA amortization disbursement	53,151	53,151	0	0	0	0.0
Annualize prior year funding	<u>6,500</u>	<u>0</u>	<u>0</u>	<u>6,500</u>	<u>0</u>	<u>0.0</u>
<b>SB 13-187 (Legislative Appropriation)*</b>	<b>\$8,564,049</b>	<b>\$7,575,049</b>	<b>\$89,000</b>	<b>\$900,000</b>	<b>\$0</b>	<b>68.0</b>
<b>SB 13-230 (Long Bill)*</b>	<b>\$468,555</b>	<b>\$0</b>	<b>\$0</b>	<b>\$468,555</b>	<b>\$0</b>	<b>0.0</b>
<b>TOTAL</b>	<b>\$9,032,604</b>	<b>\$7,575,049</b>	<b>\$89,000</b>	<b>\$1,368,555</b>	<b>\$0</b>	<b>68.0</b>
<b>Increase/(Decrease)</b>	\$788,201	\$319,711	(\$65)	\$468,555	\$0	0.0
Percentage Change	9.6%	4.4%	(0.1%)	52.1%	n/a	0.0%

\* The FY 2012-13 Appropriation plus the sum of the appropriation highlights equals the combination of S.B. 13-187 (Legislative Appropriation) and S.B. 13-230 (Long Bill).

### FY 2012-13 Appropriation - Mid-year Adjustments

Senate Bill 13-129 reduces the FY 2012-13 appropriations by \$6,500 reappropriated funds due to the reduced number of audits expected on the Colorado Auto Theft Prevention Fund.

### FY 2013-14 Appropriation – S.B. 13-187 (Legislative Appropriation) and S.B. 13-230 (Long Bill) Issue Descriptions

**Child welfare study:** The appropriation to the Office of the State Auditor is to perform a child welfare workload study. This appropriation is one time spending authority for this specific purpose.

**Salary/benefits/operating adjustments:** The increase in appropriation is primarily the result of increases for health, life, and dental insurance benefits; increases for a 3.6 percent base salary adjustment; and an increase for the operating budget.

**PERA amortization disbursement:** The increase in appropriation reflects the amount necessary to contribute an additional 0.9 percent of base salaries to the Public Employees' Retirement Association (0.4 percent pursuant to S.B. 04-257 and 0.5 percent pursuant to S.B. 06-235).

**Annualize prior year funding:** The appropriation includes adjustments related to prior year legislation and budget actions.

## Joint Budget Committee

The Joint Budget Committee is the permanent fiscal and budget review agency of the General Assembly. The six-member committee is comprised of three members from the House, including two from the majority political party, and three members from the Senate, including two from the majority political party. The Committee, through its staff, is responsible for analyzing the programs, management, operations, and fiscal needs of state agencies. After holding budget hearings with all state departments and agencies, the Committee and its staff prepare the annual appropriations bill. The staff is also responsible for providing support for both the House and Senate Appropriations Committees.

	Joint Budget Committee					
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2012-13 Appropriation:</b>						
HB 12-1301 (Legislative Appropriation)	<u>1,552,356</u>	<u>1,552,356</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>16.0</u>
<b>TOTAL</b>	<b>\$1,552,356</b>	<b>\$1,552,356</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>16.0</b>
<b>FY 2013-14 Appropriation:</b>						
FY 2012-13 Appropriation	\$1,552,356	\$1,552,356	\$0	\$0	\$0	16.0
Salary/benefits/operating adjustments	74,614	74,614	0	0	0	0.0
PERA amortization disbursement	<u>14,231</u>	<u>14,231</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>SB 13-187 (Legislative Appropriation)</b>	<b>\$1,641,201</b>	<b>\$1,641,201</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>16.0</b>
<b>TOTAL</b>	<b>\$1,641,201</b>	<b>\$1,641,201</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>16.0</b>
<b>Increase/(Decrease)</b>	\$88,845	\$88,845	\$0	\$0	\$0	0.0
Percentage Change	5.7%	5.7%	n/a	n/a	n/a	0.0%

## FY 2013-14 Appropriation – S.B. 13-187 (Legislative Appropriation) Issue Descriptions

**Salary/benefits/operating adjustments:** The increase in appropriation is primarily the result of increases for health, life, and dental insurance benefits; increases for a 3.6 percent base salary adjustment; and an increase for operating and travel budgets.

**PERA amortization disbursement:** The increase in appropriation reflects the amount necessary to contribute an additional 0.9 percent of base salaries to the Public Employees' Retirement Association (0.4 percent pursuant to S.B. 04-257 and 0.5 percent pursuant to S.B. 06-235).

## Legislative Council

The Legislative Council is comprised of 18 legislators, nine from the House and nine from the Senate. The staff of the Council provides fact-finding and information-collecting services for all members of the General Assembly. In addition, the staff provides support for all standing committees except Appropriations, and for most interim committees. The staff maintains a reference library for all legislators and staff, and the Council contracts for special studies as needed. The State Capitol Building tour guide coordinator is an employee of the Council. The Council staff is also responsible for preparing fiscal notes on new legislation and for providing revenue estimates.

	Legislative Council					
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2012-13 Appropriation:</b>						
HB 12-1301 (Legislative Appropriation)	\$6,877,540	\$6,877,540	\$0	\$0	\$0	68.0
HB 12-1335 (Long Bill)	1,108,500	1,108,500	0	0	0	0.0
HB 12-1246	<u>10,115</u>	<u>10,115</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$7,996,155</b>	<b>\$7,996,155</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>68.0</b>
<b>FY 2013-14 Appropriation:</b>						
FY 2012-13 Appropriation	\$7,996,155	\$7,996,155	\$0	\$0	\$0	68.0
Salary/benefits/operating adjustments	320,761	320,761	0	0	0	0.0
Cost of living study	250,000	0	0	250,000	0	0.0
PERA amortization disbursement	55,134	55,134	0	0	0	0.0
<b>SB 13-187 (Legislative Appropriation)<sup>1</sup></b>	<b>\$7,263,550</b>	<b>\$7,263,550</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>68.0</b>
<b>SB 13-230 (Long Bill)<sup>1</sup></b>	<b>\$1,358,500</b>	<b>\$1,108,500</b>	<b>\$0</b>	<b>\$250,000</b>	<b>\$0</b>	<b>0.0</b>
HB 13-1079	61,719	61,719	0	0	0	1.0
HB 13-1296	5,000	0	0	5,000	0	0.0
HB 13-1299	15,127	15,127	0	0	0	0.3
HB 13-1301	<u>5,000</u>	<u>5,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$8,708,896</b>	<b>\$8,453,896</b>	<b>\$0</b>	<b>\$255,000</b>	<b>\$0</b>	<b>69.3</b>
<b>Increase/(Decrease)</b>	<b>\$712,741</b>	<b>\$457,741</b>	<b>\$0</b>	<b>\$255,000</b>	<b>\$0</b>	<b>1.3</b>
Percentage Change	8.9%	5.7%	n/a	n/a	n/a	1.9%

<sup>1</sup>The FY 2012-13 Appropriation plus the sum of the appropriation highlights equals the combination of S.B. 13-187 (Legislative Appropriation) and S.B. 13-230 (Long Bill).

## FY 2013-14 Appropriation – S.B. 13-187 (Legislative Appropriation) and S.B. 13-230 (Long Bill) Issue Descriptions

**Salary/benefits/operating adjustments:** The increase in appropriation is primarily the result of increases for health, life, and dental insurance benefits; increases for a 3.6 percent base salary adjustment; and increases for ongoing investment in information technology.

**Cost of living study:** The appropriation is for a cost of living study. Legislative Council staff, pursuant to Section 22-54-104 (5) (c) (III) (A), C.R.S., is required to certify the cost of living factor for each school district every two years based on a cost of living analysis that is typically conducted through a contract. This is the additional appropriation required to perform the analysis.

**PERA amortization disbursement:** The increase in appropriation reflects the amount necessary to contribute an additional 0.9 percent of base salaries to the Public Employees' Retirement Association (0.4 percent pursuant to S.B. 04-257 and 0.5 percent pursuant to S.B. 06-235).

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

## Committee on Legal Services

The Committee on Legal Services consists of ten members, five from the House of Representatives and five from the Senate. It provides legislative oversight to the Office of Legislative Legal Services and coordinates litigation involving the General Assembly.

The Office of Legislative Legal Services drafts and prepares bills, resolutions, amendments, conference committee reports, and digests of enacted bills. The Office also reviews rules promulgated by executive agencies to determine whether they are within the powers delegated to the agency; performs legal research; aids in legal representation of the General Assembly; participates in the review of and comments on the titles given to initiated measures; and assists in staffing interim committees.

The Office is also responsible for compiling, editing, arranging and preparing for publication all of the laws of the State of Colorado, and for assisting in publication and distribution of portions of the statutes in accordance with Section 2-5-118, C.R.S. Annually, the Office prepares the session laws and supplements to the statutes as necessary and also prepares the index and case law annotations for the Colorado Revised Statutes.

The Colorado Commission of Uniform State Laws, comprised of seven members who are attorneys-at-law in Colorado (three of whom are state legislators), represents Colorado at the National Conference of Commissioners on Uniform State Laws. The purpose of the conference is to promote the uniformity of state laws on all subjects where uniformity is deemed desirable and practical.

	Committee on Legal Services					
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2012-13 Appropriation:</b>						
HB 12-1301 (Legislative Appropriation)	<u>\$5,459,437</u>	<u>\$5,459,437</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>53.0</u>
<b>TOTAL</b>	<b>\$5,459,437</b>	<b>\$5,459,437</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>53.0</b>
<b>FY 2013-14 Appropriation:</b>						
FY 2012-13 Appropriation	\$5,459,437	\$5,459,437	\$0	\$0	\$0	53.0
Salary/benefits/operating adjustments	160,273	160,273	0	0	0	0.0

	Committee on Legal Services					FTE
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	
PERA amortization disbursement	42,216	42,216	0	0	0	0.0
<b>SB 13-187 (Legislative Appropriation)</b>	<b>\$5,661,926</b>	<b>\$5,661,926</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>53.0</b>
SB 13-007	6,061	6,061	0	0	0	0.1
HB 13-1079	<u>13,528</u>	<u>13,528</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.2</u>
<b>TOTAL</b>	<b>\$5,681,515</b>	<b>\$5,681,515</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>53.3</b>
<b>Increase/(Decrease)</b>	\$222,078	\$222,078	\$0	\$0	\$0	0.3
Percentage Change	4.1%	4.1%	n/a	n/a	n/a	0.6%

### FY 2013-14 Appropriation – S.B. 13-187 (Legislative Appropriation) Issue Descriptions

**Salary/benefits/operating adjustments:** The increase in appropriation is primarily the result of increases for health, life, and dental insurance benefits and increases for a 3.6 percent base salary adjustment.

**PERA amortization disbursement:** The increase in appropriation reflects the amount necessary to contribute an additional 0.9 percent of base salaries to the Public Employees' Retirement Association (0.4 percent pursuant to S.B. 04-257 and 0.5 percent pursuant to S.B. 06-235).

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

## Recent Legislation

### 2012 Session Bills

**H.B. 12-1246:** Reverses the payday shift for state employees who are paid on a biweekly basis. Appropriates \$69,278 General Fund to the Department for FY 2012-13. For additional information, see the "Recent Legislation" section at the end of the Department of Personnel.

**H.B. 12-1301:** Separate legislative appropriations act for FY 2012-13.

**H.B. 12-1335:** General appropriations act for FY 2012-13.

### 2013 Session Bills

**S.B. 13-007:** Extends the repeal date of the Colorado Commission on Criminal and Juvenile Justice (CCJJ) from July 1, 2013, to July 1, 2018. Includes an appropriation of \$6,061 and 0.1 FTE for allocation to the committee on legal services for support of the Colorado commission on criminal and juvenile justice

**S.B. 13-095:** Supplemental appropriation for the FY 2012-13.



**S.B. 13-129:** Modifies several statutory duties for the Office of the State Auditor (OSA). Includes a reduction of \$6,500 reappropriated funds to the OSA.

**S.B. 13-187:** Separate legislative appropriations act for FY 2013-14.

**S.B. 13-230:** General appropriations act for FY 2013-14.

**H.B. 13-1079:** Creates the Joint Technology Committee to oversee state agencies, projects, and issues related to information technology. The committee will oversee the Governor's Office of Information Technology (OIT), including its annual budget requests and any significant information technology projects managed or initiated by OIT. The committee also oversees and may review any information technology purchased or implemented by a state agency that is not managed by, or does not follow, the standards of OIT. Higher education institutions are exempt from the committee's oversight. Includes appropriations of 1) \$61,719 General Fund and 1.0 FTE for Legislative Council; and 2) \$13,528 General Fund and 0.2 FTE for the Committee on Legal Services.

**H.B. 13-1296:** Creates the Civil Commitment Statute Review Committee in the Department of Human Services to meet during the 2013 legislative interim. The task force is required to study and prepare recommendations concerning the consolidation of mental health, alcohol, and substance abuse disorder statutes concerning civil commitments. Includes an appropriation of \$5,000 General Fund for reimbursement and compensation of task force members who are also members of the General Assembly.

**H.B. 13-1299:** Modifies the SMART Act and the legislative interim committee process. Includes appropriations of: 1) \$74,844 General Fund for the General Assembly; and 2) \$15,127 General Fund and 0.3 FTE for Legislative Council.

**H.B. 13-1301:** Creates the Procurement Technical Assistance task force. Includes an appropriation of \$5,000 General Fund for reimbursement and compensation of task force members who are also members of the General Assembly.

# Department Details

## DEPARTMENT OF LOCAL AFFAIRS

### FY 2012-13 and FY 2013-14 Appropriations by Division and Bill

	Department of Local Affairs					
	Total Funds	General Fund <sup>1,2</sup>	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2012-13 Total Appropriation:</b>	<b>\$327,213,891</b>	<b>\$11,074,259</b>	<b>\$206,386,363</b>	<b>\$7,129,597</b>	<b>\$102,623,672</b>	<b>163.2</b>
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Executive Director's Office	5,122,043	1,632,641	450,415	2,132,322	906,665	14.2
Property Taxation	3,484,867	1,269,721	1,014,682	1,200,464	0	49.9
Division of Housing	89,048,900	2,589,909	896,002	206,902	85,356,087	47.7
Division of Local Government	229,558,081	5,581,988	204,025,264	3,589,909	16,360,920	51.4
Division of Emergency Management	0	0	0	0	0	0.0
<u>Breakdown of Total Appropriation by Bill</u>						
HB 12-1335	347,313,310	11,478,263	210,897,351	7,479,574	117,458,122	191.1
HB 12-1246	793	793	0	0	0	0.0
HB 12-1283	(20,075,990)	(380,575)	(4,510,988)	(349,977)	(14,834,450)	(27.9)
SB 13-096	(24,222)	(24,222)	0	0	0	0.0
<b>FY 2013-14 Total Appropriation:</b>	<b>\$305,205,047</b>	<b>\$17,698,568</b>	<b>\$208,920,557</b>	<b>\$8,629,582</b>	<b>\$69,956,340</b>	<b>164.3</b>
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Executive Director's Office	6,151,949	983,247	549,826	3,670,597	948,279	14.2
Property Taxation	3,542,025	1,309,049	1,173,291	1,059,685	0	49.9
Division of Housing	61,812,032	7,824,284	1,078,105	211,722	52,697,921	47.8
Division of Local Government	233,699,041	7,581,988	206,119,335	3,687,578	16,310,140	52.4
Division of Emergency Management	0	0	0	0	0	0.0
<u>Breakdown of Total Appropriation by Bill</u>						
SB 13-230	302,416,196	15,059,717	208,770,557	8,629,582	69,956,340	164.3
SB 13-146	0	(150,000)	150,000	0	0	0.0
SB 13-210	2,788,851	2,788,851	0	0	0	0.0
<b>Increase/(Decrease)</b>	<b>(\$22,008,844)</b>	<b>\$6,624,309</b>	<b>\$2,534,194</b>	<b>\$1,499,985</b>	<b>(\$32,667,332)</b>	<b>1.1</b>
Percentage Change	(6.7%)	59.8%	1.2%	21.0%	(31.8%)	0.7%

<sup>1</sup> Includes \$4,294,753 General Fund Exempt in FY 2012-13 and FY 2013-14. See division detail for more information.

<sup>2</sup> Includes \$4,294,753 in FY 2012-13 and FY 2013-14 that is exempt from the statutory limit on state General Fund appropriations pursuant to Section 24-75-201.1, C.R.S.

**Informational Funds:** The FY 2013-14 Long Bill and other legislation indicates when an amount is shown solely for informational purposes through an "(I)" notation. The following amounts in the Department of Local Affairs are annotated with the "(I)". For additional information, see Appendix J.

	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>
FY 2013-14 Appropriations containing an (I) notation	\$279,248,890	\$4,294,753	\$204,997,797	\$0	\$69,956,340

## Detail of Appropriation by Administrative Section

### Executive Director's Office

This division is responsible for management and administration. The appropriation includes centrally appropriated funds which are further distributed to various divisions. Cash funds appropriations include individual cash funds related to programs administered through the various divisions, as well as lease revenues generated from the operation of the Moffat Tunnel. Reappropriated funds include indirect cost recoveries, federal funds transferred from other agencies, and severance tax and federal mineral lease revenues transferred from the Local Government Mineral and Energy Impact Grants and Disbursements line in the Division of Local Government.

	<b>Executive Director's Office</b>					<b>FTE</b>
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	
<b>FY 2012-13 Appropriation:</b>						
HB 12-1335	\$5,405,119	\$1,467,535	\$450,415	\$2,407,071	\$1,080,098	14.2
HB 12-1283	(258,854)	189,328	0	(274,749)	(173,433)	0.0
SB 13-096	<u>(24,222)</u>	<u>(24,222)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$5,122,043</b>	<b>\$1,632,641</b>	<b>\$450,415</b>	<b>\$2,132,322</b>	<b>\$906,665</b>	<b>14.2</b>
<b>FY 2013-14 Appropriation:</b>						
FY 2012-13 Appropriation	\$5,122,043	\$1,632,641	\$450,415	\$2,132,322	\$906,665	14.2
Centrally appropriated line items	770,595	97,321	93,737	540,295	39,242	0.0
Statewide IT common policy adjustments	259,311	(113,222)	5,674	364,487	2,372	0.0
Indirect cost assessment	0	(633,493)	0	633,493	0	0.0
<b>SB 13-230</b>	<b><u>\$6,151,949</u></b>	<b><u>\$983,247</u></b>	<b><u>\$549,826</u></b>	<b><u>\$3,670,597</u></b>	<b><u>\$948,279</u></b>	<b><u>14.2</u></b>
<b>TOTAL</b>	<b>\$6,151,949</b>	<b>\$983,247</b>	<b>\$549,826</b>	<b>\$3,670,597</b>	<b>\$948,279</b>	<b>14.2</b>
<b>Increase/(Decrease)</b>	\$1,029,906	(\$649,394)	\$99,411	\$1,538,275	\$41,614	0.0
Percentage Change	20.1%	(39.8%)	22.1%	72.1%	4.6%	0.0%

## FY 2012-13 Appropriation - Mid-year Adjustments

Senate Bill 13-096 modifies FY 2012-13 appropriations included in H.B. 13-1335 to reduce \$24,222 General Fund for mid-year vehicle lease billing adjustments and a liability premiums technical true-up.

## FY 2013-14 Appropriation – S.B. 13-230 (Long Bill) Issue Descriptions

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

**Statewide IT common policy adjustments:** The appropriation includes adjustments to line items appropriated for: purchase of services from the computer center; Colorado state network; management and administration of the Governor's Office of Information Technology (OIT); communication services payments; and information technology security.

**Indirect cost assessment:** The appropriation includes an increase in reappropriated funds offset by a decrease in General Fund for the Division's indirect cost assessment.

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## Property Taxation

This section issues appraisal standards and provides training and technical assistance to county assessors; values multi-county companies; and grants taxation exemptions. This section also provides funding for the State Board of Equalization, which supervises the administration of property tax laws by local county assessors, as well as the Board of Assessment Appeals, which hears petitions for appeal on valuations, abatements, exemptions, and valuations of state-assessed properties. Cash fund appropriations are from the Property Tax Exemption Fund and Board of Assessment Appeals Fund. Reappropriated funds are from severance tax and federal mineral lease revenues transferred from the Division of Local Government.

Property Taxation						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2012-13 Appropriation:</b>						
HB 12-1335	\$3,484,074	\$1,268,928	\$1,014,682	\$1,200,464	\$0	49.9
HB 12-1246	<u>793</u>	<u>793</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$3,484,867</b>	<b>\$1,269,721</b>	<b>\$1,014,682</b>	<b>\$1,200,464</b>	<b>\$0</b>	<b>49.9</b>
<b>FY 2013-14 Appropriation:</b>						
FY 2012-13 Appropriation	\$3,484,867	\$1,269,721	\$1,014,682	\$1,200,464	\$0	49.9
Indirect cost assessment	57,158	189,328	8,609	(140,779)	0	0.0
<b>SB 13-230</b>	<b>\$3,542,025</b>	<b>\$1,459,049</b>	<b>\$1,023,291</b>	<b>\$1,059,685</b>	<b>\$0</b>	<b>49.9</b>

Property Taxation						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
SB 13-146	<u>0</u>	<u>(150,000)</u>	<u>150,000</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$3,542,025</b>	<b>\$1,309,049</b>	<b>\$1,173,291</b>	<b>\$1,059,685</b>	<b>\$0</b>	<b>49.9</b>
<b>Increase/(Decrease)</b>	\$57,158	\$39,328	\$158,609	(\$140,779)	\$0	0.0
Percentage Change	1.6%	3.1%	15.6%	(11.7%)	0.0%	0.0%

## FY 2013-14 Appropriation – S.B. 13-230 (Long Bill) Issue Descriptions

**Indirect cost assessment:** The appropriation includes a net increase in the division's indirect cost assessment.

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

## Division of Housing

This division provides financial and technical assistance to help communities provide affordable housing to low-income, elderly, and disabled individuals. The division administers state and federal affordable housing programs, and regulates the manufacture of factory-built residential and commercial buildings. Cash fund appropriations are from the Building Regulation Fund and the Private Activity Bond Allocations Fund. Reappropriated funds are severance tax and federal mineral lease revenues transferred from the Local Government Mineral and Energy Impact Grants and Disbursements line in the Division of Local Government.

Division of Housing						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2012-13 Appropriation:</b>						
HB 12-1335	<u>\$89,048,900</u>	<u>\$2,589,909</u>	<u>\$896,002</u>	<u>\$206,902</u>	<u>\$85,356,087</u>	<u>47.7</u>
<b>TOTAL</b>	<b>\$89,048,900</b>	<b>\$2,589,909</b>	<b>\$896,002</b>	<b>\$206,902</b>	<b>\$85,356,087</b>	<b>47.7</b>
<b>FY 2013-14 Appropriation:</b>						
FY 2012-13 Appropriation	\$89,048,900	\$2,589,909	\$896,002	\$206,902	\$85,356,087	47.7
Additional affordable housing units	2,000,000	2,000,000	0	0	0	0.0
Housing for behavioral health clients	445,524	445,524	0	0	0	0.0
Annualize prior year funding	125,000	0	125,000	0	0	0.1
Indirect cost assessment	103,757	0	57,103	4,820	41,834	0.0
Federal funds adjustment	(32,700,000)	0	0	0	(32,700,000)	0.0
<b>SB 13-230</b>	<b>\$59,023,181</b>	<b>\$5,035,433</b>	<b>\$1,078,105</b>	<b>\$211,722</b>	<b>\$52,697,921</b>	<b>47.8</b>
SB 13-210	<u>2,788,851</u>	<u>2,788,851</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$61,812,032</b>	<b>\$7,824,284</b>	<b>\$1,078,105</b>	<b>\$211,722</b>	<b>\$52,697,921</b>	<b>47.8</b>

	Division of Housing					
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Increase/(Decrease)	(\$27,236,868)	\$5,234,375	\$182,103	\$4,820	(\$32,658,166)	0.1
Percentage Change	(30.6%)	202.1%	20.3%	2.3%	(38.3%)	0.2%

### FY 2013-14 Appropriation – S.B. 13-230 (Long Bill) Issue Descriptions

**Additional affordable housing units:** The appropriation provides \$2.0 million General Fund for additional affordable housing units for workforce needs and lower income families.

**Housing for behavioral health clients:** The appropriation includes \$445,524 for housing voucher administrative costs associated with housing subsidies for 107 individuals needing behavioral health services who are on the waitlist for federally funded vouchers or do not qualify for federal vouchers.

**Annualize prior year funding:** The appropriation includes adjustments related to prior year legislation and budget actions.

**Indirect cost assessment:** The appropriation includes a net increase in the division's indirect cost assessment.

**Federal funds adjustment:** The appropriation reduces federal funds by \$32.7 million to better reflect federal funds anticipated to be available in FY 2013-14.

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

### Division of Local Government

This division provides information and training for local governments in budget development, purchasing, demographics, land use planning, and regulatory issues. It also manages federal and state funding programs to support infrastructure and local services development. To provide this assistance to local governments, the division operates eight field offices. Significant cash fund sources include: (1) severance tax revenues; (2) federal mineral lease revenues; (3) net lottery proceeds; and (4) gaming revenues. Grants for the recycling, reuse, and removal of waste tires were transferred to the Department of Public Health and Environment beginning in FY 2010-11, pursuant to H.B. 10-1018. Reappropriated funds are primarily from severance tax revenues and federal mineral lease revenues transferred within this division from the Local Government Mineral and Energy Impact Grants and Disbursements line item. Federal funds in this section include the Community Development Block Grant and the Community Services Block Grant.

	Division of Local Government					
	Total Funds	General Fund <sup>1,2</sup>	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2012-13 Appropriation:</b>						
HB 12-1335	\$229,558,081	\$5,938,495	\$204,025,264	\$3,233,402	\$16,360,920	51.4
HB 12-1283	<u>0</u>	<u>(356,507)</u>	<u>0</u>	<u>356,507</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$229,558,081</b>	<b>\$5,581,988</b>	<b>\$204,025,264</b>	<b>\$3,589,909</b>	<b>\$16,360,920</b>	<b>51.4</b>

Division of Local Government						
	Total Funds	General Fund <sup>1,2</sup>	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2013-14 Appropriation:</b>						
FY 2012-13 Appropriation	\$229,558,081	\$5,581,988	\$204,025,264	\$3,589,909	\$16,360,920	51.4
Assistance to rural communities	3,000,000	3,000,000	0	0	0	1.0
Limited gaming funds adjustment	1,102,573	(1,000,000)	2,102,573	0	0	0.0
Indirect cost assessment	38,387	0	(8,502)	97,669	(50,780)	0.0
<b>SB 13-230</b>	<b><u>\$233,699,041</u></b>	<b><u>\$7,581,988</u></b>	<b><u>\$206,119,335</u></b>	<b><u>\$3,687,578</u></b>	<b><u>\$16,310,140</u></b>	<b><u>52.4</u></b>
<b>TOTAL</b>	<b>\$233,699,041</b>	<b>\$7,581,988</b>	<b>\$206,119,335</b>	<b>\$3,687,578</b>	<b>\$16,310,140</b>	<b>52.4</b>
<b>Increase/(Decrease)</b>						
	\$4,140,960	\$2,000,000	\$2,094,071	\$97,669	(\$50,780)	1.0
Percentage Change	1.8%	35.8%	1.0%	2.7%	(0.3%)	1.9%

<sup>1</sup> Includes General Fund Exempt amounts. See General Fund Summary table for more information.

<sup>2</sup> Includes amounts (a total of \$4,294,753 in FY 2012-13 and \$4,294,753 for FY 2013-14) that are not subject to the statutory limitation on General Fund appropriations set forth in Section 24-75-201.1, C.R.S.

General Fund Summary	Total General Fund	General Fund	General Fund Exempt
<b>FY 2012-13 Appropriation</b>	<u>\$5,581,988</u>	<u>\$1,287,235</u>	<u>\$4,294,753</u>
<b>FY 2012-13 Adjusted Appropriation</b>	\$5,581,988	\$1,287,235	\$4,294,753
Assistance to rural communities	3,000,000	3,000,000	0
Limited gaming funds adjustment	<u>(1,000,000)</u>	<u>(1,000,000)</u>	<u>0</u>
<b>Total FY 2013-14 Appropriation</b>	\$7,581,988	\$3,287,235	\$4,294,753

### General Fund Exempt

Referendum C, passed by Colorado voters in November 2005, allows the State to retain and spend all revenue that is collected in excess of the TABOR limit for FY 2005-06 through FY 2009-10. For FY 2010-11 and subsequent fiscal years, Referendum C allows the State to retain all revenues that are in excess of the TABOR limit, but less than the excess state revenues cap, for that fiscal year. This revenue must be placed in the General Fund Exempt Account. The above table shows the amount of General Fund Exempt appropriated for FY 2012-13 and FY 2013-14 from the General Fund Exempt Account for volunteer firefighter retirement plans and death and disability insurance, pursuant to Section 24-77-103.6 (2) (c), C.R.S.

### FY 2013-14 Appropriation – S.B. 13-230 (Long Bill) Issue Descriptions

**Assistance to rural communities:** The appropriation provides \$3.0 million General Fund and 1.0 FTE for the administration of a new grant program to grow and diversify the economies of rural communities that depend on a single large employer such as a state prison.

**Limited gaming funds adjustment:** The appropriation adds \$1.1 million in total funds, including a reduction of \$1.0 million General Fund and an increase of \$2.1 million cash funds, to the Local Government Limited Gaming Impact Grants line item, pursuant to Senate Bill 13-133.

**Indirect cost assessment:** The appropriation includes a net increase in the division's indirect cost assessment.

## Division of Emergency Management

This division assisted local, state, and private organizations in disaster preparedness, response, recovery, and impact mitigation. The division was also responsible for preparing and maintaining a state disaster plan, as well as taking part in the development and revision of local and inter-jurisdictional disaster plans. Cash funds were from the Disaster Emergency Fund, with a small amount received from fees paid for emergency training programs. Reappropriated funds were from severance tax revenues and federal mineral lease revenues transferred from the Local Government Mineral and Energy Impact Grants and Disbursements line item within the Division of Local Government. Federal funds were from grant moneys received from the United States Department of Homeland Security for emergency preparedness and chemical stockpile readiness.

House Bill 12-1283 eliminated the Division of Emergency Management within the Department of Local Affairs and transferred its functions, personnel, and resources into a new Division of Homeland Security and Emergency Management (DHSEM) within the Department of Public Safety, effective July 1, 2012.

	<b>Division of Emergency Management</b>					
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2012-13 Appropriation:</b>						
HB 12-1335	\$19,817,136	\$213,396	\$4,510,988	\$431,735	\$14,661,017	27.9
HB 12-1283	<u>(19,817,136)</u>	<u>(213,396)</u>	<u>(4,510,988)</u>	<u>(431,735)</u>	<u>(14,661,017)</u>	<u>(27.9)</u>
<b>TOTAL</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
<b>FY 2013-14 Appropriation:</b>						
FY 2012-13 Appropriation	\$0	\$0	\$0	\$0	\$0	0.0
<b>SB 13-230</b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>0.0</u></b>
<b>TOTAL</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
<b>Increase/(Decrease)</b>	\$0	\$0	\$0	\$0	\$0	0.0
Percentage Change	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%



## Recent legislation

### 2012 Session Bills

**S.B. 12-158:** Clarifies that the Division of Housing in the Department of Local Affairs is the sole public housing agency for the purpose of providing financial housing assistance to both households with low income and to persons with disabilities. Shifts administration of the Homeless Prevention Activities Program (HPAP) to the Division of Housing in the Department of Local Affairs and alters the composition of the advisory committee governing HPAP. Allows the Department of Local Affairs to use up to five percent of revenue received by the Homeless Prevention Activities Program Fund, or \$15,000, whichever is greater, to be used for program administration costs. The Homeless Prevention Activities Program Fund is funded through a voluntary tax check-off and is expected to receive about \$140,000 in FY 2012-13.

**H.B. 12-1246:** Eliminates the annual paydate date shift enacted in 2003 for certain General Fund employees. Increases appropriations to the Department of Local Affairs by \$793 General Fund for FY 2012-13. For additional information, see the "Recent Legislation" section at the end of the Department of Personnel.

**H.B. 12-1283:** Consolidates Colorado's homeland security functions, personnel, and resources, enacted under Executive Order D 2011-030, into a new Division of Homeland Security and Emergency Management (DHSEM) within the Department of Public Safety (DPS). For the Department of Local Affairs, eliminates the Division of Emergency Management and transfers the functions, personnel, and resources of the Division into DHSEM, effective July 1, 2012. Reduces the appropriation to the Department of Local Affairs by \$20.1 million total funds, including \$380,575 General Fund, and 27.9 FTE in FY 2012-13. For additional information on H.B. 12-1283, see the "Recent Legislation" section at the end of the Department of Public Safety.

**H.B. 12-1335:** General appropriations act for FY 2012-13.

### 2013 Session Bills

**S.B. 13-096:** Supplemental appropriations act to modify FY 2012-13 appropriations.

**S.B. 13-146:** Implements recommendations in the December 2011 Performance Audit of the Board of Assessment Appeals (BAA) in the Department of Local Affairs. Establishes the Board of Assessment Appeals Cash Fund and shifts \$150,000 in fees from the General Fund to cash funds by changing the designation of fees received by the BAA.

**S.B. 13-210:** Requires the Department of Local Affairs to establish a supportive residential community for the homeless at Fort Lyon. Includes an appropriation of \$2,788,851 General Fund for FY 2013-14 to fund case management, substance abuse treatment costs, limited medical care, and the operations and maintenance of the transitional therapeutic residential community. For additional information on S.B. 13-210, see the "Recent Legislation" section at the end of the Department of Corrections.

**S.B. 13-230:** General appropriations act for FY 2013-14.

## Department Details

# DEPARTMENT OF MILITARY AND VETERANS AFFAIRS

## FY 2012-13 and FY 2013-14 Appropriations by Division and Bill

Department of Military and Veterans Affairs						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2012-13 Total Appropriation:</b>	<b>\$222,957,286</b>	<b>\$6,692,607</b>	<b>\$1,332,993</b>	<b>\$803,662</b>	<b>\$214,128,024</b>	<b>1,384.9</b>
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Executive Director and Army National Guard	10,945,769	4,454,630	122,240	800,153	5,568,746	84.8
Division of Veterans Affairs	3,138,345	1,873,083	1,210,753	3,509	51,000	12.5
Air National Guard	3,226,803	364,894	0	0	2,861,909	48.6
Federal Funded Programs	205,646,369	0	0	0	205,646,369	1,239.0
<u>Breakdown of Total Appropriation by Bill</u>						
HB 12-1335	222,946,109	6,681,430	1,332,993	803,662	214,128,024	1,384.9
SB 13-097	11,177	11,177	0	0	0	0.0
<b>FY 2013-14 Total Appropriation:</b>	<b>\$223,858,252</b>	<b>\$7,378,715</b>	<b>\$1,239,695</b>	<b>\$800,000</b>	<b>\$214,439,842</b>	<b>1,389.6</b>
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Executive Director and Army National Guard	11,691,902	4,951,474	125,764	800,000	5,814,664	85.7
Division of Veterans Affairs	3,293,178	2,062,347	1,113,931	0	116,900	16.3
Air National Guard	3,226,803	364,894	0	0	2,861,909	48.6
Federal Funded Programs	205,646,369	0	0	0	205,646,369	1,239.0
<u>Breakdown of Total Appropriation by Bill</u>						
SB 13-230	223,858,252	7,378,715	1,239,695	800,000	214,439,842	1,389.6
<b>Increase/(Decrease)</b>	<b>\$900,966</b>	<b>\$686,108</b>	<b>(\$93,298)</b>	<b>(\$3,662)</b>	<b>\$311,818</b>	<b>4.7</b>
Percentage Change	0.4%	10.3%	(7.0%)	(0.5%)	0.1%	0.3%

**Informational Funds:** The FY 2013-14 Long Bill and other legislation indicates when an amount is shown solely for informational purposes through an "(I)" notation. The following amounts in the Department of Military and Veterans Affairs are annotated with the "(I)". For additional information, see Appendix J.

	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>
FY 2013-14 Appropriations containing an (I) notation	\$214,439,842	\$0	\$0	\$0	\$214,439,842

## Detail of Appropriation by Administrative Section

### 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 the cooperative agreements with the federal government, the Department provides varying levels of maintenance and utilities costs for the military facilities in the State. Most of the Department's General Fund expenditures for personal services costs are for administrative and professional staff in the Executive Director/Army National Guard office, and for labor trades and crafts employees who maintain and repair the armories and other military facilities. The Division also provides support for the Colorado Wing of the Civil Air Patrol, and administers the Colorado National Guard tuition program.

<b>Executive Director and Army National Guard</b>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2012-13 Appropriation:</b>						
HB 12-1335	\$10,934,592	\$4,443,453	\$122,240	\$800,153	\$5,568,746	84.8
SB 13-097	<u>11,177</u>	<u>11,177</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$10,945,769</b>	<b>\$4,454,630</b>	<b>\$122,240</b>	<b>\$800,153</b>	<b>\$5,568,746</b>	<b>84.8</b>
<b>FY 2013-14 Appropriation:</b>						
FY 2012-13 Appropriation	\$10,945,769	\$4,454,630	\$122,240	\$800,153	\$5,568,746	84.8
Centrally appropriated line items	419,834	129,381	3,755	0	286,698	0.0
Colorado National Guard tuition fund	250,000	250,000	0	0	0	0.0
Statewide IT common policy adjustments	50,811	91,975	(231)	(153)	(40,780)	0.0
Human resources FTE	36,665	36,665	0	0	0	0.9
Annualize prior year funding	(11,177)	(11,177)	0	0	0	0.0
<b>SB 13-230</b>	<b><u>\$11,691,902</u></b>	<b><u>\$4,951,474</u></b>	<b><u>\$125,764</u></b>	<b><u>\$800,000</u></b>	<b><u>\$5,814,664</u></b>	<b><u>85.7</u></b>
<b>TOTAL</b>	<b>\$11,691,902</b>	<b>\$4,951,474</b>	<b>\$125,764</b>	<b>\$800,000</b>	<b>\$5,814,664</b>	<b>85.7</b>
<b>Increase/(Decrease)</b>	\$746,133	\$496,844	\$3,524	(\$153)	\$245,918	0.9
Percentage Change	6.8%	11.2%	2.9%	(0.0%)	4.4%	1.1%

### FY 2012-13 Appropriation – Mid-year Adjustments

Senate Bill 13-097 makes mid-year funding adjustments for common policy line items.

## FY 2013-14 Appropriation – S.B. 13-230 (Long Bill) Issue Descriptions

**Centrally appropriated line items:** The appropriation reflects adjustments to centrally appropriated line items for the following: state contributions for health, life, and dental benefits; merit pay; salary survey; short-term disability; supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund; vehicle lease payments; workers' compensation; legal services; payment to risk management and property funds; Capitol complex leased space; and statewide indirect cost assessments.

**Colorado National Guard tuition fund:** The appropriation includes an increase of \$250,000 General Fund to fund tuition assistance for Colorado National Guard members.

**Statewide IT common policy adjustments:** The appropriation reflects adjustments to line items appropriated for: purchase of services from the computer center; multiuse network payments; communication services payments; COFRS modernization; and information technology security.

**Human resources FTE:** The appropriation includes an increase of \$36,665 General Fund to add 0.9 FTE in the Executive Director's Office for Human Resources due to increased workload.

**Annualize prior year funding:** The appropriation includes adjustments related to prior year legislation including S.B. 13-097 (Supplemental Appropriation).

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### Division of Veterans Affairs

The Division of Veterans Affairs represents veterans in federal benefits claims, and provides information, training, and direct funding to county veterans service officers. The State Board of Veterans Affairs makes grants to veterans service organizations from the Veterans Trust Fund, which receives tobacco settlement revenue. The Division has received an appropriation of \$1.0 million General Fund in FY 2012-13 and FY 2013-14 to provide additional grants to organizations serving veterans, with priority given to homeless veterans services. The Division also maintains the Western Slope Veterans' Cemetery in Grand Junction.

The cash funds sources are the Colorado State Veterans Trust Fund and the Western Slope Military Veterans' Cemetery Fund. The federal funds source is interment fees from the U.S. Department of Veterans Affairs, which the Department obtains from the U.S. Department of Veterans Affairs to defray the interment costs at the Western Slope Military Veterans Cemetery.

	Division of Veterans Affairs					
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2012-13 Appropriation:</b>						
HB 12-1335	<u>\$3,138,345</u>	<u>\$1,873,083</u>	<u>\$1,210,753</u>	<u>\$3,509</u>	<u>\$51,000</u>	<u>\$12.5</u>
<b>TOTAL</b>	<b>\$3,138,345</b>	<b>\$1,873,083</b>	<b>\$1,210,753</b>	<b>\$3,509</b>	<b>\$51,000</b>	<b>12.5</b>
<b>FY 2013-14 Appropriation:</b>						
FY 2012-13 Appropriation	\$3,138,345	\$1,873,083	\$1,210,753	\$3,509	\$51,000	12.5
Veterans grants funding	1,000,000	1,000,000	0	0	0	0.0

Division of Veterans Affairs						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Veterans affairs FTE	189,264	189,264	0	0	0	3.8
Federal funds adjustment	65,900	0	0	0	65,900	0.0
Annualize prior year funding	(1,000,000)	(1,000,000)	0	0	0	0.0
Technical adjustment	(100,331)	0	(96,822)	(3,509)	0	0.0
<b>SB 13-230</b>	<b><u>\$3,293,178</u></b>	<b><u>\$2,062,347</u></b>	<b><u>\$1,113,931</u></b>	<b><u>\$0</u></b>	<b><u>\$116,900</u></b>	<b><u>16.3</u></b>
<b>TOTAL</b>	<b>\$3,293,178</b>	<b>\$2,062,347</b>	<b>\$1,113,931</b>	<b>\$0</b>	<b>\$116,900</b>	<b>16.3</b>
<b>Increase/(Decrease)</b>	\$154,833	\$189,264	(\$96,822)	(\$3,509)	\$65,900	3.8
Percentage Change	4.9%	10.1%	(8.0%)	(100.0%)	129.2%	30.4%

### FY 2013-14 Appropriation – S.B. 13-230 (Long Bill) Issue Descriptions

**Veterans grants funding:** The appropriation includes an increase of \$1.0 million General Fund to provide grants for agencies providing services to veterans including: homeless outreach, mental health, family counseling, job training, employment, and housing.

**Veterans affairs FTE:** The appropriation includes an increase of \$189,264 General Fund and 3.8 FTE for FY 2013-14 to address the growing caseload of the Division of Veterans Affairs.

**Federal funds adjustment:** The appropriation includes an increase of federal funds related to the administration of the Western Slope Veterans Cemetery.

**Annualize prior year funding:** The appropriation includes adjustments related to prior year legislation.

**Technical adjustment:** The appropriation includes an adjustment based on revenue projected to be available from the tobacco master settlement agreement.

### Air National Guard

This division provides funding for the operations of the Buckley and Greeley Air National Guard bases. The State's share of operating and maintenance costs varies under its agreements with the federal government, and is based on the type and use of the building and whether it is on state or federal land. The federal government also funds five full-time security guards at the space command facility at Greeley. Federal funds are provided through cooperative agreements with the federal government for the operations of the Colorado National Guard.

Air National Guard						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2012-13 Appropriation:</b>						
HB 12-1335	<u>\$3,226,803</u>	<u>\$364,894</u>	<u>\$0</u>	<u>\$0</u>	<u>\$2,861,909</u>	<u>48.6</u>
<b>TOTAL</b>	<b>\$3,226,803</b>	<b>\$364,894</b>	<b>\$0</b>	<b>\$0</b>	<b>\$2,861,909</b>	<b>48.6</b>

Air National Guard						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2013-14 Appropriation:</b>						
FY 2012-13 Appropriation	\$3,226,803	\$364,894	\$0	\$0	\$2,861,909	48.6
<b>SB 13-230</b>	<b><u>\$3,226,803</u></b>	<b><u>\$364,894</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$2,861,909</u></b>	<b><u>48.6</u></b>
<b>TOTAL</b>	<b>\$3,226,803</b>	<b>\$364,894</b>	<b>\$0</b>	<b>\$0</b>	<b>\$2,861,909</b>	<b>48.6</b>
<b>Increase/(Decrease)</b>	\$0	\$0	\$0	\$0	\$0	0.0
Percentage Change	0.0%	0.0%	n/a	n/a	0.0%	0.0%

### FY 2013-14 Appropriation – S.B. 13-230 (Long Bill) Issue Descriptions

**No Changes:** The appropriation does not contain changes from FY 2012-13.

### Federal Funded Programs

This section is included in the Long Bill for informational purposes only. It describes funding that is managed by the Department but is not subject to appropriation by the General Assembly and does not flow through the State accounting system. This funding supports training for members of the Colorado National Guard, and the operations, maintenance, and construction of armories and other military facilities. Funding is based on the federal fiscal year, which begins October 1, 2013. Federal funds are received pursuant to cooperative agreements with the federal government for the operations of the Colorado National Guard.

Federal Funded Programs						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2012-13 Appropriation:</b>						
HB 12-1335	<u>\$205,646,369</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$205,646,369</u>	<u>1,239.0</u>
<b>TOTAL</b>	<b>\$205,646,369</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$205,646,369</b>	<b>1,239.0</b>
<b>FY 2013-14 Appropriation:</b>						
FY 2012-13 Appropriation	\$205,646,369	\$0	\$0	\$0	\$205,646,369	1,239.0
<b>SB 13-230</b>	<b><u>\$205,646,369</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$205,646,369</u></b>	<b><u>1,239.0</u></b>
<b>TOTAL</b>	<b>\$205,646,369</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$205,646,369</b>	<b>1,239.0</b>
<b>Increase/(Decrease)</b>	\$0	\$0	\$0	\$0	\$0	0.0
Percentage Change	0.0%	n/a	n/a	n/a	0.0%	0.0%

### FY 2013-14 Appropriation – S.B. 13-230 (Long Bill) Issue Descriptions

**No Changes:** The appropriation does not contain changes from FY 2012-13.

## Recent legislation

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### 2012 Session Bills

**H.B. 12-1335:** General appropriations act for FY 2012-13.

### 2013 Session Bills

**S.B. 13-097:** Supplemental appropriation to the Department of Military and Veterans Affairs for FY 2012-13.

**S.B. 13-230:** General appropriations act for FY 2013-14.

**S.B. 13-235:** Makes a General Fund transfer of \$3.9 million to the Colorado State Veterans Trust Fund to repay moneys borrowed to fund National Guard armory construction.

# Department Details

## DEPARTMENT OF NATURAL RESOURCES

### FY 2012-13 and FY 2013-14 Appropriations by Division and Bill

	Department of Natural Resources					
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2012-13 Total Appropriation:</b>	<b>\$262,777,961</b>	<b>\$23,768,283</b>	<b>\$209,619,862</b>	<b>\$8,641,534</b>	<b>\$20,748,282</b>	<b>1,464.1</b>
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Executive Director's Office	47,208,321	4,810,536	31,971,179	7,236,233	3,190,373	41.8
Division of Reclamation, Mining, and Safety	7,667,742	0	4,335,315	30,000	3,302,427	68.9
Geological Survey	4,805,429	0	2,990,746	858,714	955,969	34.1
Oil and Gas Conservation Commission	9,045,502	0	8,943,523	0	101,979	76.0
State Board of Land Commissioners	4,974,521	0	4,749,521	225,000	0	37.0
Division of Parks and Wildlife	130,501,017	0	117,620,323	0	12,880,694	908.5
Colorado Water Conservation Board	37,523,550	0	37,086,861	291,587	145,102	45.7
Water Resources Division	21,051,879	18,957,747	1,922,394	0	171,738	252.1
<u>Breakdown of Total Appropriation by Bill</u>						
HB 12-1335	229,122,404	23,512,116	176,229,214	8,636,648	20,744,426	1,464.1
SB 12-009	0	0	0	0	0	0.0
HB 12-1246	228,047	228,047	0	0	0	0.0
HB 12-1278	910,900	0	910,900	0	0	0.0
HB 12-1317	(18,055)	0	(18,055)	0	0	0.0
HB 12-1330	23,419	0	23,419	0	0	0.0
HB 12-1349	4,000,000	0	4,000,000	0	0	0.0
SB 12S-002	28,350,857	0	28,350,857	0	0	0.0
SB 13-098	160,389	28,120	123,527	4,886	3,856	0.0
<b>FY 2013-14 Total Appropriation:</b>	<b>\$277,509,241</b>	<b>\$24,978,508</b>	<b>\$215,177,148</b>	<b>\$8,774,311</b>	<b>\$28,579,274</b>	<b>1,438.8</b>
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Executive Director's Office	56,102,413	5,748,808	38,847,728	8,227,724	3,278,153	50.2
Division of Reclamation, Mining, and Safety	7,746,999	0	4,398,942	30,000	3,318,057	68.9
Geological Survey	0	0	0	0	0	0.0
Oil and Gas Conservation Commission	11,132,051	0	11,029,226	0	102,825	95.4



<b>Department of Natural Resources</b>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
State Board of Land Commissioners	5,332,877	0	5,107,877	225,000	0	40.0
Division of Parks and Wildlife	135,672,343	500,000	113,629,217	0	21,543,126	886.5
Colorado Water Conservation Board	40,649,562	0	40,217,362	291,587	140,613	45.7
Water Resources Division	20,872,996	18,729,700	1,946,796	0	196,500	252.1
<u>Breakdown of Total Appropriation by Bill</u>						
SB 13-230	241,007,024	24,978,508	178,674,931	8,774,311	28,579,274	1,438.8
SB 13-181	32,340,000	0	32,340,000	0	0	0.0
SB 13-188	51,800	0	51,800	0	0	0.0
SB 13-202	100,000	0	100,000	0	0	0.0
HB 13-1278	10,417	0	10,417	0	0	0.0
HB 13-1283	4,000,000	0	4,000,000	0	0	0.0
<b>Increase/(Decrease)</b>	\$14,731,280	\$1,210,225	\$5,557,286	\$132,777	\$7,830,992	(25.3)
Percentage Change	5.6%	5.1%	2.7%	1.5%	37.7%	(1.7%)

**Informational Funds:** The FY 2013-14 Long Bill and other legislation indicates when an amount is shown solely for informational purposes through an "(I)" notation. The following amounts in the Department of Natural Resources are annotated with the "(I)". For additional information, see Appendix J.

	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>
FY 2013-14 Appropriations containing an (I) notation	\$53,319,311	\$0	\$24,740,037	\$0	\$28,579,274

## Detail of Appropriation by Administrative Section

### 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. The cash funding for this division consists of approximately \$33.1 million from various cash funds throughout the Department and \$1.6 million from the Severance Tax Operational Fund used to pay for employee benefits and other central services provided by the Department of Personnel and the Governor's Office, and \$4.0 million from the Species Conservation Trust Fund pursuant to H.B. 13-1283. Reappropriated funds are from indirect cost recoveries.

<b>Executive Director's Office</b>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2012-13 Appropriation:</b>						
HB 12-1335	\$43,043,403	\$4,858,273	\$27,767,266	\$7,231,347	\$3,186,517	41.8
HB 12-1330	3,028	0	3,028	0	0	0.0
HB 12-1349	4,000,000	0	4,000,000	0	0	0.0
SB 13-098	<u>161,890</u>	<u>(47,737)</u>	<u>200,885</u>	<u>4,886</u>	<u>3,856</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$47,208,321</b>	<b>\$4,810,536</b>	<b>\$31,971,179</b>	<b>\$7,236,233</b>	<b>\$3,190,373</b>	<b>41.8</b>
<b>FY 2013-14 Appropriation:</b>						
FY 2012-13 Appropriation	\$47,208,321	\$4,810,536	\$31,971,179	\$7,236,233	\$3,190,373	41.8
Centrally appropriated line items	7,709,600	1,967,161	6,168,724	(566,582)	140,297	0.0
Statewide IT common policy adjustments	871,146	476,861	639,794	(198,025)	(47,484)	0.0
Transfer Geological Survey	267,885	0	(9,734)	282,369	(4,750)	8.4
Legal services	123,600	0	123,600	0	0	0.0
Leased space	58,844	985	54,286	0	3,573	0.0
OGCC compliance staff	26,008	0	26,008	0	0	0.0
Land Board business initiatives	9,208	0	9,208	0	0	0.0
Land Board minerals coordinator	4,604	0	4,604	0	0	0.0
OIT staff transfer	1,501	(75,857)	77,358	0	0	0.0
Fund source adjustment	0	(1,478,615)	0	1,478,615	0	0.0
Annualize prior year funding	(4,164,918)	47,737	(4,203,913)	(4,886)	(3,856)	0.0
Parks and Wildlife merger cost savings	(65,186)	0	(65,186)	0	0	0.0
<b>SB 13-230</b>	<b>\$52,050,613</b>	<b>\$5,748,808</b>	<b>\$34,795,928</b>	<b>\$8,227,724</b>	<b>\$3,278,153</b>	<b>50.2</b>
SB 13-188	51,800	0	51,800	0	0	0.0
HB 13-1283	<u>4,000,000</u>	<u>0</u>	<u>4,000,000</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$56,102,413</b>	<b>\$5,748,808</b>	<b>\$38,847,728</b>	<b>\$8,227,724</b>	<b>\$3,278,153</b>	<b>50.2</b>
<b>Increase/(Decrease)</b>	<b>\$8,894,092</b>	<b>\$938,272</b>	<b>\$6,876,549</b>	<b>\$991,491</b>	<b>\$87,780</b>	<b>8.4</b>
Percentage Change	18.8%	19.5%	21.5%	13.7%	2.8%	20.1%

### FY 2012-13 Appropriation - Mid-year Adjustments

Senate Bill 13-098 modifies the FY 2012-13 appropriation for the purchase of services from the computer center and payments to risk management and property funds.

## **FY 2013-14 Appropriation – S.B. 13-230 (Long Bill) Issue Descriptions**

**Centrally appropriated line items:** The appropriation includes adjustments to centrally appropriated line items for the following: state contributions for health, life, and dental benefits; short-term disability; supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund; salary survey; merit pay; workers' compensation; legal services; payment to risk management and property funds; vehicle lease payments; and Capitol complex leased space.

**Statewide IT common policy adjustments:** The appropriation includes adjustments to line items appropriated for: purchase of services from the computer center; Colorado state network; management and administration of the Governor's Office of Information Technology (OIT); communication services payments; information technology security; and COFRS modernization.

**Transfer Geological Survey:** Pursuant to H.B. 12-1355 and H.B. 13-1057, the appropriation eliminates the Colorado Geological Survey as a division within the Department of Natural Resources. House Bill 12-1355 transferred the functions of the Colorado Geological Survey to the Colorado School of Mines, effective January 31, 2013. House Bill 13-1057 retains the Colorado Avalanche Information Center (CAIC, formerly a part of the Colorado Geological Survey) within the Department of Natural Resources but moves the CAIC to the Executive Director's Office.

**Legal services:** The appropriation provides \$123,600 cash funds for additional legal services hours associated with increased workload in the Division of Parks and Wildlife and the Oil and Gas Conservation Commission.

**Leased space:** The appropriation provides \$58,844 total funds for leased space adjustments.

**OGCC compliance staff:** The appropriation includes an increase of \$26,008 cash funds from the Oil and Gas Conservation and Environmental Response Fund for centrally appropriated line items associated with FTE increases in the Oil and Gas Conservation Commission.

**Land Board business initiatives:** The appropriation includes \$9,208 cash funds from the State Land Board Trust Administration Fund for centrally appropriated line items associated with FTE increases in the State Land Board business initiatives.

**Land Board minerals coordinator:** The appropriation includes \$4,604 cash funds from the State Land Board Trust Administration Fund for centrally appropriated line items associated with FTE increases in the State Land Board oil and gas development activities.

**OIT staff transfer:** The appropriation reflects an increase for technical changes related to transfers of Office of Information Technology staff.

**Fund source adjustment:** The appropriation includes funding source adjustments related to the change in the allocation of indirect cost recoveries in this division.

**Annualize prior year funding:** The appropriation includes adjustments related to prior year legislation and budget actions. In particular, the bill: (a) eliminates \$4.0 million cash funds for one-time funding provided through H.B. 12-1349 (Species Conservation Trust Fund); (b) eliminates \$161,890 total funds to annualize FY 2012-13 supplemental budget actions; and (c) eliminates \$3,028 cash funds to annualize H.B. 12-1330 (Hunting Fishing License Suspension Hearing).

**Parks and Wildlife merger cost savings:** The appropriation reduces centrally appropriated line items to capture savings identified by the Department as a result of the merger of the Division of Parks and Wildlife.

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

## Division of Reclamation, Mining, and Safety

This division includes the following programs:

- **Coal Land Reclamation** -- This program issues and enforces mining and reclamation permits for coal mines in Colorado on state, federal, and private lands, including ensuring compliance with the requirements of the federal Surface Mining Control and Reclamation Act. The program is currently responsible for 41 permits and 93 exploration units (permitted areas cover 172,207 acres).
- **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 8,600 have been reclaimed.
- **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 1,507 non-coal mines in Colorado (permitted areas cover 189,220 acres) and regulates 220 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 and safety, and regulates underground diesel equipment and mining explosives.

The primary source of cash funds is the Operational Account of the Severance Tax Trust Fund. The reappropriated funds are from the Department of Public Health and Environment for reclamation of inactive mines.

Division of Reclamation, Mining, and Safety						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2012-13 Appropriation:</b>						
HB 12-1335	<u>\$7,667,742</u>	<u>\$0</u>	<u>\$4,335,315</u>	<u>\$30,000</u>	<u>\$3,302,427</u>	<u>68.9</u>
<b>TOTAL</b>	<b>\$7,667,742</b>	<b>\$0</b>	<b>\$4,335,315</b>	<b>\$30,000</b>	<b>\$3,302,427</b>	<b>68.9</b>
<b>FY 2013-14 Appropriation:</b>						
FY 2012-13 Appropriation	\$7,667,742	\$0	\$4,335,315	\$30,000	\$3,302,427	68.9
Indirect cost assessment	79,257	0	63,627	0	15,630	0.0
Minerals e-permitting system	0	0	0	0	0	0.0
<b>SB 13-230</b>	<b><u>\$7,746,999</u></b>	<b><u>\$0</u></b>	<b><u>\$4,398,942</u></b>	<b><u>\$30,000</u></b>	<b><u>\$3,318,057</u></b>	<b><u>68.9</u></b>
<b>TOTAL</b>	<b>\$7,746,999</b>	<b>\$0</b>	<b>\$4,398,942</b>	<b>\$30,000</b>	<b>\$3,318,057</b>	<b>68.9</b>

Division of Reclamation, Mining, and Safety						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Increase/(Decrease)	\$79,257	\$0	\$63,627	\$0	\$15,630	0.0
Percentage Change	1.0%	n/a	1.5%	0.0%	0.5%	0.0%

## FY 2013-14 Appropriation – S.B. 13-230 (Long Bill) Issue Descriptions

**Indirect cost assessment:** The appropriation includes a net increase in the division's indirect cost assessment.

**Minerals e-permitting system:** The appropriation temporarily reallocates approximately \$100,000 cash funds from the Operational Account of the Severance Tax Trust Fund to support the development of a new electronic permitting system for the Division of Reclamation, Mining, and Safety. The appropriation also temporarily reallocates 0.2 FTE to support federally funded reclamation projects during system development.

## Geological Survey

The Colorado Geological Survey (Survey) was a division within the Department of Natural Resources until January 31, 2013. The implementation of H.B. 12-1355 transferred the Survey to the Colorado School of Mines following the signing of a memorandum of understanding between the Department of Natural Resources and the School of Mines in December 2012. The enactment of H.B. 13-1057 retained the Colorado Avalanche Information Center (CAIC, formerly a unit within the Survey) within the Department of Natural Resources but transferred the CAIC to the Executive Director's Office. As a result, the Survey no longer exists as a division within the Department of Natural Resources.

Geological Survey						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2012-13 Appropriation:</b>						
HB 12-1335	<u>\$4,805,429</u>	<u>\$0</u>	<u>\$2,990,746</u>	<u>\$858,714</u>	<u>\$955,969</u>	<u>34.1</u>
<b>TOTAL</b>	<b>\$4,805,429</b>	<b>\$0</b>	<b>\$2,990,746</b>	<b>\$858,714</b>	<b>\$955,969</b>	<b>34.1</b>
<b>FY 2013-14 Appropriation:</b>						
FY 2012-13 Appropriation	\$4,805,429	\$0	\$2,990,746	\$858,714	\$955,969	34.1
Transfer Geological Survey	(4,805,429)	0	(2,990,746)	(858,714)	(955,969)	(34.1)
<b>SB 13-230</b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>0.0</u></b>
<b>TOTAL</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
Increase/(Decrease)	(\$4,805,429)	\$0	(\$2,990,746)	(\$858,714)	(\$955,969)	(34.1)
Percentage Change	(100.0%)	n/a	(100.0%)	(100.0%)	(100.0%)	(100.0%)

## FY 2013-14 Appropriation – S.B. 13-230 (Long Bill) Issue Descriptions

**Transfer Geological Survey:** Pursuant to H.B. 12-1355 and H.B. 13-1057, the appropriation eliminates the Colorado Geological Survey as a division within the Department of Natural Resources. House Bill 12-1355 transferred the functions of the Colorado Geological Survey to the Colorado School of Mines, effective January 31, 2013. House Bill 13-1057 retains the Colorado Avalanche Information Center (CAIC, formerly a part of the Colorado Geological Survey) within the Department of Natural Resources but moves the CAIC to the Executive Director's Office.

### 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 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.

	<b>Oil and Gas Conservation Commission</b>					
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2012-13 Appropriation:</b>						
HB 12-1335	<u>\$9,045,502</u>	<u>\$0</u>	<u>\$8,943,523</u>	<u>\$0</u>	<u>\$101,979</u>	<u>76.0</u>
<b>TOTAL</b>	<b>\$9,045,502</b>	<b>\$0</b>	<b>\$8,943,523</b>	<b>\$0</b>	<b>\$101,979</b>	<b>76.0</b>
<b>FY 2013-14 Appropriation:</b>						
FY 2012-13 Appropriation	\$9,045,502	\$0	\$8,943,523	\$0	\$101,979	76.0
OGCC compliance staff	1,965,445	0	1,965,445	0	0	19.4
Indirect cost assessment	37,502	0	36,656	0	846	0.0
Annualize prior year funding	(26,815)	0	(26,815)	0	0	0.0
<b>SB 13-230</b>	<b>\$11,021,634</b>	<b>\$0</b>	<b>\$10,918,809</b>	<b>\$0</b>	<b>\$102,825</b>	<b>95.4</b>
SB 13-202	100,000	0	100,000	0	0	0.0
HB 13-1278	<u>10,417</u>	<u>0</u>	<u>10,417</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$11,132,051</b>	<b>\$0</b>	<b>\$11,029,226</b>	<b>\$0</b>	<b>\$102,825</b>	<b>95.4</b>
<b>Increase/(Decrease)</b>	\$2,086,549	\$0	\$2,085,703	\$0	\$846	19.4
Percentage Change	23.1%	n/a	23.3%	n/a	0.8%	25.5%

## FY 2013-14 Appropriation – S.B. 13-230 (Long Bill) Issue Descriptions

**OGCC compliance staff:** The appropriation includes an increase of \$2.0 million cash funds from the Oil and Gas Conservation and Environmental Response Fund and 19.4 FTE to improve the Oil and Gas Conservation Commission's compliance operations, including the following estimated increases in FTE: 11.0 field inspectors, 5.0 environmental protection specialists, 3.0 engineers, and 0.4 information technology staff.

**Indirect cost assessment:** The appropriation includes a net increase in the division's indirect cost assessment.

**Annualize prior year funding:** The appropriation includes adjustments related to prior year legislation and budget actions.

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

### State Board of Land Commissioners

The State Board of Land Commissioners (State Land Board) manages properties in the Public School Trust to raise money for the benefit of K-12 education. The State Land Board also manages seven other smaller trusts set up in the Colorado Constitution or in statute. Approximately 98.0 percent of State Land Board revenue is attributable to the Public School Trust. Funding for this division reflects the State Land Board's operating costs. The cash funds are from a portion of School Trust revenues, and the reappropriated funds are transferred from the Division of Parks and Wildlife.

Pursuant to H.B. 08-1335 (known as the BEST bill; see Section 22-43.7-104, C.R.S.) 50.0 percent of the gross amount of income received during the fiscal year from income and mineral royalties derived from state public school lands is deposited in the Public School Capital Construction Assistance (PSCCA) Fund. Of the remaining 50.0 percent, a portion supports the operating costs of the State Land Board, \$5.0 million per year is reinvested by the State Land Board through the Investment and Development Fund, and the remaining revenues are deposited into the Public School (Permanent) Fund. However, for FY 2008-09 through FY 2012-13, most of the remaining revenues were deposited into the State Public School Fund to support public schools.

State Board of Land Commissioners						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2012-13 Appropriation:</b>						
HB 12-1335	<u>\$4,974,521</u>	<u>\$0</u>	<u>\$4,749,521</u>	<u>\$225,000</u>	<u>\$0</u>	<u>37.0</u>
<b>TOTAL</b>	<b>\$4,974,521</b>	<b>\$0</b>	<b>\$4,749,521</b>	<b>\$225,000</b>	<b>\$0</b>	<b>37.0</b>
<b>FY 2013-14 Appropriation:</b>						
FY 2012-13 Appropriation	\$4,974,521	\$0	\$4,749,521	\$225,000	\$0	37.0
Land Board business initiatives	278,109	0	278,109	0	0	2.0
Land Board minerals coordinator	57,815	0	57,815	0	0	1.0
Indirect cost assessment	22,432	0	22,432	0	0	0.0
<b>SB 13-230</b>	<b><u>\$5,332,877</u></b>	<b><u>\$0</u></b>	<b><u>\$5,107,877</u></b>	<b><u>\$225,000</u></b>	<b><u>\$0</u></b>	<b><u>40.0</u></b>

State Board of Land Commissioners						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>TOTAL</b>	<b>\$5,332,877</b>	<b>\$0</b>	<b>\$5,107,877</b>	<b>\$225,000</b>	<b>\$0</b>	<b>40.0</b>
<b>Increase/(Decrease)</b>	\$358,356	\$0	\$358,356	\$0	\$0	3.0
Percentage Change	7.2%	n/a	7.5%	0.0%	n/a	8.1%

### FY 2013-14 Appropriation – S.B. 13-230 (Long Bill) Issue Descriptions

**Land Board business initiatives:** The appropriation includes a total of \$278,109 cash funds from State Land Board Trust Administration Fund and 2.0 FTE to support the State Land Board's efforts to diversify trust revenue sources by creating or expanding new lines of business on State Land Board lands, including additional emphasis on recreation, solid minerals, renewable energy, and ecosystem services.

**Land Board minerals coordinator:** The appropriation includes a total of \$57,815 cash funds from State Land Board Trust Administration Fund and 1.0 FTE to address an increasing workload associated with oil and gas development on State Land Board lands.

**Indirect cost assessment:** The appropriation includes a net increase in the division's indirect cost assessment.

### Division of Parks and Wildlife

The State Parks sub-division manages 44 parks and associated parks projects, of which 42 are currently open to the public. State Parks also manages several special purpose programs including statewide recreation programs, such as the snowmobile program, the off-highway vehicle program, and river outfitters regulation. Other special programs include federal grants, aquatic nuisance species control and prevention, and the distribution of trails grants. Funding for the State Parks sub-division is a mixture of cash funds from license fees, lottery funds, off-highway vehicle recreation funds, severance tax dollars, and other state and federal funds.

The Wildlife sub-division manages the state's 960 game and non-game wildlife species by issuing fishing and hunting licenses, enforcing wildlife regulations, protecting habitat and native wildlife populations, and managing over 230 state wildlife areas totaling more than 600,000 acres. Funding for the Wildlife sub-division is a mixture of cash funds from license fees, federal funds, Great Outdoors Colorado funds, and various other sources. Hunting and fishing license sales provide more than half of the funding for Wildlife.

Division of Parks and Wildlife						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2012-13 Appropriation:</b>						
HB 12-1335	\$130,576,039	\$0	\$117,695,345	\$0	\$12,880,694	909.5
HB 12-1317	(18,055)	0	(18,055)	0	0	0.0
HB 12-1330	20,391	0	20,391	0	0	0.0
SB 13-098	<u>(77,358)</u>	<u>0</u>	<u>(77,358)</u>	<u>0</u>	<u>0</u>	<u>(1.0)</u>
<b>TOTAL</b>	<b>\$130,501,017</b>	<b>\$0</b>	<b>\$117,620,323</b>	<b>\$0</b>	<b>\$12,880,694</b>	<b>908.5</b>



Division of Parks and Wildlife						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2013-14 Appropriation:</b>						
FY 2012-13 Appropriation	\$130,501,017	\$0	\$117,620,323	\$0	\$12,880,694	908.5
Wildlife refinance	5,626,760	0	(3,000,000)	0	8,626,760	0.0
Indirect cost assessment	569,481	0	533,809	0	35,672	0.0
Wildlife youth hunting and fishing	500,000	500,000	0	0	0	0.0
Annualize prior year funding	59,217	0	59,217	0	0	1.0
Parks and Wildlife merger cost savings	(1,506,774)	0	(1,506,774)	0	0	(22.0)
OIT staff transfer	(77,358)	0	(77,358)	0	0	(1.0)
<b>SB 13-230</b>	<b><u>\$135,672,343</u></b>	<b><u>\$500,000</u></b>	<b><u>\$113,629,217</u></b>	<b><u>\$0</u></b>	<b><u>\$21,543,126</u></b>	<b><u>886.5</u></b>
<b>TOTAL</b>	<b>\$135,672,343</b>	<b>\$500,000</b>	<b>\$113,629,217</b>	<b>\$0</b>	<b>\$21,543,126</b>	<b>886.5</b>
<b>Increase/(Decrease)</b>	\$5,171,326	\$500,000	(\$3,991,106)	\$0	\$8,662,432	(22.0)
Percentage Change	4.0%	n/a	(3.4%)	n/a	67.3%	(2.4%)

### FY 2012-13 Appropriation - Mid-year Adjustments

Senate Bill 13-098 modifies the FY 2012-13 appropriation for services provided by the Governor's Office of Information Technology.

### FY 2013-14 Appropriation – S.B. 13-230 (Long Bill) Issue Descriptions

**Wildlife refinance:** The appropriation provides an increase of \$5.6 total funds mainly for transparency purposes to show actual expenditures of federal funds.

**Indirect cost assessment:** The appropriation includes a net increase in the division's indirect cost assessment.

**Wildlife youth hunting and fishing:** The appropriation provides \$500,000 General Fund for wildlife youth hunting and fishing programs.

**Annualize prior year funding:** The appropriation includes adjustments related to prior year legislation and budget actions. In particular, the bill: (a) provides \$77,358 cash funds and 1.0 FTE to annualize a FY 2012-13 supplemental budget action; and (b) eliminates \$18,141 cash funds to annualize H.B. 12-1330 (Hunting Fishing License Suspension Hearing).

**Parks and Wildlife merger cost savings:** The appropriation reduces \$1.6 million cash funds and 22.0 FTE to capture savings identified by the Department as a result of the merger of the Division of Parks and Wildlife. The reductions are in the Executive Director's Office for centrally appropriated line items and in the Division of Parks and Wildlife.

**OIT staff transfer:** The appropriation reflects a decrease for technical changes related to transfers of Office of Information Technology (OIT) staff.

## Colorado Water Conservation Board

Under the guidance of the Board, this division is responsible for protecting, conserving, and developing the state's water resources, and minimizing the risk of flood damage and associated economic loss. The Colorado Water Conservation Board is divided into two main functional areas: administration and special purpose programs. This division is primarily supported by cash funds from the Colorado Water Conservation Board Construction Fund. Special purpose programs are generally supported by specific cash funds or federal funds.

Colorado Water Conservation Board						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2012-13 Appropriation:</b>						
HB 12-1335	\$8,637,650	\$0	\$8,200,961	\$291,587	\$145,102	45.7
HB 12-1278	910,900	0	910,900	0	0	0.0
SB 12S-002	<u>27,975,000</u>	<u>0</u>	<u>27,975,000</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$37,523,550</b>	<b>\$0</b>	<b>\$37,086,861</b>	<b>\$291,587</b>	<b>\$145,102</b>	<b>45.7</b>
<b>FY 2013-14 Appropriation:</b>						
FY 2012-13 Appropriation	\$37,523,550	\$0	\$37,086,861	\$291,587	\$145,102	45.7
Annualize prior year funding	(28,885,900)	0	(28,885,900)	0	0	0.0
Indirect cost assessment	(28,088)	0	(23,599)	0	(4,489)	0.0
<b>SB 13-230</b>	<b>\$8,609,562</b>	<b>\$0</b>	<b>\$8,177,362</b>	<b>\$291,587</b>	<b>\$140,613</b>	<b>45.7</b>
SB 13-181	<u>32,040,000</u>	<u>0</u>	<u>32,040,000</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$40,649,562</b>	<b>\$0</b>	<b>\$40,217,362</b>	<b>\$291,587</b>	<b>\$140,613</b>	<b>45.7</b>
<b>Increase/(Decrease)</b>	\$3,126,012	\$0	\$3,130,501	\$0	(\$4,489)	0.0
Percentage Change	8.3%	n/a	8.4%	0.0%	(3.1%)	0.0%

### FY 2013-14 Appropriation – S.B. 13-230 (Long Bill) Issue Descriptions

**Annualize prior year funding:** The appropriation eliminates \$27,975,000 cash funds from the Colorado Water Conservation Board Construction Fund for one-time funding provided to the Department in FY 2012-13 through S.B. 12S-002 (Colorado Water Conservation Board Projects), and the bill eliminates \$910,900 cash funds from the CWCB Construction Fund for one-time funding provided to the Department through H.B. 12-1278 (South Platte Groundwater Study).

**Indirect cost assessment:** The appropriation includes a net decrease in the division's indirect cost assessment.

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

## 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 and operates over 150,000 direct flow water rights. The Division is also responsible for dam safety inspections and groundwater well construction regulation. The Water Resources Cash Fund, the Colorado Water Conservation Board Construction Fund, the Well Inspection Cash Fund, and the Satellite Monitoring System Cash Fund provide the bulk of cash fund revenue.

Water Resources Division						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2012-13 Appropriation:</b>						
HB 12-1335	\$20,372,118	\$18,653,843	\$1,546,537	\$0	\$171,738	251.1
SB 12-009	0	0	0	0	0	0.0
HB 12-1246	228,047	228,047	0	0	0	0.0
SB 12S-002	375,857	0	375,857	0	0	0.0
SB 13-098	<u>75,857</u>	<u>75,857</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1.0</u>
<b>TOTAL</b>	<b>\$21,051,879</b>	<b>\$18,957,747</b>	<b>\$1,922,394</b>	<b>\$0</b>	<b>\$171,738</b>	<b>252.1</b>
<b>FY 2013-14 Appropriation:</b>						
FY 2012-13 Appropriation	\$21,051,879	\$18,957,747	\$1,922,394	\$0	\$171,738	252.1
Satellite monitoring system	100,000	0	100,000	0	0	0.0
OIT staff transfer	75,857	75,857	0	0	0	1.0
Fund source adjustment	27,000	0	0	0	27,000	0.0
Line item consolidation	0	0	0	0	0	0.0
Annualize prior year funding	(679,761)	(303,904)	(375,857)	0	0	(1.0)
Indirect cost assessment	(1,979)	0	259	0	(2,238)	0.0
<b>SB 13-230</b>	<b>\$20,572,996</b>	<b>\$18,729,700</b>	<b>\$1,646,796</b>	<b>\$0</b>	<b>\$196,500</b>	<b>252.1</b>
SB 13-181	<u>300,000</u>	<u>0</u>	<u>300,000</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$20,872,996</b>	<b>\$18,729,700</b>	<b>\$1,946,796</b>	<b>\$0</b>	<b>\$196,500</b>	<b>252.1</b>
<b>Increase/(Decrease)</b>	<b>(\$178,883)</b>	<b>(\$228,047)</b>	<b>\$24,402</b>	<b>\$0</b>	<b>\$24,762</b>	<b>0.0</b>
Percentage Change	(0.8%)	(1.2%)	1.3%	n/a	14.4%	0.0%

### FY 2012-13 Appropriation - Mid-year Adjustments

Senate Bill 13-098 modifies the FY 2012-13 appropriation for services provided by the Governor's Office of Information Technology.

## **FY 2013-14 Appropriation – S.B. 13-230 (Long Bill) Issue Descriptions**

**Satellite monitoring system:** The appropriation includes \$100,000 cash funds from the Satellite Monitoring System Cash Fund for satellite monitoring system maintenance and improvements.

**OIT staff transfer:** The appropriation reflects an increase for technical changes related to transfers of Office of Information Technology (OIT) staff.

**Fund source adjustment:** The appropriation includes an increase of \$27,000 federal funds reflected in the Long Bill for informational purposes only.

**Line item consolidation:** The appropriation re-organizes and consolidates the Water Resources Division's budget.

**Annualize prior year funding:** The appropriation includes adjustments related to prior year legislation and budget actions. In particular, the bill: (a) eliminates \$375,857 cash funds from the CWCB Construction Fund for one-time funding provided to the Department in FY 2012-13 through S.B. 12S-002 (Colorado Water Conservation Board Projects); (b) eliminates \$228,047 General Fund to annualize H.B. 12-1246 (Bi-weekly Pay Date Shift); and eliminates \$75,857 General Fund and 1.0 FTE to annualize a FY 2012-13 supplemental budget action.

**Indirect cost assessment:** The appropriation includes a net decrease in the division's indirect cost assessment.

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

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### **Division of Forestry**

The Division of Forestry was created pursuant to H.B. 00-1460, which established a collaborative relationship between the Department of Natural Resources and the Colorado State Forest Service, a program of Colorado State University. The Division monitors the health of all forests in the state, including national and private forests. By statute, the Division of Forestry is headed by the State Forester and is staffed by the Colorado State Forest Service. There are no appropriations to the Division of Forestry for FY 2012-13 or FY 2013-14.

## **Recent Legislation**

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### **2012 Session Bills**

**S.B. 12-009:** Creates the Water Resources Cash Fund, intended primarily for administrative uses by the Division of Water Resources (DWR). Consolidates into the Water Resources Cash Fund six existing cash funds—the Water Data Bank Cash Fund, the Division of Water Resources Publication Cash Fund, the Division of Water Resources Groundwater Management Cash Fund, the Groundwater Publication Fund, the Gravel Pit Lakes Augmentation Fund, and the Well Enforcement Cash Fund—eliminating those existing cash funds.

**H.B. 12-1246:** Appropriates \$228,000 General Fund to the Division of Water Resources to reverse the annual payday shift as it applies to state employees paid on a bi-weekly basis. For additional information on this bill, see the "Recent Legislation" section for the Department of Personnel.

**H.B. 12-1278:** Appropriates \$910,900 cash funds (Colorado Water Conservation Board Construction Fund) to the Colorado Water Conservation Board (CWCB). Requires the CWCB in consultation with the State Engineer and the Colorado Water Institute, to conduct a comprehensive study to compile and evaluate available historical hydrologic data in the South Platte River Basin. Directs the CWCB to contract with the Colorado Water Institute to conduct the study.

**H.B. 12-1317:** Replaces the Parks and Wildlife Board in the Department of Natural Resources with the Parks and Wildlife Commission and specifies the responsibilities of the new commission. Reduces appropriations to the Division of Parks and Wildlife by \$18,055 cash funds.

**H.B. 12-1330:** Allows a person whose hunting or fishing license has been suspended for two years or more to petition the Parks and Wildlife Commission in the Department of Natural Resources once every five years to end the suspension after half of the suspension of at least 10 years has elapsed or after 15 years of a lifetime suspension. A person can petition the commission three times. Upon receiving a fourth or subsequent petition, the commission may deny the petition without a hearing. The commission may end the suspension if:

- the person is unlikely to offend again;
- the person has not violated the wildlife statutes again; and
- the suspension is the person's first in Colorado.

The commission is authorized to order the person to pay a reinstatement fee of up to \$300, perform up to 40 hours of service on wildlife or park projects, or attend hunting education courses. Appropriates \$23,419 cash funds to the Department of Natural Resources for additional hearing costs. Out of the appropriation to the Department, appropriates \$3,028 reappropriated funds to the Department of Law for the provision of legal services.

**H.B. 12-1335:** General appropriations act for FY 2012-13.

**H.B. 12-1349:** Combines the Operation and Maintenance Account and the Capital Account of the Species Conservation Trust Fund into the Species Conservation Trust Fund (SCTF). Appropriates \$4,000,000 from the Species Conservation Trust Fund to the Department of Natural Resources in FY 2012-13 for programs to conserve native species that have been listed as threatened or endangered under state or federal law, or are candidate species or are likely to become candidate species as determined by the United States Fish and Wildlife Services. Also reduces existing appropriations by \$500,000 for projects in FY 2011-12 to reflect the amount actually required by the Department.

**H.B. 12-1353:** Modifies the statutory provisions relating to proportional reductions of Tier 2 transfers from the Operational Account of the Severance Tax Trust Fund (Operational Account). Statute allows for transfers to Tier 2 programs in three installments: on July 1, January 1, and April 1 of each fiscal year. Prior law allowed for proportional reductions, as necessary to balance the Operational Account, to the January 1 and April 1 installments but did not provide for reductions to the July 1 installment. The bill allows for reductions to July 1 installments as necessary based on the June Legislative Council Staff Revenue Forecast from the preceding fiscal year. The bill specifies that the reductions in each installment be sufficient to cover the following

percentages of the projected shortfall: 40.0 percent in July; 70.0 percent in January; and 100 percent in April of a given fiscal year.

Also allows the April installment to increase to offset proportional reductions made in July and January if revenue is anticipated to be sufficient to cover such an increase while still meeting the reserve requirement. The bill also reduces the required Tier 1 reserve for FY 2012-13 by \$1 million. Finally, the bill clarifies that the Tier 2 reserve may be used as follows:

- up to one-third of the reserve to offset July 1 proportional reductions;
- up to one-third of the reserve to offset January 4 proportional reductions; and
- any amount remaining to offset April 1 proportional reductions.

**H.B. 12-1355:** Transfers the powers, duties, and functions of the Colorado Geological Survey and the Office of the State Geologist from the Department of Natural Resources (DNR) to the Colorado School of Mines (Mines) on January 31, 2013, providing the president of the university and the executive director of the DNR enter into a memorandum of understanding (MOU) concerning the transfer by December 31, 2012. Requires the MOU to address the:

- functions and objectives of the geological survey;
- transfer of employees;
- transfer of real and personal property;
- existing contracts of the DNR; and
- existing appropriations allocated to the Geological Survey Cash Fund.

Requires the president of the Colorado School of Mines to report to the Joint Budget Committee and the House and Senate Agriculture Committees regarding the status of the MOU by December 1, 2012. If the DNR and Mines do not enter into a MOU by December 31, 2012, the transfer will not occur.

**S.B. 12S-002:** Appropriates \$28,350,857 cash funds from the Colorado Water Conservation Board (CWCB) Construction Fund to the Department of Natural Resources in FY 2012-13 for various water-related projects. Transfers a total of \$43.0 million from the Perpetual Base Account of the Severance Tax Trust Fund to the CWCB Construction Fund over three fiscal years (FY 2012-13, FY 2013-14, and FY 2014-15) and transfers \$300,000 from the CWCB Construction Fund to the Flood and Drought Response Fund in FY 2012-13.

## 2013 Session Bills

**S.B. 13-098:** Supplemental appropriation to the Department of Natural Resources to modify FY 2012-13 appropriations included in the FY 2012-13 Long Bill (H.B. 12-1335).

**S.B. 13-181:** Appropriates \$32,340,000 cash funds from the Colorado Water Conservation Board (CWCB) Construction Fund to the Department of Natural Resources in FY 2013-14 for various water-related projects. Increases the transfers from the Severance Tax Perpetual Base Fund to the CWCB Construction Fund for the Chatfield Reservoir Reallocation Project from thirteen million to sixty-two million over four fiscal years (FY 2012-13, FY 2013-14, and FY 2015-16). Transfers \$2.0 million in FY 2013-14 from the Severance Tax Perpetual Base Fund to the CWCB Construction Fund for the Windy Gap Reservoir Bypass project. Transfers \$300,000 in FY 2013-14 from the CWCB Construction Fund to the Flood and Drought Response Fund. Clarifies that the Department of Natural Resources shall administer the Severance Tax Trust Fund. Changes the name of the Perpetual Base Account of the Severance Tax Trust Fund to the Severance Tax Perpetual Base

Fund. Changes the name of the Operational Account of the Severance Tax Trust Fund to the Severance Tax Operational Fund.

**S.B. 13-188:** Replaces the current set of landowner preference programs for hunting licenses with a single program. Defines the new program. For FY 2013-14 appropriates \$51,800 cash funds from the Wildlife Cash Fund to the Division of Parks and Wildlife.

**S.B. 13-202:** Requires the Colorado Oil and Gas Conservation Commission to report to the Joint Budget Committee and House and Senate committees of reference with jurisdiction over energy by February 1, 2014, on utilizing a risk-based strategy for inspecting oil and gas locations that targets operational phases that are most likely to experience spills, excess emissions, and other types of violations. Appropriates \$100,000 cash funds from the Oil and Gas Conservation and Environmental Response Fund to the Oil and Gas Conservation Commission to allow the Department to contract with an external entity to produce the report.

**S.B. 13-230:** General appropriations act for FY 2013-14.

**S.B. 13-236:** Requires transfer to the Colorado Water Conservation Board Construction Fund any excess General Fund reserve for the fiscal year 2013-14 that is equal to the lesser of thirty million dollars or the total General Fund surplus. For additional information on S.B. 13-236, see the "Recent Legislation" section for the Capital Construction section.

**H.B. 13-1057:** Reverses provisions of H.B. 12-1355 that would have transferred the Colorado Avalanche Information Center (CAIC) to the Colorado School of Mines and retains the CAIC as a program within the Executive Director's Office of the Department of Natural Resources. Creates a new cash fund for training and materials fees received by the CAIC.

**H.B. 13-1278:** Requires oil and gas operators to report all spills of one or more barrel of oil or exploration and production waste outside of berms or other secondary containment devices to the Colorado Oil and Gas Conservation Commission and to the entity with jurisdiction over emergency response for the well site within 24 hours of the discovery of the spill. Appropriates \$10,417 cash funds from the Oil and Gas Conservation and Environmental Response Fund to the Oil and Gas Conservation Commission to support rulemaking hearings to implement the bill.

**H.B. 13-1283:** Reduces from \$6.6 million to \$4 million the FY 2013-14 transfer of money from the Operational Account of the Severance Tax Trust Fund to the Capital Account of the Species Conservation Trust Fund (SCTF) to fund programs submitted by the executive director of the Department of Natural Resources. Appropriates \$4,000,000 from the Species Conservation Trust Fund to the Department of Natural Resources in FY 2013-14 for programs to conserve native species that have been listed as threatened or endangered under state or federal law, or are candidate species or are likely to become candidate species as determined by the United States Fish and Wildlife Services.

# Department Details

## DEPARTMENT OF PERSONNEL

### FY 2012-13 and FY 2013-14 Appropriations by Division and Bill

Department of Personnel						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2012-13 Total Appropriation:</b>	<b>\$164,186,172</b>	<b>\$6,603,153</b>	<b>\$12,565,917</b>	<b>\$145,017,102</b>	<b>\$0</b>	<b>396.9</b>
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Executive Director's Office	11,643,703	3,908,338	793,129	6,942,236	0	44.8
Division of Human Resources	62,960,798	0	2,314,729	60,646,069	0	41.7
Constitutionally Independent Entities	519,601	498,945	1,178	19,478	0	4.8
Central Services	75,256,744	46,130	1,526,982	73,683,632	0	192.8
Division of Accounts and Control - Controller	10,004,145	2,149,740	7,836,207	18,198	0	72.8
Administrative Courts	3,801,181	0	93,692	3,707,489	0	40.0
<u>Breakdown of Total Appropriation by Bill</u>						
HB 12-1335	160,064,533	6,639,194	11,997,536	141,427,803	0	395.4
SB 12-150	(42,961)	(42,961)	0	0	0	(0.5)
SB 13-099	4,164,600	6,920	568,381	3,589,299	0	2.0
<b>FY 2013-14 Total Appropriation:</b>	<b>\$174,205,986</b>	<b>\$9,131,974</b>	<b>\$13,628,813</b>	<b>\$151,445,199</b>	<b>\$0</b>	<b>392.6</b>
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Executive Director's Office	14,979,200	4,730,452	1,008,240	9,240,508	0	43.7
Division of Human Resources	66,121,995	3,050,738	2,350,858	60,720,399	0	46.7
Constitutionally Independent Entities	524,164	522,986	1,178	0	0	4.8
Central Services	78,896,757	46,130	1,541,325	77,309,302	0	185.6
Division of Accounts and Control - Controller	10,128,357	781,668	8,621,296	725,393	0	71.8
Administrative Courts	3,555,513	0	105,916	3,449,597	0	40.0
<u>Breakdown of Total Appropriation by Bill</u>						
SB 13-230	172,942,077	9,154,163	12,354,837	151,433,077	0	393.4
SB 13-200	12,122	0	0	12,122	0	0.0
SB 13-276	1,173,976	0	1,173,976	0	0	0.0
SB 13-285	100,000	0	100,000	0	0	0.0
HB 13-1286	(58,777)	(58,777)	0	0	0	(0.8)



Department of Personnel						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
HB 13-1292	36,588	36,588	0	0	0	0.0
<b>Increase/(Decrease)</b>	\$10,019,814	\$2,528,821	\$1,062,896	\$6,428,097	\$0	(4.3)
Percentage Change	6.1%	38.3%	8.5%	4.4%	n/a	(1.1%)

**Informational Funds:** The FY 2013-14 Long Bill and other legislation indicates when an amount is shown solely for informational purposes through an "(I)" notation. The following amounts in the Department of Personnel are annotated with the "(I)". For additional information, see Appendix J.

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds
FY 2013-14 Appropriations containing an (I) notation	\$17,198,295	\$0	\$1,273,980	\$15,924,315	\$0

## Detail of Appropriation by Administrative Section

### Executive Director's Office

This division provides centralized accounting, personnel, and budgeting services for the Department. It also includes the Colorado State Employees Assistance Program, the Office of the State Architect, and the Colorado State Archives. The primary fund source is reappropriated funds, which originate as indirect cost recoveries from other divisions within the Department, as well as user fees from other state agencies.

Executive Director's Office						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2012-13 Appropriation:</b>						
HB 12-1335	\$11,618,442	\$3,901,418	\$790,951	\$6,926,073	\$0	44.8
SB 13-099	<u>25,261</u>	<u>6,920</u>	<u>2,178</u>	<u>16,163</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$11,643,703</b>	<b>\$3,908,338</b>	<b>\$793,129</b>	<b>\$6,942,236</b>	<b>\$0</b>	<b>44.8</b>
<b>FY 2013-14 Appropriation:</b>						
FY 2012-13 Appropriation	\$11,643,703	\$3,908,338	\$793,129	\$6,942,236	\$0	44.8
Centrally appropriated line items	2,600,247	133,193	305,662	2,161,392	0	0.0
Statewide IT common policy adjustments	1,395,058	317,276	36,100	1,041,682	0	0.0
Preservation of historical records at State Archives	63,751	63,751	0	0	0	0.9
Fund source adjustment	0	474,991	43,144	(518,135)	0	0.0

	Executive Director's Office					
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Operating adjustments	(604,170)	(196,765)	(38,794)	(368,611)	0	0.0
Departmental adjustments	(128,823)	0	(128,823)	0	0	(2.0)
Annualize prior year funding	(25,261)	(6,920)	(2,178)	(16,163)	0	0.0
Indirect cost assessment	(20,181)	0	0	(20,181)	0	0.0
Other	18,288	0	0	18,288	0	0.0
<b>SB 13-230</b>	<b>\$14,942,612</b>	<b>\$4,693,864</b>	<b>\$1,008,240</b>	<b>\$9,240,508</b>	<b>\$0</b>	<b>43.7</b>
HB 13-1292	<u>36,588</u>	<u>36,588</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$14,979,200</b>	<b>\$4,730,452</b>	<b>\$1,008,240</b>	<b>\$9,240,508</b>	<b>\$0</b>	<b>43.7</b>
<b>Increase/(Decrease)</b>	\$3,335,497	\$822,114	\$215,111	\$2,298,272	\$0	(1.1)
Percentage Change	28.6%	21.0%	27.1%	33.1%	n/a	(2.5%)

### FY 2012-13 Appropriation - Mid-year Adjustments

Senate Bill 13-099 modifies FY 2012-13 appropriations to add \$25,000 in total funds for the Department's share of the Liability Program.

### FY 2013-14 Appropriation – S.B. 13-230 (Long Bill) Issue Descriptions

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

**Statewide IT common policy adjustments:** The appropriation includes adjustments to line items appropriated for: purchase of services from the computer center; Colorado state network; management and administration of the Governor's Office of Information Technology (OIT); communication services payments, information technology security, and COFRS modernization.

**Preservation of historical records at State Archives:** The appropriation includes an increase of \$63,751 General Fund and 0.9 FTE for a preservation archivist for the Colorado State Archives.

**Fund source adjustment:** The appropriation includes an increase in General Fund and cash funds offset by a decrease in reappropriated funds.

**Operating adjustments:** The appropriation includes a decrease of \$604,170 total funds, including a decrease of \$196,765 General Fund, for vacating leased space mid-year.

**Departmental adjustments:** The appropriation includes a decrease of \$128,823 cash funds reflecting the transfer of the Address Confidentiality Program from the Executive Director's Office to Central Services.

**Annualize prior year funding:** The appropriation includes adjustments related to prior year legislation and budget actions.

**Indirect cost assessment:** The appropriation includes a net decrease in the Colorado State Employee Assistance Program's indirect cost assessment.

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

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

## Division of Human Resources

This division is responsible for the administration of the state's personnel system, the state's employee benefit programs, and the risk management program for all state agencies, including all components of property, liability, and workers' compensation claims. The majority of the reappropriated funds are user fees that are transferred from other state agencies.

Division of Human Resources						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2012-13 Appropriation:</b>						
HB 12-1335	\$60,187,916	\$0	\$2,314,729	\$57,873,187	\$0	41.7
SB 13-099	<u>2,772,882</u>	<u>0</u>	<u>0</u>	<u>2,772,882</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$62,960,798</b>	<b>\$0</b>	<b>\$2,314,729</b>	<b>\$60,646,069</b>	<b>\$0</b>	<b>41.7</b>
<b>FY 2013-14 Appropriation:</b>						
FY 2012-13 Appropriation	\$62,960,798	\$0	\$2,314,729	\$60,646,069	\$0	41.7
Operating common policy base adjustments	2,866,636	0	0	2,866,636	0	0.0
Additional payments from State Claims Board	2,835,738	2,835,738	0	0	0	0.0
Employee engagement survey	215,000	215,000	0	0	0	0.0
Departmental adjustments	0	0	0	0	0	5.0
Annualize prior year funding	(2,772,882)	0	0	(2,772,882)	0	0.0
Indirect cost assessment	(78,615)	0	(59,191)	(19,424)	0	0.0
Informational funds adjustment	(4,680)	0	(4,680)	0	0	0.0
<b>SB 13-230</b>	<b>\$66,021,995</b>	<b>\$3,050,738</b>	<b>\$2,250,858</b>	<b>\$60,720,399</b>	<b>\$0</b>	<b>46.7</b>
SB 13-285	<u>100,000</u>	<u>0</u>	<u>100,000</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$66,121,995</b>	<b>\$3,050,738</b>	<b>\$2,350,858</b>	<b>\$60,720,399</b>	<b>\$0</b>	<b>46.7</b>
<b>Increase/(Decrease)</b>	<b>\$3,161,197</b>	<b>\$3,050,738</b>	<b>\$36,129</b>	<b>\$74,330</b>	<b>\$0</b>	<b>5.0</b>

Division of Human Resources						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Percentage Change	5.0%	n/a	1.6%	0.1%	n/a	12.0%

### **FY 2012-13 Appropriation - Mid-year Adjustments**

Senate Bill 13-099 modifies FY 2012-13 appropriations to add \$2.8 million total funds in billings to state agencies for the Liability Program in Risk Management Services.

### **FY 2013-14 Appropriation – S.B. 13-230 (Long Bill) Issue Descriptions**

**Operating common policy base adjustments:** The appropriation includes an increase for operating common policy base adjustments for the risk management programs comprised of workers' compensation, liability, and property.

**Additional payments from State Claims Board:** The appropriation includes \$2.8 million General Fund for additional payments authorized by the State Claims Board pursuant to Section 24-10-114 (5) (b), C.R.S.

**Employee engagement survey:** The appropriation includes a \$215,000 General Fund increase for the Department's request for a state employee engagement survey.

**Departmental adjustments:** The appropriation includes an internal transfer of Department resources including a net increase of 5.0 FTE for this division, a 1.0 FTE decrease for State Agency Services, a 3.0 FTE increase for Statewide Training, a 2.0 FTE increase for Employee Benefits Services, and a 1.0 FTE increase for Risk Management.

**Annualize prior year funding:** The appropriation includes adjustments related to prior year legislation and budget actions.

**Indirect cost assessment:** The appropriation includes a net decrease in the division's indirect cost assessments.

**Informational funds adjustment:** The appropriation includes a decrease of \$4,680 cash funds for the Supplemental State Contribution Fund which is funded by tobacco moneys and reflected in the Long Bill for informational purposes.

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

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### **Constitutionally Independent Entities**

This division includes the State Personnel Board. The five-member 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.

Constitutionally Independent Entities						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2012-13 Appropriation:</b>						
HB 12-1335	<u>\$519,601</u>	<u>\$498,945</u>	<u>\$1,178</u>	<u>\$19,478</u>	<u>\$0</u>	<u>4.8</u>
<b>TOTAL</b>	<b>\$519,601</b>	<b>\$498,945</b>	<b>\$1,178</b>	<b>\$19,478</b>	<b>\$0</b>	<b>4.8</b>
<b>FY 2013-14 Appropriation:</b>						
FY 2012-13 Appropriation	\$519,601	\$498,945	\$1,178	\$19,478	\$0	4.8
Operating adjustments	4,563	4,563	0	0	0	0.0
Fund source adjustment	0	19,478	0	(19,478)	0	0.0
<b>SB 13-230</b>	<b><u>\$524,164</u></b>	<b><u>\$522,986</u></b>	<b><u>\$1,178</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>4.8</u></b>
<b>TOTAL</b>	<b>\$524,164</b>	<b>\$522,986</b>	<b>\$1,178</b>	<b>\$0</b>	<b>\$0</b>	<b>4.8</b>
<b>Increase/(Decrease)</b>	\$4,563	\$24,041	\$0	(\$19,478)	\$0	0.0
Percentage Change	0.9%	4.8%	0.0%	(100.0%)	n/a	0.0%

### FY 2013-14 Appropriation – S.B. 13-230 (Long Bill) Issue Descriptions

**Operating adjustments:** The appropriation includes an increase of \$4,563 General Fund for legal services.

**Fund source adjustment:** The appropriation includes an increase in General Fund offset by a decrease of reappropriated funds.

### Central Services

This division is responsible for providing the following services to state agencies: management of the statewide travel program; mail and messenger services; copying, printing and graphics design; 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	Reappropriated Funds	Federal Funds	FTE
<b>FY 2012-13 Appropriation:</b>						
HB 12-1335	\$74,456,490	\$46,130	\$1,526,982	\$72,883,378	\$0	192.8
SB 13-099	<u>800,254</u>	<u>0</u>	<u>0</u>	<u>800,254</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$75,256,744</b>	<b>\$46,130</b>	<b>\$1,526,982</b>	<b>\$73,683,632</b>	<b>\$0</b>	<b>192.8</b>
<b>FY 2013-14 Appropriation:</b>						
FY 2012-13 Appropriation	\$75,256,744	\$46,130	\$1,526,982	\$73,683,632	\$0	192.8

	<b>Central Services</b>					
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
Fleet	2,328,041	0	0	2,328,041	0	0.0
Capitol complex building upgrade	803,111	0	0	803,111	0	0.0
Operating common policy base adjustments	703,607	0	0	703,607	0	0.0
Indirect cost assessment	701,228	0	(13,623)	714,851	0	0.0
Capitol complex leased space true-up	44,540	0	0	44,540	0	0.0
Departmental adjustments	27,966	0	27,966	0	0	0.0
Annualize prior year funding	(800,254)	0	0	(800,254)	0	0.0
Tax document processing pipeline efficiencies	(168,226)	0	0	(168,226)	0	(7.2)
<b>SB 13-230</b>	<b><u>\$78,896,757</u></b>	<b><u>\$46,130</u></b>	<b><u>\$1,541,325</u></b>	<b><u>\$77,309,302</u></b>	<b><u>\$0</u></b>	<b><u>185.6</u></b>
<b>TOTAL</b>	<b><u>\$78,896,757</u></b>	<b><u>\$46,130</u></b>	<b><u>\$1,541,325</u></b>	<b><u>\$77,309,302</u></b>	<b><u>\$0</u></b>	<b><u>185.6</u></b>
<b>Increase/(Decrease)</b>	\$3,640,013	\$0	\$14,343	\$3,625,670	\$0	(7.2)
Percentage Change	4.8%	0.0%	0.9%	4.9%	n/a	(3.7%)

### **FY 2012-13 Appropriation - Mid-year Adjustments**

Senate Bill 13-099 modifies FY 2012-13 appropriations that includes:

- An additional \$800,000 in reappropriated funds spending authority to recognize the principle expense for energy contracts and accurately account for equipment rebates in Facilities Maintenance – Capitol Complex.

### **FY 2013-14 Appropriation – S.B. 13-230 (Long Bill) Issue Descriptions**

**Fleet:** The appropriation includes an increase in reappropriated funds for vehicle lease/purchase payments.

**Capitol complex building upgrade:** The appropriation includes an increase in reappropriated funds for upgrades, repairs, and replacement of Capitol Complex buildings.

**Operating common policy base adjustments:** The appropriation includes an increase in the Facilities Maintenance – Capitol Complex Program's operating common policy base adjustments.

**Indirect cost assessment:** The appropriation includes a net increase in the division's indirect cost assessments, including a \$536,000 decrease for Integrated Document Solutions, a \$317,000 decrease for Fleet Management, and a \$1.6 million increase for Facilities Maintenance – Capitol Complex.

**Capitol complex leased space true-up:** The appropriation includes an increase of spending authority for the purpose of recognizing full revenue and expense for utility-related rebates.

**Departmental adjustments:** The appropriation includes changes to the Department's Long Bill structure to align it with the operational structure of the Department.

**Annualize prior year funding:** The appropriation includes adjustments related to prior year legislation and budget actions.

**Tax document processing pipeline efficiencies:** The appropriation includes a decrease of reappropriated funds and 7.2 FTE attributable to tax document processing pipeline efficiencies.

## Division of Accounts and Control - Controller

This division includes the Office of the State Controller, which manages the financial affairs of all of the departments. The Division also administers a statewide procurement program through the State Purchasing Office; meets the product and service needs of state agencies by negotiating contracts for goods and services; conducts statewide financial reporting, policy and procedural guidance; manages contracts; develops the statewide indirect cost allocation plan; and is responsible for the collection of debts due to the state.

Division of Accounts and Control - Controller						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2012-13 Appropriation:</b>						
HB 12-1335	\$9,480,903	\$2,192,701	\$7,270,004	\$18,198	\$0	71.3
SB 12-150	(42,961)	(42,961)	0	0	0	(0.5)
SB 13-099	<u>566,203</u>	<u>0</u>	<u>566,203</u>	<u>0</u>	<u>0</u>	<u>2.0</u>
<b>TOTAL</b>	<b>\$10,004,145</b>	<b>\$2,149,740</b>	<b>\$7,836,207</b>	<b>\$18,198</b>	<b>\$0</b>	<b>72.8</b>
<b>FY 2013-14 Appropriation:</b>						
FY 2012-13 Appropriation	\$10,004,145	\$2,149,740	\$7,836,207	\$18,198	\$0	72.8
Resources for COFRS II e-procurement	1,541,184	0	1,541,184	0	0	3.0
Central contracts unit resources	175,596	175,596	0	0	0	1.8
Departmental adjustments	100,857	0	100,857	0	0	(3.0)
Fund source adjustment	0	(1,484,891)	777,696	707,195	0	0.0
Operating adjustments	(1,904,136)	0	(1,904,136)	0	0	0.0
Annualize prior year funding	(866,203)	0	(866,203)	0	0	(2.0)
Indirect cost assessment	(38,285)	0	(38,285)	0	0	0.0
<b>SB 13-230</b>	<b>\$9,013,158</b>	<b>\$840,445</b>	<b>\$7,447,320</b>	<b>\$725,393</b>	<b>\$0</b>	<b>72.6</b>
SB 13-276	1,173,976	0	1,173,976	0	0	0.0
HB 13-1286	<u>(58,777)</u>	<u>(58,777)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(0.8)</u>
<b>TOTAL</b>	<b>\$10,128,357</b>	<b>\$781,668</b>	<b>\$8,621,296</b>	<b>\$725,393</b>	<b>\$0</b>	<b>71.8</b>
<b>Increase/(Decrease)</b>	\$124,212	(\$1,368,072)	\$785,089	\$707,195	\$0	(1.0)
Percentage Change	1.2%	(63.6%)	10.0%	3,886.1%	n/a	(1.4%)

## **FY 2012-13 Appropriation - Mid-year Adjustments**

Senate Bill 13-099 modifies FY 2012-13 appropriations to add 2.0 FTE and \$566,000 cash funds for implementation of the e-procurement system.

## **FY 2013-14 Appropriation – S.B. 13-230 (Long Bill) Issue Descriptions**

**Resources for COFRS II e-procurement:** The appropriation includes an increase in cash funds spending authority for implementation of the e-procurement system with COFRS II.

**Central contracts unit resources:** The appropriation includes an increase of General Fund and 1.8 FTE for the Central Contracts Unit in the Office of the State Controller.

**Departmental adjustments:** The appropriation includes a net decrease of 3.0 FTE and an increase of cash funds to align the bill with the Department's operational structure, including the transfer of \$101,000 and 2.0 FTE for the Statewide Travel Management Program from Central Services Administration to the State Purchasing Office.

**Fund source adjustment:** The appropriation includes an increase in cash and reappropriated funds offset by a decrease in General Fund.

**Operating adjustments:** The appropriation includes a decrease of cash funds spending authority for the Recovery Audit Program Disbursements and a decrease of cash funds spending authority for the Private Collection Agency Fees to reflect spending authority closer to actual expenditures.

**Annualize prior year funding:** The appropriation includes adjustments related to prior year legislation and budget actions.

**Indirect cost assessment:** The appropriation includes a net decrease in the Collections Services Program's indirect cost assessment.

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

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## **Administrative Courts**

This division provides an independent administrative law adjudication system for state agencies in order to resolve cases related to workers' compensation, human resources, and regulatory law. It offers a full range of alternative dispute resolution options, including evidentiary hearings, settlement conferences, and mediation. Approximately one-half of all hearings are related to workers' compensation cases. The division is primarily funded with reappropriated funds transferred from user agencies, and receives a small amount of cash funds that originate as user fees from non-state agencies.



	<b>Administrative Courts</b>					
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2012-13 Appropriation:</b>						
HB 12-1335	<u>\$3,801,181</u>	<u>\$0</u>	<u>\$93,692</u>	<u>\$3,707,489</u>	<u>\$0</u>	<u>40.0</u>
<b>TOTAL</b>	<b>\$3,801,181</b>	<b>\$0</b>	<b>\$93,692</b>	<b>\$3,707,489</b>	<b>\$0</b>	<b>40.0</b>
<b>FY 2013-14 Appropriation:</b>						
FY 2012-13 Appropriation	\$3,801,181	\$0	\$93,692	\$3,707,489	\$0	40.0
Indirect cost assessment	155,147	0	0	155,147	0	0.0
Fund source adjustment	0	0	12,224	(12,224)	0	0.0
Annualize prior year funding	(412,937)	0	0	(412,937)	0	0.0
<b>SB 13-230</b>	<b>\$3,543,391</b>	<b>\$0</b>	<b>\$105,916</b>	<b>\$3,437,475</b>	<b>\$0</b>	<b>40.0</b>
SB 13-200	<u>12,122</u>	<u>0</u>	<u>0</u>	<u>12,122</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$3,555,513</b>	<b>\$0</b>	<b>\$105,916</b>	<b>\$3,449,597</b>	<b>\$0</b>	<b>40.0</b>
<b>Increase/(Decrease)</b>	<b>(\$245,668)</b>	<b>\$0</b>	<b>\$12,224</b>	<b>(\$257,892)</b>	<b>\$0</b>	<b>0.0</b>
Percentage Change	(6.5%)	n/a	13.0%	(7.0%)	n/a	0.0%

## **FY 2013-14 Appropriation – S.B. 13-230 (Long Bill) Issue Descriptions**

**Indirect cost assessment:** The appropriation includes a net increase in the division's indirect cost assessment.

**Fund source adjustment:** The appropriation includes an increase in cash funds offset by a decrease in reappropriated funds.

**Annualize prior year funding:** The appropriation includes adjustments related to prior year legislation and budget actions.

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

## **Recent Legislation**

### **2012 Session Bills**

**S.B. 12-150:** Centralizes management of certain state public finance transactions in the State Treasurer's Office. Decreases the FY 2012-13 appropriation for the Division of Accounts and Control – Controller, Office of the State Controller in the Department of Personnel by \$42,961 General Fund and 0.5 FTE.

**H.B. 12-1246:** Changes the payday schedule for employees compensated on a biweekly basis to reverse a payday shift enacted in 2003 that moved the last payment of the fiscal year into the next fiscal year. Reversing

the payday shift for employees compensated on a biweekly basis returns the payment for these employees to the fiscal year in which the employee earns the pay. Makes the following appropriations:

DEPARTMENT	Total	General Fund	Reappropriated Funds	Federal Funds
Agriculture	\$9,456	\$9,456	\$0	\$0
Corrections	136,460	136,460	0	0
Education	173,373	173,373	0	0
Governor	1,895	1,895	0	0
Health Care Policy and Financing	285,719	157,109	0	128,610
Human Services	984,145	726,924	257,221	0
Judicial	16,115	16,115	0	0
Law	8,799	8,799	0	0
Legislature	69,278	69,278	0	0
Local Affairs	793	793	0	0
Natural Resources	228,047	228,047	0	0
Public Health and Environment	6,885	6,885	0	0
Public Safety	25,473	25,473	0	0
Revenue	133,783	133,783	0	0
Treasury	<u>794</u>	<u>794</u>	<u>0</u>	<u>0</u>
Total	\$2,081,015	\$1,695,184	\$257,221	\$128,610

**H.B. 12-1335:** General appropriations act for FY 2012-13.

## 2013 Session Bills

**S.B. 13-076:** Exempts a member of the General Assembly and staff from legislative service agencies from fees charged by the State Archives associated with requests for legislative material related to official legislative duties.

**S.B. 13-099:** Supplemental appropriation for the Department of Personnel for FY 2012-13.

**S.B. 13-200:** Expands Medicaid eligibility for adults to 133 percent of the federal poverty level (FPL). Appropriates 12,122 in reappropriated funds from the Department of Health Care Policy and Financing to the Department for the provision of administrative law judge services.

**S.B. 13-230:** General appropriations act for FY 2013-14.

**S.B. 13-263:** Requires the Department of Personnel to enter into competitive negotiations for the development of a comprehensive master plan for the Capitol Complex, with final approval from the Office of State Planning and Budgeting and the Capital Development Committee. Requires that all real estate-related capital requests by executive branch departments or the legislative branch for the Capitol Complex be evaluated by the Office of State Planning and Budgeting and the Capital Development Committee against the Capitol Complex Master Plan.

**S.B. 13-271:** Repeals the prohibition on using General Fund for the Address Confidentiality Program in the Department for the protection of victims of domestic violence, sexual offenses, or stalking.

**S.B. 13-276:** Relocates the Coordinated Care for People with Disabilities Fund and renames it the Disability Investigational and Pilot Support Fund (Fund). Requires the Fund to be used for grants and loans to projects or programs that study or pilot new and innovative ideas, which will lead to an improved quality of life or increased independence for people with disabilities. Outlines the requirements and membership of the disability-benefit support contract committee. Appropriates \$1,173,976 cash funds from the Disability Investigational and Pilot Support Fund to the Department for FY 2013-14.

**S.B. 13-285:** Requires a claimant to be reimbursed by the employer or workers' compensation carrier for medical treatment provided if the employer, after notice of the injury, fails to provide medical treatment. Appropriates \$100,000 cash funds from the State Employee Workers' Compensation Account in the Risk Management Fund to the Department in FY 2013-14 for claims related to the implementation of the act.

**S.B. 13-288:** Modifies provisions regarding tort claims against the State brought under the "Colorado Governmental Immunity Act" (CGIA) as follow:

- Clarifies the existing method for exceeding the CGIA limit based on the State Claims Board (Board) recommendation and authorization by the General Assembly through a bill.
- In connection with a recommendation made by the Board to make a payment to one or more claimants resulting from a claim of an injury arising out of the March 2012 Lower North Fork Wildfire that is received by the General Assembly while adjourned sine die, certified by the Department of Law that the Board process has been satisfied, authorizes the Office of the State Controller to pay one or more additional payments to such claimants from moneys previously appropriated by bill until such specifically appropriated moneys are exhausted or replenished.
- In connection with any claim arising out of an injury that does not arise out of the Lower North Fork wildfire, where the Board has made a recommendation to the General Assembly for an additional payment while the General Assembly has adjourned sine die, the payment is authorized where all of the members of the Joint Budget Committee have voted to authorize the additional payment; except that the act prohibits payment from being made until the General Assembly has ratified by bill the authorization to make the payment.

**H.B. 13-1184:** Consolidates the Electronic Procurement Program Account in the Supplier Database Cash Fund with the Supplier Database Cash Fund and provides interest and unexpended moneys remain in the fund.

**H.B. 13-1286:** Suspends recovery audits for three years in order to allow the Colorado Financial Reporting System (COFRS) modernization project to be completed and all relevant data to be entered into the modernized COFRS system before the next series of recovery audits is conducted. Decreases the appropriation for the Office of the State Controller by \$58,777 General Fund and 0.8 FTE in FY 2013-14.

**H.B. 13-1292:** Requires the Department of Labor and Employment to enforce and impose fines on contractors that violate the 80 percent labor law by hiring less than 80 percent of Colorado residents for construction projects financed in whole or part by state funds. Directs the Department of Personnel to administer a resident bidder preference, and allows competitive sealed best value bidding for construction projects. Appropriates \$36,588 General Fund in FY 2013-14 to the Department for computer programming costs and legal services.

**H.B. 13-1298:** Modifies employment policies related to personnel in the Senior Executive Service and specified departmental positions who are not in the state personnel system as follows:

- Salaries are based on policies established by the State Personnel Director;
- If an employee in the Senior Executive Service is dismissed for failure to perform, he or she is not permitted to appeal directly to the State Personnel Board;
- Senior Executive Service employees have no right to any position within the State; and
- Departmental employees are not entitled to anniversary-based merit increases.

## Department Details

# DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT

## FY 2012-13 and FY 2013-14 Appropriations by Division and Bill

Department of Public Health and Environment						
	Total Funds	General Fund <sup>1,2</sup>	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2012-13 Total Appropriation:</b>	<b>\$468,222,974</b>	<b>\$31,142,676</b>	<b>\$159,564,801</b>	<b>\$31,568,086</b>	<b>\$245,947,411</b>	<b>1,223.2</b>
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Administration and Support	36,529,925	7,525,192	7,486,467	21,081,235	437,031	70.7
Center for Health and Environmental Information	16,063,885	719,764	7,611,025	3,763,067	3,970,029	87.5
Laboratory Services	12,368,691	1,058,393	7,756,370	233,628	3,320,300	68.8
Air Pollution Control Division	20,131,420	0	16,193,039	0	3,938,381	169.4
Water Quality Control Division	22,271,300	2,536,466	5,298,783	39,673	14,396,378	158.6
Hazardous Materials and Waste Management Division	21,702,067	0	14,119,283	279,991	7,302,793	111.8
Division of Environmental Health and Sustainability	14,038,923	1,253,938	10,798,012	88,929	1,898,044	44.1
Disease Control and Environmental Epidemiology Division	50,576,766	5,549,313	6,811,486	0	38,215,967	145.0
Prevention Services Division	228,456,140	9,218,112	68,150,720	1,510,817	149,576,491	179.0
Health Facilities and Emergency Medical Services Division	26,846,744	1,681,419	15,339,616	4,570,746	5,254,963	152.2
Emergency Preparedness and Response Division	19,237,113	1,600,079	0	0	17,637,034	36.1
<u>Breakdown of Total Appropriation by Bill</u>						
HB 12-1335	462,258,351	27,843,155	156,195,320	32,052,315	246,167,561	1,221.6
HB 12-1041	743,940	0	743,940	0	0	0.0
HB 12-1099	25,000	0	25,000	0	0	0.0
HB 12-1126	8,530	0	8,530	0	0	0.1
HB 12-1246	6,885	6,885	0	0	0	0.0
HB 12-1283	(147,729)	(147,729)	0	0	0	(2.0)
HB 12-1294	183,730	0	183,730	0	0	2.4
HB 12-1326	3,022,800	3,022,800	0	0	0	1.0

Department of Public Health and Environment						
	Total Funds	General Fund <sup>1,2</sup>	Cash Funds	Reappropriated Funds	Federal Funds	FTE
SB 13-011	6,976	0	6,976	0	0	0.1
SB 13-100	2,114,491	417,565	2,401,305	(484,229)	(220,150)	0.0
<b>FY 2013-14 Total Appropriation:</b>	<b>\$524,078,332</b>	<b>\$53,402,747</b>	<b>\$149,737,005</b>	<b>\$29,677,710</b>	<b>\$291,260,870</b>	<b>1,241.3</b>
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Administration and Support	40,352,217	8,271,385	13,049,947	18,495,955	534,930	74.7
Center for Health and Environmental Information	15,035,498	654,989	6,074,839	4,404,302	3,901,368	77.9
Laboratory Services	13,068,260	1,058,393	7,943,985	332,382	3,733,500	75.2
Air Pollution Control Division	22,618,726	494,873	17,155,901	0	4,967,952	174.4
Water Quality Control Division	37,661,550	18,746,064	5,339,313	39,673	13,536,500	173.1
Hazardous Materials and Waste Management Division	30,421,539	0	20,381,926	280,060	9,759,553	114.3
Division of Environmental Health and Sustainability	7,629,522	1,253,938	4,445,751	105,433	1,824,400	43.1
Disease Control and Environmental Epidemiology Division	97,346,373	5,865,067	6,865,106	0	84,616,200	151.9
Prevention Services Division	217,722,270	13,808,295	53,597,800	1,418,387	148,897,788	181.6
Health Facilities and Emergency Medical Services Division	26,536,900	1,608,262	14,882,437	4,601,518	5,444,683	138.9
Emergency Preparedness and Response Division	15,685,477	1,641,481	0	0	14,043,996	36.2
<u>Breakdown of Total Appropriation by Bill</u>						
SB 13-230	527,884,495	39,423,458	166,674,257	29,677,710	292,109,070	1,239.6
SB 13-011	4,021	0	4,021	0	0	0.1
SB 13-050	204,593	0	204,593	0	0	0.0
SB 13-219	61,491	0	61,491	0	0	0.5
SB 13-222	68,054	68,054	0	0	0	1.0
SB 13-225	41,402	41,402	0	0	0	0.6
SB 13-232	0	0	0	0	0	0.0
SB 13-255	456,966	456,966	0	0	0	4.0
SB 13-283	307,542	0	307,542	0	0	4.0
HB 13-1117	(19,904,563)	(1,453,849)	(17,602,514)	0	(848,200)	(7.5)
HB 13-1191	15,000,000	15,000,000	0	0	0	0.0
HB 13-1239	(133,284)	(133,284)	0	0	0	(2.0)
HB 13-1317	87,615	0	87,615	0	0	1.0

Department of Public Health and Environment						
	Total Funds	General Fund <sup>1,2</sup>	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>Increase/(Decrease)</b>	\$55,855,358	\$22,260,071	(\$9,827,796)	(\$1,890,376)	\$45,313,459	18.1
Percentage Change	11.9%	71.5%	(6.2%)	(6.0%)	18.4%	1.5%

<sup>1</sup> Includes \$441,600 General Fund Exempt in FY 2012-13 and \$438,300 General Fund Exempt in FY 2013-14. See the Division Detail for the Disease Control and Environmental Epidemiology Division for more detail.

<sup>2</sup> Includes \$441,600 in FY 2012-13 and \$438,300 in FY 2013-14 that is exempt from the statutory limit on state General Fund appropriations pursuant to Section 24-75-201.1, C.R.S. See the Division Detail for the Disease Control and Environmental Epidemiology Division for more detail.

**Informational Funds:** The FY 2013-14 Long Bill and other legislation indicates when an amount is shown solely for informational purposes through an "(I)" notation. The following amounts in the Department of Public Health and Environment are annotated with the "(I)". For additional information, see Appendix J.

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds
FY 2013-14 Appropriations containing an (I) notation	\$270,352,174	\$0	\$0	\$0	\$270,352,174

## Detail of Appropriation by Administrative Section

### Administration and Support

This division is comprised of three subdivisions: Administration, Office of Health Disparities, and Local Public Health Planning and Support.

#### *(A) Administration*

This subdivision performs operations that are common to all divisions, including accounting, budgeting, data processing, human resources, and purchasing. The appropriation for this subdivision includes money for centrally-appropriated personal services, and is primarily funded with reappropriated funds from departmental indirect cost recoveries.

#### *(B) Office of Health Disparities*

This subdivision is responsible for administration of the Health Disparities Grant Program, which works to overcome the differences in the quality of health care and associated health outcomes that occur in different racial and ethnic groups across Colorado. The Office is funded by 2.4 percent of the Amendment 35 Tobacco Tax revenue, and a small amount of General Fund.

#### *(C) Local Public Health Planning and Support*

The Department provides local public health agencies with planning, technical, and financial support to ensure that local public health agencies are able to effectively deliver health and environmental services. This subdivision is funded primarily with General Fund and cash funds from the Public Health Services Support Fund.

Administration and Support						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2012-13 Appropriation:</b>						
HB 12-1335	\$36,463,336	\$7,518,307	\$7,641,904	\$20,866,094	\$437,031	70.7
HB 12-1246	6,885	6,885	0	0	0	0.0
HB 12-1283	(19,060)	(19,060)	0	0	0	0.0
SB 13-100	<u>78,764</u>	<u>19,060</u>	<u>(155,437)</u>	<u>215,141</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$36,529,925</b>	<b>\$7,525,192</b>	<b>\$7,486,467</b>	<b>\$21,081,235</b>	<b>\$437,031</b>	<b>70.7</b>
<b>FY 2013-14 Appropriation:</b>						
FY 2012-13 Appropriation	\$36,529,925	\$7,525,192	\$7,486,467	\$21,081,235	\$437,031	70.7
Centrally appropriated line items	2,565,815	398,490	1,439,402	662,881	65,042	0.0
Unspent Amendment 35 grant funds	650,000	0	650,000	0	0	0.0
Local public health agency funding	355,049	355,049	0	0	0	0.0
Lean resources	211,992	0	0	211,992	0	2.0
Financial risk management	144,491	0	0	144,491	0	2.0
Indirect cost assessment	84,780	0	154,780	(70,000)	0	0.0
Informational funds adjustments	34,635	0	0	0	34,635	0.0
Office of Health Disparities fund adjustment	0	0	3,532,800	(3,532,800)	0	0.0
Amendment 35 revenue adjustment	(203,714)	0	(203,714)	0	0	0.0
Annualize prior year funding	(13,470)	(7,346)	(2,502)	(1,844)	(1,778)	0.0
Tobacco settlement revenue adjustment	(7,286)	0	(7,286)	0	0	0.0
<b>SB 13-230</b>	<b><u>\$40,352,217</u></b>	<b><u>\$8,271,385</u></b>	<b><u>\$13,049,947</u></b>	<b><u>\$18,495,955</u></b>	<b><u>\$534,930</u></b>	<b><u>74.7</u></b>
<b>TOTAL</b>	<b>\$40,352,217</b>	<b>\$8,271,385</b>	<b>\$13,049,947</b>	<b>\$18,495,955</b>	<b>\$534,930</b>	<b>74.7</b>
<b>Increase/(Decrease)</b>	<b>\$3,822,292</b>	<b>\$746,193</b>	<b>\$5,563,480</b>	<b>(\$2,585,280)</b>	<b>\$97,899</b>	<b>4.0</b>
Percentage Change	10.5%	9.9%	74.3%	(12.3%)	22.4%	5.7%

### FY 2012-13 Appropriation - Mid-year Adjustments

House Bill 13-100 makes adjustments related to a technical correction for the retirements line item, increases funding to addressing the risk management fund balance shortfall, and makes adjustments to the indirect cost assessment.



## **FY 2013-14 Appropriation – S.B. 13-230 (Long Bill) Issue Descriptions**

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

**Unspent Amendment 35 funds:** The appropriation includes additional Amendment 35 grant funds which were not expended in FY 2012-13.

**Local public health agency funding:** The appropriation increases General Fund for distribution to local public health agencies for the provision of the seven core public health services.

**Lean resources:** The appropriation includes an increase of reappropriated funds from departmental indirect cost recoveries and FTE for the expansion of the existing Lean program to all department divisions.

**Financial risk management:** The appropriation includes an increase of reappropriated funds from departmental indirect costs and FTE for the expansion of the financial risk management system to all department contractors.

**Indirect cost assessment:** The appropriation includes a net increase in the division's indirect cost assessment.

**Informational funds adjustments:** The appropriation includes an increase of federal funds reflected in the Long Bill for informational purposes only.

**Office of Health Disparities fund adjustment:** The appropriation includes a change in funding for the Office of Health Disparities from reappropriated funds to cash funds to accurately reflect the source of funding for the Office.

**Amendment 35 revenue adjustment:** The appropriation includes adjustments based on the FY 2013-14 Amendment 35 revenue forecast.

**Annualize prior year funding:** The appropriation includes adjustments related to prior year legislation and budget actions.

**Tobacco Master Settlement revenue adjustment:** The appropriation includes an adjustment based on revenue projected to be available from the tobacco master settlement agreement.

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### **Center for Health and Environmental Information**

This division is comprised of four subdivisions: Health Statistics and Vital Records, Medical Marijuana Registry, Information Technology Services, and Indirect Cost Assessment.

#### *(A) Health Statistics and Vital Records*

This subdivision is responsible for the maintenance of Colorado birth, death, marriage, divorce, and other vital records and issues related certificates. The subdivision administers the Voluntary Adoption Registry, which facilitates voluntary contact between Colorado-born adoptees 18 years of age and older and their birth parents.

Staff provide education and training on vital records rules, regulations and statutes to individuals and local public health agencies. Data users include the Center for Disease Control, local public health agencies, and epidemiologists. In FY 2012-13 this subdivision issued 150,400 birth certificates (note this does not equal the number of births because individuals may request multiple birth certificates for one individual). This subdivision is primarily funded with cash funds from the Vital Statistics Records Cash Fund and federal funds.

*(B) Medical Marijuana Registry*

The Department is required to administer the Medical Marijuana Registry, which serves as the state database for all individuals who have satisfied the medical requirements to use medical marijuana and have paid the Medical Marijuana Registry fee. As of January 1, 2013 there were 108,526 medical marijuana registry card holders. The Medical Marijuana Registry is entirely cash funded by the Medical Marijuana Program Cash Fund and was not impacted by any of the 2013 Session legislation on the implementation of Amendment 64.

*(C) Information Technology Services*

This subdivision contains the centrally appropriated information technology line items for services provided the Governor's Office of Information Technology to the Department. This subdivision is primarily funded by departmental indirect cost recoveries and federal funds.

<b>Center for Health and Environmental Information</b>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2012-13 Appropriation:</b>						
HB 12-1335	\$14,826,034	\$302,199	\$6,091,369	\$4,462,437	\$3,970,029	87.4
HB 12-1041	743,940	0	743,940	0	0	0.0
SB 13-011	6,976	0	6,976	0	0	0.1
SB 13-100	<u>486,935</u>	<u>417,565</u>	<u>768,740</u>	<u>(699,370)</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$16,063,885</b>	<b>\$719,764</b>	<b>\$7,611,025</b>	<b>\$3,763,067</b>	<b>\$3,970,029</b>	<b>87.5</b>
<b>FY 2013-14 Appropriation:</b>						
FY 2012-13 Appropriation	\$16,063,885	\$719,764	\$7,611,025	\$3,763,067	\$3,970,029	87.5
Informational funds adjustments	184,708	0	0	0	184,708	(9.6)
Colorado Grants Management System	50,000	0	0	50,000	0	0.0
Indirect cost assessment	(845,832)	0	(940,356)	0	94,524	0.0
Annualize prior year funding	(236,800)	0	(236,800)	0	0	0.0
Statewide IT common policy adjustments	(177,508)	(64,775)	(356,075)	591,235	(347,893)	0.0
<b>SB 13-230</b>	<b>\$15,031,477</b>	<b>\$654,989</b>	<b>\$6,070,818</b>	<b>\$4,404,302</b>	<b>\$3,901,368</b>	<b>77.8</b>
SB 13-011	<u>4,021</u>	<u>0</u>	<u>4,021</u>	<u>0</u>	<u>0</u>	<u>0.1</u>
<b>TOTAL</b>	<b>\$15,035,498</b>	<b>\$654,989</b>	<b>\$6,074,839</b>	<b>\$4,404,302</b>	<b>\$3,901,368</b>	<b>77.9</b>

Center for Health and Environmental Information						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Increase/(Decrease)	(\$1,028,387)	(\$64,775)	(\$1,536,186)	\$641,235	(\$68,661)	(9.6)
Percentage Change	(6.4%)	(9.0%)	(20.2%)	17.0%	(1.7%)	(11.0%)

### FY 2012-13 Appropriation - Mid-year Adjustments

Senate Bill 13-011 adds funding in FY 2012-13 for the increase in civil union certificates resulting from civil unions being issued starting May 1, 2013. S.B. 13-100 modified FY 2012-13 appropriations to make adjustments to the indirect cost assessment, and to fund the Department's share of the statewide accounting and reporting system.

### FY 2013-14 Appropriation – S.B. 13-230 (Long Bill) Issue Descriptions

**Informational funds adjustments:** The appropriation includes an increase of federal funds and a reduction of FTE reflected in the Long Bill for informational purposes only.

**Colorado Grants Management System:** The appropriation includes an increase of reappropriated funds for the expansion of the Colorado Grants Management System to all divisions.

**Indirect cost assessment:** The appropriation includes a net reduction in the division's indirect cost assessment.

**Annualize prior year funding:** The appropriation includes adjustments related to prior year legislation and budget actions.

**Statewide IT common policy adjustments:** The appropriation includes adjustments to line items appropriated for: purchase of services from the computer center; Colorado state network; management and administration of the Governor's Office of Information Technology (OIT); communication services payments, information technology security, and COFRS modernization.

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

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## Laboratory Services

This division is comprised of the: Director's Office, Chemistry and Microbiology Section, and the Certification Section. The Director's Office provides managerial and administrative support to the other sections. The Chemistry and Microbiology Section performs the following activities: analysis of blood and tissue specimens, testing for newborn genetic disorders, diagnostic testing for bacterial diseases, analysis for disease outbreaks, and water and environmental testing. The Certification Section certifies private medical laboratories, state and local law enforcement breath-alcohol testing devices (intoxilyzers), and environmental laboratories, including water testing laboratories, and on-site dairy laboratories. This division is primarily funded with cash funds from the Newborn Screening and Genetic Counseling Cash Fund, the Laboratory Cash Fund, the Law Enforcement Assistance Fund, and federal funds.

<b>Laboratory Services</b>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2012-13 Appropriation:</b>						
HB 12-1335	\$12,248,883	\$1,058,393	\$7,509,574	\$233,628	\$3,447,288	68.8
SB 13-100	<u>119,808</u>	<u>0</u>	<u>246,796</u>	<u>0</u>	<u>(126,988)</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$12,368,691</b>	<b>\$1,058,393</b>	<b>\$7,756,370</b>	<b>\$233,628</b>	<b>\$3,320,300</b>	<b>68.8</b>
<b>FY 2013-14 Appropriation:</b>						
FY 2012-13 Appropriation	\$12,368,691	\$1,058,393	\$7,756,370	\$233,628	\$3,320,300	68.8
Informational funds adjustments	352,596	0	0	0	352,596	5.4
Indirect cost assessment	160,604	0	100,000	0	60,604	0.0
Water Quality Control Division FTE	98,754	0	0	98,754	0	0.0
<b>SB 13-230</b>	<b>\$12,980,645</b>	<b>\$1,058,393</b>	<b>\$7,856,370</b>	<b>\$332,382</b>	<b>\$3,733,500</b>	<b>74.2</b>
HB 13-1317	<u>87,615</u>	<u>0</u>	<u>87,615</u>	<u>0</u>	<u>0</u>	<u>1.0</u>
<b>TOTAL</b>	<b>\$13,068,260</b>	<b>\$1,058,393</b>	<b>\$7,943,985</b>	<b>\$332,382</b>	<b>\$3,733,500</b>	<b>75.2</b>
<b>Increase/(Decrease)</b>	\$699,569	\$0	\$187,615	\$98,754	\$413,200	6.4
Percentage Change	5.7%	0.0%	2.4%	42.3%	12.4%	9.3%

### **FY 2012-13 Appropriation - Mid-year Adjustments**

Senate Bill 13-100 modifies FY 2012-13 appropriations to adjust the indirect cost assessment for this division.

### **FY 2013-14 Appropriation – S.B. 13-230 (Long Bill) Issue Descriptions**

**Informational funds adjustment:** The appropriation includes an increase of federal funds and FTE reflected in the Long Bill for informational purposes only.

**Indirect cost assessment:** The appropriation includes a net increase in the division's indirect cost assessment.

**Water Quality Control Division FTE:** The appropriation includes an increase of reappropriated funds from the Water Quality Control Division for an increase of laboratory services related to an increase of Water Quality Control Division staff.

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

### **Air Pollution Control Division**

This division is comprised of four subdivisions: Administration, Technical Services, Mobile Sources, and Stationary Sources. The division's major sources of cash funds are fees charged for air pollution permits and inspections.

*(A) Administration*

This subdivision provides administrative support to the Air Quality Control Commission and manages the implementation of air programs by the other subdivisions.

*(B) Technical Services*

This subdivision houses the Air Quality Monitoring; Modeling and Analysis; and Visibility and Risk Assessment programs.

*(C) Mobile Sources*

This subdivision is comprised of the Research and Support Program which contains three subprograms: (1) the High Altitude Testing Program; (2) the Oxygenated Fuel Program; and (3) the Clean Fuel Fleet Program. The subdivision also contains the Inspection and Maintenance Program which works to reduce motor vehicle-related pollution through the inspection and emissions-related repair of motor vehicles. Emissions testing of gas and diesel powered vehicles is required when registering, renewing registrations, or selling vehicles within the program areas along Colorado's Front Range.

*(D) Stationary Sources*

This subdivision is responsible for controlling and reducing air pollutants from stationary sources (i.e., factories, power plants, wood stoves, etc.). The staff permit, monitor, and inspect stationary sources that emit air pollutants. The subdivision houses the following three programs: the Inventory and Support Services Program, the Permits and Compliance Assurance Program, and the Hazardous and Toxic Control Program. During FY 2012-13 staff conducted 1,831 inspections of air emissions from oil and gas sites.

<b>Air Pollution Control Division</b>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2012-13 Appropriation:</b>						
HB 12-1335	\$20,553,029	\$0	\$16,614,648	\$0	\$3,938,381	169.4
SB 13-100	<u>(421,609)</u>	<u>0</u>	<u>(421,609)</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$20,131,420</b>	<b>\$0</b>	<b>\$16,193,039</b>	<b>\$0</b>	<b>\$3,938,381</b>	<b>169.4</b>
<b>FY 2013-14 Appropriation:</b>						
FY 2012-13 Appropriation	\$20,131,420	\$0	\$16,193,039	\$0	\$3,938,381	169.4
Informational funds adjustments	905,106	0	0	0	905,106	0.0
Air emission study	590,086	0	590,086	0	0	0.0
Indirect cost assessment	545,601	0	421,136	0	124,465	0.0
Infrared cameras	494,873	494,873	0	0	0	5.0
Annualize prior year funding	(48,360)	0	(48,360)	0	0	0.0
<b>SB 13-230</b>	<b><u>\$22,618,726</u></b>	<b><u>\$494,873</u></b>	<b><u>\$17,155,901</u></b>	<b><u>\$0</u></b>	<b><u>\$4,967,952</u></b>	<b><u>174.4</u></b>
<b>TOTAL</b>	<b>\$22,618,726</b>	<b>\$494,873</b>	<b>\$17,155,901</b>	<b>\$0</b>	<b>\$4,967,952</b>	<b>174.4</b>
<b>Increase/(Decrease)</b>	<b>\$2,487,306</b>	<b>\$494,873</b>	<b>\$962,862</b>	<b>\$0</b>	<b>\$1,029,571</b>	<b>5.0</b>

Air Pollution Control Division						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Percentage Change	12.4%	n/a	5.9%	n/a	26.1%	3.0%

### **FY 2012-13 Appropriation - Mid-year Adjustments**

Senate Bill 13-100 modifies FY 2012-13 appropriations to adjust the indirect cost assessment for this division.

### **FY 2013-14 Appropriation – S.B. 13-230 (Long Bill) Issue Descriptions**

**Informational funds adjustments:** The appropriation includes an increase of federal funds reflected in the Long Bill for informational purposes only.

**Air emission study:** The appropriation includes an increase of cash funds for the first year of the air emission study to be conducted in the northern Front Range area.

**Indirect cost assessment:** The appropriation includes a net increase in the division's indirect cost assessment.

**Infrared cameras:** The appropriation includes an increase of General Fund and FTE for the first year of the two year statewide air emission survey conducted with infrared cameras.

**Annualize prior year funding:** The appropriation includes adjustments related to prior year legislation and budget actions.

## **Water Quality Control Division**

This division is comprised of the Clean Water Program and the Drinking Water Program. The division's major sources of cash funds are fees charged for water quality permits, and reappropriated funds from the Department of Agriculture for groundwater protection.

### *(A) Clean Water Program*

This Program is responsible for training and certifying the operators of all water and wastewater treatment facilities in the state, and is comprised of the Watershed Assessment, Outreach, and Assistance Program which houses three sections: monitoring, assessment, and outreach. The Program also includes an administration section which provides management and support staff for the Water Quality Control Commission, clerical support for other subdivisions, as needed, and maintains a centralized records system for the Division. The subdivision also includes the Permitting and Compliance Assurance Program which is responsible for issuing discharge permits, monitoring compliance with permits, conducting inspections, providing technical assistance, and as necessary, pursuing enforcement actions.

### *(B) Drinking Water Program*

The Drinking Water Program is established under the federal Safe Drinking Water Act, and is used to implement measures to ensure that public water systems throughout Colorado provide safe drinking water for Colorado citizens.

<b>Water Quality Control Division</b>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2012-13 Appropriation:</b>						
HB 12-1335	\$22,123,718	\$2,536,466	\$5,151,201	\$39,673	\$14,396,378	158.5
HB 12-1126	8,530	0	8,530	0	0	0.1
SB 13-100	<u>139,052</u>	<u>0</u>	<u>139,052</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$22,271,300</b>	<b>\$2,536,466</b>	<b>\$5,298,783</b>	<b>\$39,673</b>	<b>\$14,396,378</b>	<b>158.6</b>
<b>FY 2013-14 Appropriation:</b>						
FY 2012-13 Appropriation	\$22,271,300	\$2,536,466	\$5,298,783	\$39,673	\$14,396,378	158.6
Water Quality Control Division FTE	1,209,598	1,209,598	0	0	0	14.6
Indirect cost assessment	211,207	0	49,060	0	162,147	0.0
Informational funds adjustments	(1,022,025)	0	0	0	(1,022,025)	0.0
Annualize prior year funding	(8,530)	0	(8,530)	0	0	(0.1)
<b>SB 13-230</b>	<b>\$22,661,550</b>	<b>\$3,746,064</b>	<b>\$5,339,313</b>	<b>\$39,673</b>	<b>\$13,536,500</b>	<b>173.1</b>
HB 13-1191	<u>15,000,000</u>	<u>15,000,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$37,661,550</b>	<b>\$18,746,064</b>	<b>\$5,339,313</b>	<b>\$39,673</b>	<b>\$13,536,500</b>	<b>173.1</b>
<b>Increase/(Decrease)</b>	\$15,390,250	\$16,209,598	\$40,530	\$0	(\$859,878)	14.5
Percentage Change	69.1%	639.1%	0.8%	0.0%	(6.0%)	9.1%

### **FY 2012-13 Appropriation - Mid-year Adjustments**

Senate Bill 13-100 modifies FY 2012-13 appropriations to adjust the indirect cost assessment for this division.

### **FY 2013-14 Appropriation – S.B. 13-230 (Long Bill) Issue Descriptions**

**Water Quality Control Division FTE:** The appropriation includes additional General Fund and FTE to increase the staffing levels for the two water quality control division programs (the number of FTE will increase to 16.0 FTE in FY 2014-15 due to the pay date shift for FTE paid with General Fund).

**Indirect cost assessment:** The appropriation includes a net increase in the division's indirect cost assessment.

**Informational funds adjustments:** The appropriation includes a reduction of federal funds reflected in the Long Bill for informational purposes only.

**Annualize prior year funding:** The appropriation includes adjustments related to prior year legislation and budget actions.

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

## **Hazardous Materials and Waste Management Division**

This division is comprised of six subdivisions: Administration, Hazardous Waste Control Program, Solid Waste Control Program, Contaminated Site Cleanups and Remediation Programs, Radiation Management, and Waste Tire Program.

### *(A) Administration*

This Office provides division-wide administrative and management support services. The primary source of funding is various division cash funds, reappropriated funds from the Local Governmental Severance Tax Fund, and federal funds.

### *(B) Hazardous Waste Control Program*

This subdivision has four primary responsibilities: permitting, compliance assurance, corrective action, and compliance assistance. This subdivision monitors compliance and enforces hazardous waste regulations over 500 large-quantity hazardous waste generators, 3,000 small generators, hazardous waste transporters, and 50 hazardous waste treatment, storage and disposal facilities. Funding for this subdivision is from the Hazardous Waste Service Cash Fund and federal funds

### *(C) Solid Waste Control Program*

This subdivision is responsible for the regulation of all solid waste management facilities in Colorado, including landfills, composting facilities, recycling facilities, transfer facilities, certain types of waste surface impoundments, asbestos waste facilities, solid waste incinerators, medical waste facilities, and scrap tire haulers and disposal facilities. This subdivision is also responsible for the Waste Tire Management Program which is responsible for enforcing rules governing waste tire disposal and use. Funding for this subdivision is from cash funds, including the Solid Waste Management Fund, Waste Tire Prevention Fund, and Waste Tire Cleanup Fund.

### *(D) Contaminated site Cleanups and Remediation Programs*

This subdivision contains four programs outlined below and is funded primarily from the Hazardous Substance Response Fund and federal funds.

- Superfund Program which works with the Environmental Protection Agency as either the lead agency or support agency in the review and implementation of cleanup plans and oversight of the cleanup work. Funding for cleanup of the Rocky Mountain Arsenal superfund site is included in this program.
- The Contaminated Site Cleanups Program which works to facilitate the cleanup of contaminated sites that have not been designated as superfund sites.
- Provision of Compensation and Liability Act (CERCLA) technical support to the Department of Law.
- The Uranium Mill Tailings Remedial Action Program, which assists local governments in managing mill tailings that were not removed during the cleanup and are disturbed during road work or other renewal or building activities.

### *(E) Radiation Management*

This subdivision provides regulatory services for radioactive materials through the review of license applications and inspections of facilities; administration of contract services with local public health agencies for indoor radon testing, prevention, and education; and the monitoring low-level radioactive waste producers by ensuring proper and economically sound disposal. Funding for this subdivision is primarily from the Radiation Control Fund and federal funds.



*(F) Waste Tire Program*

The Waste Tire Program has established a comprehensive "cradle-to-grave" management system to track tires from the moment they are removed from a vehicle until they are appropriately disposed of or recycled. The Program is responsible for the following:

- Regulation of waste tire haulers and facilities that generate, collect, store, process and/or use waste tires;
- Awarding grants to local agencies for equipment, training and other activities related to prevention and response to waste tire fires;
- Developing initiatives designed to encourage the disposal, recycling or reuse of illegally dumped tires and the recycling or reuse of waste tires; and
- Reimbursements to waste tire processors and end users.

<b>Hazardous Materials and Waste Management Division</b>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2012-13 Appropriation:</b>						
HB 12-1335	\$21,290,710	\$0	\$13,785,252	\$279,991	\$7,225,467	\$111.8
HB 12-1099	25,000	0	25,000	0	0	0.0
SB 13-100	<u>386,357</u>	<u>0</u>	<u>309,031</u>	<u>0</u>	<u>77,326</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$21,702,067</b>	<b>\$0</b>	<b>\$14,119,283</b>	<b>\$279,991</b>	<b>\$7,302,793</b>	<b>111.8</b>
<b>FY 2013-14 Appropriation:</b>						
FY 2012-13 Appropriation	\$21,702,067	\$0	\$14,119,283	\$279,991	\$7,302,793	111.8
Long Bill structure change	5,917,428	0	5,917,428	0	0	2.0
Informational funds adjustments	2,368,440	0	0	0	2,368,440	0.0
Indirect cost assessment	198,053	0	135,388	0	62,665	0.0
Uranium mill oversight	120,000	0	120,000	0	0	0.0
Centrally appropriated line items	74,281	0	48,557	69	25,655	0.0
Transfer to Department of Law	38,119	0	38,119	0	0	0.0
Annualize prior year funding	(58,340)	0	(58,340)	0	0	0.0
<b>SB 13-230</b>	<b>\$30,360,048</b>	<b>\$0</b>	<b>\$20,320,435</b>	<b>\$280,060</b>	<b>\$9,759,553</b>	<b>113.8</b>
SB 13-219	<u>61,491</u>	<u>0</u>	<u>61,491</u>	<u>0</u>	<u>0</u>	<u>0.5</u>
<b>TOTAL</b>	<b>\$30,421,539</b>	<b>\$0</b>	<b>\$20,381,926</b>	<b>\$280,060</b>	<b>\$9,759,553</b>	<b>114.3</b>
<b>Increase/(Decrease)</b>	<b>\$8,719,472</b>	<b>\$0</b>	<b>\$6,262,643</b>	<b>\$69</b>	<b>\$2,456,760</b>	<b>2.5</b>
Percentage Change	40.2%	n/a	44.4%	0.0%	33.6%	2.2%

## **FY 2012-13 Appropriation - Mid-year Adjustments**

Senate Bill 13-100 modifies FY 2012-13 appropriations to adjust the indirect cost assessment for this division, and increased funding for legal services by 3,010 hours.

## **FY 2013-14 Appropriation – S.B. 13-230 (Long Bill) Issue Descriptions**

**Long Bill structure change:** The appropriation includes an increase of cash funds and FTE to consolidate the funding for the Waste Tire Program within one Long Bill division.

**Informational funds adjustments:** The appropriation includes an increase of federal funds reflected in the Long Bill for informational purposes only.

**Indirect cost assessment:** The appropriation includes a net increase in the division's indirect cost assessment.

**Uranium mill oversight:** The appropriation includes an increase of cash funds for continuing oversight of two uranium mill projects.

**Centrally appropriated line items:** The appropriation includes adjustments to the legal services rate.

**Transfer to Department of Law:** The appropriation includes an increase in cash funds that are transferred to the Department of Law for work related to contaminated site maintenance and cleanup.

**Annualize prior year funding:** The appropriation includes adjustments related to prior year legislation and budget actions.

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

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## **Division of Environmental Health and Sustainability**

This Division is responsible for programs designed to protect the public from disease and injury through identification and control of environmental factors in food, drugs, medical devices, institutions, consumer products, and insect and rodent vectors affecting public health. The Division has responsibility for the following programs that are funded with General Fund, cash funds from inspection fees, and federal funds.

- The Dairy Inspection Program inspects dairy farms; milk haulers, tankers and receivers; milk cooperatives; milk processing plants; and manufactured dairy product plants.
- The Retail Food Service Inspection Program inspects restaurants, grocery stores, school cafeterias, and food programs for the elderly.
- The Wholesale Food Manufacturing and Storage Program inspects food storage and warehouse facilities, food manufacturers, and shellfish dealers.
- The Insect/Vector Control Program monitors diseases that are spread by insects and rodents, such as encephalitis, the bubonic plague, and West Nile Virus.

- The Environmental Institutions Program inspects child care centers, summer camps, public and private schools, and private correctional facilities.
- The Health Fraud Program prepares and disseminates information related to potentially harmful and/or recalled products.
- The Drug/Medical Device Program inspects body art facilities, drug manufacturers, and medical device manufacturers.
- Three environmental sustainability programs including: the: Recycling Resources Program Economic Opportunity Program which works to enhance pollution prevention efforts involving multiple Department divisions and a variety of media (air, water, and waste), and the Animal Feeding Operations Program which regulates animal feeding operations, including the Housed Commercial Swine Feeding Operations Program.
- Inspecting tanning facilities and responding to complaints about hotels, motels, mobile home park operators, and camp ground operators.

Division of Environmental Health and Sustainability						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2012-13 Appropriation:</b>						
HB 12-1335	\$12,649,451	\$1,253,938	\$9,310,392	\$88,929	\$1,996,192	44.1
SB 13-100	<u>1,389,472</u>	<u>0</u>	<u>1,487,620</u>	<u>0</u>	<u>(98,148)</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$14,038,923</b>	<b>\$1,253,938</b>	<b>\$10,798,012</b>	<b>\$88,929</b>	<b>\$1,898,044</b>	<b>44.1</b>
<b>FY 2013-14 Appropriation:</b>						
FY 2012-13 Appropriation	\$14,038,923	\$1,253,938	\$10,798,012	\$88,929	\$1,898,044	44.1
Waste tire revenue adjustment	782,446	0	782,446	0	0	0.0
Indirect cost assessment	336,454	0	244,958	0	91,496	0.0
Adjustment to funds from DOC	16,504	0	0	16,504	0	0.0
Long Bill structure change	(5,917,428)	0	(5,917,428)	0	0	(1.0)
Annualize prior year funding	(1,666,830)	0	(1,666,830)	0	0	0.0
Informational funds adjustments	(165,140)	0	0	0	(165,140)	0.0
<b>SB 13-230</b>	<b>\$7,424,929</b>	<b>\$1,253,938</b>	<b>\$4,241,158</b>	<b>\$105,433</b>	<b>\$1,824,400</b>	<b>43.1</b>
SB 13-050	<u>204,593</u>	<u>0</u>	<u>204,593</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$7,629,522</b>	<b>\$1,253,938</b>	<b>\$4,445,751</b>	<b>\$105,433</b>	<b>\$1,824,400</b>	<b>43.1</b>
<b>Increase/(Decrease)</b>	<b>(\$6,409,401)</b>	<b>\$0</b>	<b>(\$6,352,261)</b>	<b>\$16,504</b>	<b>(\$73,644)</b>	<b>(1.0)</b>
Percentage Change	(45.7%)	0.0%	(58.8%)	18.6%	(3.9%)	(2.3%)

## **FY 2012-13 Appropriation - Mid-year Adjustments**

Senate Bill 13-100 modifies FY 2012-13 appropriations to adjust the indirect cost assessment for this division and increased funding for the Waste Tire Program processors and end users reimbursements.

## **FY 2013-14 Appropriation – S.B. 13-230 (Long Bill) Issue Descriptions**

**Waste tire revenue adjustment:** The appropriation includes an increase of cash funds from the Processors and End Users Fund to reflect anticipated revenues in FY 2013-14.

**Indirect cost assessment:** The appropriation includes a net increase in the division's indirect cost assessment.

**Adjustment to funds from DOC:** The appropriation includes an increase of reappropriated funds from the Department of Corrections (DOC) related to contract renewals for inspection of correctional facility food areas.

**Long Bill structure change:** The appropriation includes a decrease of cash funds and FTE to consolidate the funding for the Waste Tire Program within one Long Bill division.

**Annualize prior year funding:** The appropriation includes adjustments related to prior year legislation and budget actions.

**Informational funds adjustments:** The appropriation includes a reduction of federal funds reflected in the Long Bill for informational purposes only.

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

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## **Disease Control and Environmental Epidemiology Division**

This division is comprised of three subdivisions: Administration, General Disease Control, and Surveillance; Special Purpose Disease Control Programs; and Environmental Epidemiology. The primary sources of funding for this division include General Fund, cash funds from the tobacco master settlement agreement, and federal funds.

### *(A) Administration, General Disease Control and Surveillance*

This subdivision has three areas of responsibility: (1) provision of division-wide administration and support, (2) maintaining and monitoring the disease-monitoring network, and (3) operation of the immunization program.

The Immunization Program consists of the following components:

- The Immunization Outreach Program which provides free immunization clinics around the state.
- The Colorado Immunization Information System collects and stores a child's immunization records, which enables health care providers to easily check a child's immunization status during a health care visit. This helps ensure a child is up-to-date on their immunizations and are not over-immunized. The system can also send reminders to parents of children who are not up-to-date on their immunizations. At kindergarten entry 78.6 percent of children are up to date on their immunizations.
- Provision of grants to local public health agencies for the operation of immunization clinics.

*(B) Special Purpose Disease Control Programs*

This subdivision is responsible for disease control programs which work to control and prevent certain communicable diseases including sexually transmitted infections, HIV and AIDS, and tuberculosis.

*(C) Environmental Epidemiology*

This subdivision is responsible for the Birth Defects Monitoring and Prevention Program, which identifies children up to age three who have birth defects, developmental disabilities, or risks of developmental delay. Once a child is identified as eligible for the program, they are referred to a community provider of early intervention services, with the goal of reducing and/or preventing secondary disabilities.

<b>Disease Control and Environmental Epidemiology Division</b>						
	<b>Total Funds</b>	<b>General Fund<sup>1,2</sup></b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2012-13 Appropriation:</b>						
HB 12-1335	\$50,545,447	\$5,549,313	\$6,780,167	\$0	\$38,215,967	145.0
SB 13-100	<u>31,319</u>	<u>0</u>	<u>31,319</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$50,576,766</b>	<b>\$5,549,313</b>	<b>\$6,811,486</b>	<b>\$0</b>	<b>\$38,215,967</b>	<b>145.0</b>
<b>FY 2013-14 Appropriation:</b>						
FY 2012-13 Appropriation	\$50,576,766	\$5,549,313	\$6,811,486	\$0	\$38,215,967	145.0
Informational funds adjustments	46,544,088	0	0	0	46,544,088	0.0
Indirect cost assessment	107,313	0	0	0	107,313	0.0
Financial risk management	0	0	0	0	0	(0.5)
Tobacco settlement revenue adjustment	(250,622)	0	(250,622)		0	0.0
Amendment 35 revenue adjustment	(6,600)	(3,300)	(3,300)	0	0	0.0
Preventive health programs	(168)	251,000	0	0	(251,168)	2.4
<b>SB 13-230</b>	<b>\$96,970,777</b>	<b>\$5,797,013</b>	<b>\$6,557,564</b>	<b>\$0</b>	<b>\$84,616,200</b>	<b>146.9</b>
SB 13-222	68,054	68,054	0	0	0	1.0
SB 13-283	<u>307,542</u>	<u>0</u>	<u>307,542</u>	<u>0</u>	<u>0</u>	<u>4.0</u>
<b>TOTAL</b>	<b>\$97,346,373</b>	<b>\$5,865,067</b>	<b>\$6,865,106</b>	<b>\$0</b>	<b>\$84,616,200</b>	<b>151.9</b>
<b>Increase/(Decrease)</b>	<b>\$46,769,607</b>	<b>\$315,754</b>	<b>\$53,620</b>	<b>\$0</b>	<b>\$46,400,233</b>	<b>6.9</b>
Percentage Change	92.5%	5.7%	0.8%	n/a	121.4%	4.8%

/1 Includes \$441,600 General Fund Exempt in FY 2012-13 and \$438,300 General Fund Exempt in FY 2013-14.

/2 Includes \$441,600 in FY 2012-13 and \$438,300 in FY 2013-14 that is exempt from the statutory limit on state General Fund appropriations pursuant to Section 24-75-201.1, C.R.S.

<b>General Fund Summary</b>	<b>Total General Fund</b>	<b>General Fund</b>	<b>General Fund Exempt</b>
<b>FY 2012-13 Appropriation</b>	\$5,549,313	\$5,107,713	\$441,600
Preventive Health Programs	251,000	251,000	0
Amendment 35 tobacco tax revenue adjustment	(3,300)	0	(3,300)

General Fund Summary	Total General Fund	General Fund	General Fund Exempt
S.B. 13-222	<u>68,054</u>	<u>68,054</u>	<u>0</u>
<b>Total FY 2013-14 Appropriation</b>	\$5,865,067	\$5,426,767	\$438,300

### General Fund Exempt

Of the total Amendment 35 tax revenue, 0.6 percent is deposited into the Tobacco Tax Cash Fund and must be appropriated to the General Fund, and then half is reappropriated to this Department and the other half is reappropriated to the Department of Health Care Policy and Financing for health-related purposes. This 0.6 percent must go into the exempt account of the General Fund because it derives from a voter-approved tax increase thus making these dollars exempt from TABOR. The Department uses its portion to support the Immunization Program.

### FY 2012-13 Appropriation - Mid-year Adjustments

Senate Bill 13-100 modifies FY 2012-13 appropriations to adjust the indirect cost assessment for this division.

### FY 2013-14 Appropriation – S.B. 13-230 (Long Bill) Issue Descriptions

**Informational funds adjustments:** The appropriation includes an increase of federal funds reflected in the Long Bill for informational purposes only.

**Indirect cost assessment:** The appropriation includes a net increase in the division's indirect cost assessment.

**Financial risk management:** The appropriation includes a reduction of FTE which are transferred to the Administration and Support Division for the expansion of the financial risk management system to all Department contractors.

**Tobacco settlement revenue adjustment:** The appropriation includes an adjustment based on the FY 2013-14 projection of tobacco master settlement revenue.

**Amendment 35 revenue adjustment:** The appropriation includes an adjustment based on the FY 2013-14 projection of Amendment 35 tobacco tax revenue.

**Preventive health programs:** The appropriation includes an increase of General Fund to offset the loss of federal funds in order to enable the Department to continue the work of three preventive health programs.

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

### Prevention Services Division

This division is comprised of the following five subdivisions: Administration, Chronic Disease Prevention Programs, Primary Care Office, Family and Community Health, and Nutrition Services.

*(A) Administration*

This subdivision provides administrative services to the other division programs. Funding is General Fund, various division cash funds, and federal funds.

*(B) Chronic Disease Prevention Programs*

These programs target the prevention of specific chronic diseases including: breast and cervical cancer, lung cancer, and cardiovascular and chronic pulmonary disease. This subdivision also includes oral health programs, and tobacco cessation, education, and prevention programs. Funding is cash funds from the tobacco settlement and tobacco tax revenue, and federal funds.

*(C) Primary Care Office*

This Office assesses the need for primary health care professionals in various parts of the state and directs incentives to qualified professionals and clinics willing to serve in areas that are short of providers. Funding for the Office is cash funds from the tobacco settlement revenue and federal funds.

*(D) Family and Community Health*

This subdivision includes the following three program areas: (1) Women's Health Programs, (2) Children and Youth Programs, and (3) Injury, Suicide, and Violence Prevention Programs. Women's Health Programs include health services for low-income women, prenatal and postpartum services, and counseling and education to low-income pregnant women and their newborns. Children and Youth Programs include the children with special needs health care program, genetics counseling for children with possible genetic disorders, and school-based health centers. Injury, Suicide and Prevention Programs include: suicide and injury prevention programs, the Tony Grampas Youth Services Program which works to reduce youth violence, and the Colorado Children's Trust. Funding for this subdivision includes General Fund, federal funds, and cash funds from the tobacco settlement revenue and the Nurse Home Visitor Cash Fund. Note effective July 1, 2013 the Tony Grampas Youth Services Program and the Nurse Home Visitor Program will reside in the Department of Human Services pursuant to H.B. 13-1117.

*(E) Nutrition Services*

This subdivision includes the Women, Infants and Children (WIC) Nutrition Program and the Child and Adult Food Care Program. WIC provides a monthly check to low-income (185.0 percent of the federal poverty level) women and children who are at-risk of poor nutritional options. The Child and Adult Food Care Program provides reimbursement for nutritious foods to participating child care centers, Head Start programs, family day care homes, and adult day care centers. These programs are entirely federally funded.

<b>Prevention Services Division</b>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2012-13 Appropriation:</b>						
HB 12-1335	\$225,638,696	\$6,195,312	\$68,356,076	\$1,510,817	\$149,576,491	178.0
HB 12-1326	3,022,800	3,022,800	0	0	0	1.0
SB 13-100	<u>(205,356)</u>	<u>0</u>	<u>(205,356)</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$228,456,140</b>	<b>\$9,218,112</b>	<b>\$68,150,720</b>	<b>\$1,510,817</b>	<b>\$149,576,491</b>	<b>179.0</b>

<b>Prevention Services Division</b>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2013-14 Appropriation:</b>						
FY 2012-13 Appropriation	\$228,456,140	\$9,218,112	\$68,150,720	\$1,510,817	\$149,576,491	179.0
School-based Health Centers	4,266,501	4,266,501	0	0	0	2.2
Unspent Amendment 35 grant funds	4,000,000	0	4,000,000	0	0	0.0
Tony Gramscas Program increase	1,453,849	1,453,849	0	0	0	0.0
Tobacco settlement revenue adjustment	518,828	0	518,828	0	0	0.0
Informational funds adjustments	239,445	0	0	0	239,445	7.9
Financial risk management	0	0	0	0	0	(1.0)
Lean resources	0	0	0	0	0	(1.0)
Amendment 35 revenue adjustment	(1,535,149)	0	(1,535,149)	0	0	0.0
Indirect cost assessment	(50,248)	0	19,700	0	(69,948)	0.0
Annualize prior year funding	(46,215)	0	46,215	(92,430)	0	0.0
<b>SB 13-230</b>	<b>\$237,303,151</b>	<b>\$14,938,462</b>	<b>\$71,200,314</b>	<b>\$1,418,387</b>	<b>\$149,745,988</b>	<b>187.1</b>
SB 13-232	0	0	0	0	0	0.0
SB 13-255	456,966	456,966	0	0	0	4.0
HB 13-1117	(19,904,563)	(1,453,849)	(17,602,514)	0	(848,200)	(7.5)
HB 13-1239	<u>(133,284)</u>	<u>(133,284)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(2.0)</u>
<b>TOTAL</b>	<b>\$217,722,270</b>	<b>\$13,808,295</b>	<b>\$53,597,800</b>	<b>\$1,418,387</b>	<b>\$148,897,788</b>	<b>181.6</b>
<b>Increase/(Decrease)</b>	<b>(\$10,733,870)</b>	<b>\$4,590,183</b>	<b>(\$14,552,920)</b>	<b>(\$92,430)</b>	<b>(\$678,703)</b>	<b>2.6</b>
Percentage Change	(4.7%)	49.8%	(21.4%)	(6.1%)	(0.5%)	1.5%

### **FY 2012-13 Appropriation - Mid-year Adjustments**

Senate Bill 13-100 modifies FY 2012-13 appropriations to adjust the indirect cost assessment for this division.

### **FY 2013-14 Appropriation – S.B. 13-230 (Long Bill) Issue Descriptions**

**School-based Health Centers:** The appropriation includes an increase of General Fund and FTE for the expansion of the School-based Health Centers Grant Program.

**Unspent Amendment 35 grant funds:** The appropriation includes additional cash funds of Amendment 35 grant funds which were not expended in FY 2012-13.

**Tony Gramscas Program increase:** The appropriation includes an increase of General Fund for the Tony Gramscas Youth Services Program.



**Tobacco settlement revenue adjustment:** The appropriation includes an adjustment based on the FY 2013-14 projection of tobacco master settlement revenue.

**Informational funds adjustments:** The appropriation includes an increase of federal funds and FTE reflected in the Long Bill for informational purposes only.

**Financial risk management:** The appropriation includes a reduction of FTE which is transferred to the Administration and Support Division for the expansion of the financial risk management system to all department contractors.

**Lean resources:** The appropriation includes a reduction of FTE which is transferred to the Administration and Support Division for the expansion of the existing Lean program to all department divisions.

**Amendment 35 revenue adjustment:** The appropriation includes an adjustment based on the FY 2013-14 projection of Amendment 35 tobacco tax revenue.

**Indirect cost assessment:** The appropriation includes a net reduction in the division's indirect cost assessment.

**Annualize prior year funding:** The appropriation includes adjustments related to prior year legislation and budget actions.

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

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## Health Facilities and Emergency Medical Services Division

This division is comprised of three subdivisions: Licensure, Emergency Medical Services, and Indirect Cost Assessment.

### *(A) Licensure*

This subdivision licenses, certifies, and inspects a variety of different types of health facilities in an effort to assure that patients and residents receive quality care, by focusing on education, inspection, investigation of complaints, and enforcement. It is responsible for establishing and enforcing standards for emergency medical services. Funding for this subdivision is from fees paid for licenses and Medicaid reappropriated funds from the Department of Health Care Policy and Financing. For FY 2012-13 staff conducted approximately 3,900 health facility inspections.

### *(B) Emergency Medical Services*

This subdivision certifies and regulates emergency medical services providers, licenses air ambulance agencies, administers grants, and coordinates the designation of trauma centers. Funding for this subdivision is primarily cash funds from the Emergency Medical Services Account of the Highway Users Tax Fund.

Health Facilities and Emergency Medical Services Division						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2012-13 Appropriation:</b>						
HB 12-1335	\$26,461,865	\$1,681,419	\$14,954,737	\$4,570,746	\$5,254,963	149.8

<b>Health Facilities and Emergency Medical Services Division</b>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
SB 13-100	201,149	0	201,149	0	0	0.0
HB 12-1294	<u>183,730</u>	<u>0</u>	<u>183,730</u>	<u>0</u>	<u>0</u>	<u>2.4</u>
<b>TOTAL</b>	<b>\$26,846,744</b>	<b>\$1,681,419</b>	<b>\$15,339,616</b>	<b>\$4,570,746</b>	<b>\$5,254,963</b>	<b>152.2</b>
<b>FY 2013-14 Appropriation:</b>						
FY 2012-13 Appropriation	\$26,846,744	\$1,681,419	\$15,339,616	\$4,570,746	\$5,254,963	152.2
Indirect cost assessment	146,412	0	0	0	146,412	0.0
Informational funds adjustments	17,183	0	0	0	17,183	0.0
Annualize prior year funding	(473,439)	(73,157)	(457,179)	30,772	26,125	(13.3)
<b>SB 13-230</b>	<b><u>\$26,536,900</u></b>	<b><u>\$1,608,262</u></b>	<b><u>\$14,882,437</u></b>	<b><u>\$4,601,518</u></b>	<b><u>\$5,444,683</u></b>	<b><u>138.9</u></b>
<b>TOTAL</b>	<b>\$26,536,900</b>	<b>\$1,608,262</b>	<b>\$14,882,437</b>	<b>\$4,601,518</b>	<b>\$5,444,683</b>	<b>138.9</b>
<b>Increase/(Decrease)</b>	<b>(\$309,844)</b>	<b>(\$73,157)</b>	<b>(\$457,179)</b>	<b>\$30,772</b>	<b>\$189,720</b>	<b>(13.3)</b>
Percentage Change	(1.2%)	(4.4%)	(3.0%)	0.7%	3.6%	(8.7%)

Note: The reappropriated funds reflected in the above table are Medicaid reappropriated funds transferred from the Department of Health Care Policy and Financing (HCPF). Medicaid funds originate as General Fund and federal funds in HCPF and are shown as reappropriated funds in this department.

### **FY 2012-13 Appropriation - Mid-year Adjustments**

Senate Bill 13-100 modifies FY 2012-13 appropriations to adjust the indirect cost assessment for this division.

### **FY 2013-14 Appropriation – S.B. 13-230 (Long Bill) Issue Descriptions**

**Indirect cost assessment:** The appropriation includes a net increase in the division's indirect cost assessment.

**Informational funds adjustments:** The appropriation includes an increase of federal funds reflected in the Long Bill for informational purposes only.

**Annualize prior year funding:** The appropriation includes adjustments related to prior year legislation and budget actions.

### **Emergency Preparedness and Response Division**

This division helps responders prepare for a wide variety of man-made and natural disasters, including floods, wildfires, tornados, infectious disease epidemics, food and water borne disease outbreaks, and terrorist attacks. The Division coordinates a statewide network of laboratories, agencies, hospitals, and other resources. Approximately half of the appropriation is redistributed to local public health agencies and hospitals to support emergency preparedness activities statewide. The division is funded by General Fund and matching federal funds.

Emergency Preparedness and Response Division						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2012-13 Appropriation:</b>						
HB 12-1335	\$19,457,182	\$1,747,808	\$0	\$0	\$17,709,374	38.1
HB 12-1283	(128,669)	(128,669)	0	0	0	(2.0)
SB 13-100	<u>(91,400)</u>	<u>(19,060)</u>	<u>0</u>	<u>0</u>	<u>(72,340)</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$19,237,113</b>	<b>\$1,600,079</b>	<b>\$0</b>	<b>\$0</b>	<b>\$17,637,034</b>	<b>36.1</b>
<b>FY 2013-14 Appropriation:</b>						
FY 2012-13 Appropriation	\$19,237,113	\$1,600,079	\$0	\$0	\$17,637,034	36.1
Indirect cost assessment	177,636	0	0	0	177,636	0.0
Financial risk management	0	0	0	0	0	(0.5)
Informational funds adjustments	(3,770,674)	0	0	0	(3,770,674)	0.0
<b>SB 13-230</b>	<b>\$15,644,075</b>	<b>\$1,600,079</b>	<b>\$0</b>	<b>\$0</b>	<b>\$14,043,996</b>	<b>35.6</b>
SB 13-225	<u>41,402</u>	<u>41,402</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.6</u>
<b>TOTAL</b>	<b>\$15,685,477</b>	<b>\$1,641,481</b>	<b>\$0</b>	<b>\$0</b>	<b>\$14,043,996</b>	<b>36.2</b>
<b>Increase/(Decrease)</b>	(\$3,551,636)	\$41,402	\$0	\$0	(\$3,593,038)	0.1
Percentage Change	(18.5%)	2.6%	n/a	n/a	(20.4%)	0.3%

### FY 2012-13 Appropriation - Mid-year Adjustments

Senate Bill 13-100 modifies FY 2012-13 appropriations to adjust the indirect cost assessment for this division.

### FY 2013-14 Appropriation – S.B. 13-230 (Long Bill) Issue Descriptions

**Indirect cost assessment:** The appropriation includes a net increase in the division's indirect cost assessment.

**Financial risk management:** The appropriation includes a reduction of 0.5 FTE which are transferred to the Administration and Support Division for the expansion of the financial risk management system to all Department contractors.

**Informational funds adjustments:** The appropriation includes a reduction of \$3,770,674 federal funds reflected in the Long Bill for informational purposes only.

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

## Recent legislation

### 2012 Session Bills

**H.B. 12-1041:** Creates an electronic death registration system to allow persons responsible for reporting death information to the Office of the State Registrar of Vital Statistics to do so electronically. For FY 2012-13 appropriates \$743,940 cash funds from the Vital Statistics Records Cash Fund to the Department, and reappropriates \$78,940 to the Governor's Office of Information Technology for information technology management costs.

**H.B. 12-1099:** Creates the Industrial Hemp Remediation Pilot Program to study how contaminated soils and water can be cleaned through the growth of industrial hemp. Creates the seven member industrial hemp remediation pilot program committee, which is responsible for designing the pilot program according to certain specifications, soliciting funding, selecting a secure, indoor growing site, and completing a final report. Appropriates \$25,000 cash funds from the Hemp Remediation Pilot Program Cash Fund to the Department for FY 2012-13.

**H.B. 12-1126:** Authorizes local boards of health to adopt certain On-site Water Treatment Systems (OWTS) rules and practices appropriate to local conditions. Repeals uniform, statewide criteria regarding the presumed density of OWTS installation, deferring to local rules. Clarifies that a permit variance complies with regulations that owners are under a duty to continue repairs when authorized to make emergency use of an OWTS. Finally, the bill clarifies that the OWTS fee applies to new, repaired, and upgraded systems, and removes criteria for local OWTS permit variances from statute and requires the Water Quality Control Commission to adopt minimum variance criteria by rule. Appropriates \$8,530 cash funds from the Water Quality Control Fund and 0.1 FTE to the Department for FY 2012-13.

**H.B. 12-1246:** Reverses the payday shift for state employees who are paid on a biweekly basis. Appropriations \$6,885 General Fund to the Department for FY 2012-13.

**H.B. 12-1283:** Consolidates Colorado's homeland security functions, personnel, and resources into a new Division of Homeland Security and Emergency Management (DHSEM) within the Department of Public Safety (DPS). For the Department of Public Health and Environment transfers 2.0 FTE to perform training and communications functions in the new Office of Preparedness within the DHSEM of DPS. Reduces the FY 2012-13 appropriation to the Department of Public Health and Environment by \$147,729 General Fund and 2.0 FTE. For additional information, see the corresponding bill description at the end of Part III for the Department of Public Safety.

**H.B. 12-1294:** Modifies the Department's authority concerning the licensing of health facilities by eliminating several facility types from licensure. Requires the Department to:

- establish a schedule for an extended survey cycle or a tiered inspection or survey system;
- apply the extended survey cycle or tiered inspection for health facilities that have been licensed for at least three years and that have not been the subject of any enforcement activity or complaints within the past three years;
- institute a performance incentive system to reduce renewal license fees for health facilities that have no specific deficiencies;

- impose no standards for construction that are more stringent than, or that do not comply with, national, state, and applicable local building and fire codes;
- conduct a fitness review when a health facility changes ownership;
- establish criteria for deeming that licensing requirements have been satisfied;
- allow the State Board of Health to increase provisional license and other fees by no more than the annual percentage change in the Denver-Boulder-Greeley Consumer Price Index;
- work jointly with DHS to resolve differing requirements for the regulation of any Program of All-inclusive Care for the Elderly (PACE) facility consistent with federal requirements; and
- work with the Departments of Public Health and Environment, Human Services, and Health Care Policy and Financing, in consultation with industry representatives, to resolve differing requirements for the regulation of community residential homes.

Clarifies that home care placement agencies are not licensed or certified by DPHE and subjects facilities that make such a claim to a civil penalty, and creates the Health Care Facility Stakeholder Forum. Expands the definition of "community clinic". Appropriates \$183,730 cash funds from the Health Facilities General Licensure Cash Fund and 2.4 FTE to the Department for FY 2012-13.

**H.B. 12-1326:** Allows seniors who are eligible for Medicaid, but not for Medicaid long-term care services, to receive services under the Dental Assistance Program in the Department of Public Health and Environment. Appropriates \$3,022,800 General Fund and 1.0 FTE to the Department for FY 2012-13. For additional information, see the corresponding bill description at the end of Part III for the Department of Human Services.

**H.B. 12-1335:** General appropriations act for FY 2012-13.

## 2013 Session Bills

**S.B. 13-011:** Authorizes the creation of civil unions in Colorado. Two persons regardless of gender, may enter into a civil union if they are not related by blood, not married to or in a civil union with another person, and are over the age of 18. Specifies the persons who may certify a civil union, and the rights, benefits, protections, duties, obligations, responsibilities, and other incidents under law that are granted or imposed under the law to spouses apply in like manner to parties to a civil union. Appropriates \$6,976 and 0.1 FTE to the Department for FY 2012-13, and appropriates \$4,021 and 0.1 FTE to the Department for FY 2013-14.

**S.B. 13-050:** Increases the waste disposal fee from \$.07 per cubic yard per load to \$.14 per cubic yard per load over three years; extends the repeal of the Recycling Resources Economic Opportunity Fund to July 1, 2026, outlines the responsibilities of the Prevention Advisory Board Assistance Committee and the Pollution Prevention Advisory Board. Extends the statutory required elimination of monofills by five years. Appropriates \$204,593 cash funds from the Recycling Resources Economic Opportunity Fund to the Department in FY 2013-14.

**S.B. 13-100:** Supplemental appropriations to modify the FY 2012-13 appropriations for the Department.

**S.B. 13-219:** Requires the implementation of State Board of Health approved rules governing the testing, evaluation, and cleanup of illegal drug laboratories. Requires the Board to establish fees and administrative penalties. Allows a person convicted of possession of chemicals, supplies, or equipment with intent to manufacture the illegal drugs to be the subject of a lawsuit. Creates the Illegal Drug Laboratory Fund and appropriates \$61,491 and 0.5 FTE from the Fund to Department in FY 2013-14, and reappropriates \$15,450 to the Department of Law for the provision of legal services.

**S.B. 13-222:** Allows the Department to establish a universal purchasing system for procuring vaccines for insured individuals in the state, and to explore authorizing the Department of Health Care Policy and Financing to purchase vaccines recommended by the federal advisory committee on immunization practices. Requires the Department to convene a stakeholder task force to make recommendations regarding the financing and delivery of childhood immunizations, including through a vaccine purchasing system; and authorizes the State Board of Health to adopt rules to implement the task force's recommendations. Allows the Department to expend moneys in the Immunization Fund to purchase vaccines through a vaccine purchasing system, if developed. The act also permits the Department of Health Care Policy and Financing to purchase recommended vaccines through a vaccine purchasing system, if developed, for children enrolled in the children's basic health plan. Appropriates \$68,054 General Fund and 1.0 FTE to the Department in FY 2013-14.

**S.B. 13-225** Creates the STEMI Task Force to study and make recommendations for developing a statewide plan to improve quality of care to ST-elevation myocardial infarction (STEMI) heart attack patients; and the Stroke Advisory Board to study and make recommendations for developing a statewide plan to improve quality of care for stroke patients. Outlines the demographic of the membership on each board. Allows hospitals that have an accreditation, certification, or designation in STEMI or stroke care from a nationally recognized accrediting body to send information and supporting documentation to the Department, and requires the Department to make a hospital's national accreditation, certification, or designation available to the public and deem the hospital as satisfying requirements for recognition and publication by the department. Appropriates \$41,402 and 0.6 FTE to the Department in FY 2013-14.

**S.B. 13-230:** General appropriations act for FY 2013-14.

**S.B. 13-232:** Eliminates the repeal of a transfer of \$2.0 million from the Prevention, Early Detection, and Treatment Fund (Fund) to the Department of Health Care Policy and Financing (HCPF) for Medicaid disease management and treatment programs. Reduces the appropriation to HCPF by \$2.0 million General Fund in FY 2013-14 and increases the HCPF appropriation by \$2.0 million cash funds from the Fund.

**S.B. 13-255:** Requires local public health agencies to establish child fatality prevention review teams operating under the purview of the Department of Public Health and Environment. Outlines the responsibilities of the review teams. Adds a definition for "local or regional review team". Changes the membership of the Department's child fatality prevention review team and outlines the duties of this team. Updates the review time frame for the Department of Human Services (DHS) review team, and requires DHS review team to make annual policy recommendations that address systems involved with children and to follow up on specific system recommendations. Appropriates \$456,966 General Fund and 4.0 FTE to the Department of Public Health and Environment for FY 2013-14. Appropriates \$63,755 General Fund and 1.0 FTE to the Department of Human Services for FY 2013-14.

**S.B. 13-283:** Permits a local government to prohibit the use of a compressed flammable gas as a solvent in residential marijuana cultivation, and allows retail marijuana businesses to participate in the medical marijuana responsible vendor program. Requires the drug policy task force of the Colorado Commission on Criminal and Juvenile Justice to make recommendations to the General Assembly regarding criminal law changes that need to be made in order to conform to Amendment 64. Requires the Governor to designate the appropriate state agency to:

- Create a list of banned substances in marijuana cultivation;
- Work with a private organization to develop good cultivation and handling practices;
- Work with a private organization to develop good laboratory practices; and

- Establish an educational oversight committee for marijuana issues.

Encourages peace officer training to include advanced roadside impairment driving enforcement training, and subject to available funds, the Peace Officers Standards and Training (P.O.S.T.) Board shall arrange training in advanced impairment driving enforcement for drug-recognition experts who will act as trainers for all other peace officers.

Requires the Division of Criminal Justice in the Department of Public Safety to undertake or contract for a scientific study of law enforcement activities related to retail marijuana implementation, and the Department of Public Health and Environment to monitor the emerging science and medical information regarding marijuana through a panel of health care experts.

Clarifies that drug paraphernalia does not include marijuana accessories as defined by Amendment 64 if used or possessed by someone 21 years of age or older. Prohibits the use of retail marijuana products on school property, adds marijuana to the "Colorado Clean Indoor Air Act", and creates an open container offense for marijuana to mirror the open container offense for alcohol. Outlines which business operating licenses can be revoked if retail marijuana is consumed or cultivated onsite. Prohibits the cultivation, use, or consumption of marijuana at a community residential home or regional center. Permits certain business deductions to be used to calculate the state tax owed. Appropriates the following amounts in FY 2013-14 to implement the act:

- \$307,542 cash funds and 4.0 FTE from the Marijuana Cash Fund to the Department of Public Health and Environment;
- \$154,034 General Fund to the Department of Public Safety;
- \$280,000 General Fund to the Department of Revenue; and
- \$20,000 General Funds to the Department of Law.

**H.B. 13-1117:** Creates the Office of Early Childhood in the Department of Human Services (DHS). Moves the following programs to that Office: Early Childhood Leadership Council from the Governor's Office and makes changes to the composition of the Council. Moves the following programs from the Department of Public Health and Environment to DHS: Nurse Home Visitor Program, Tony Gramsas Youth Services Program, the Colorado Youth Mentoring Services Program, the Colorado Student Dropout Prevention and Intervention Program, the Colorado Student Before-and-After-School Project; the Colorado Children's Trust Fund, and the family resource center program. Reduces the appropriation to the Department of Public Health and Environment by \$19,904,563 total funds, including \$1,453,849 General Fund, \$17,602,514 cash funds, and \$848,200 federal funds and 7.5 FTE, and increases the appropriation to the Department of Human Services by a like amount.

**H.B. 13-1155:** Makes the interdepartmental transfer of the staff responsible for the life safety code inspections of health facilities contained in H.B. 12-1268 from the Department of Public Health and Environment (DPHE) to the Division of Fire Prevention and Control in the Department of Public Safety (DPS) contingent upon approval from the Secretary of the federal Department of Health and Human Services (federal DHHS). Due to the fact that the bill was signed into law on March 14, 2013, a reduction totaling \$1,207,865 and 15.0 FTE in FY 2013-14 to the Department of Public Health and Environment and associated increase of a like amount in the Department of Public Safety were included in S.B. 13-230.

**H.B. 13-1191:** Creates the Nutrients Grant Fund which is continuously appropriated and directs the Department to award grants from the Fund to local governments for the planning, design, construction, or improvement of domestic wastewater treatment works owned or operated by a local government that are needed

to comply with the commission's nutrients management control regulation. Appropriates \$15,000,000 General Fund to the Fund in FY 2013-14.

**H.B. 13-1239:** Directs the Department of Human Services, Tony Grampsas Youth Services Board, and stakeholders to create a statewide youth development plan and a baseline measurement of youth activities based on available data and resources. Authorizes the board to award up to \$300,000 for technical assistance grants for community-based prevention and intervention organizations that work with youth to assist those organizations in developing evidence-based programs. In FY 2013-14 reduces the appropriation to the Department of Public Health and Environment by \$133,284 General Fund and 2.0 FTE and increases the appropriation to the Department of Human Services by \$133,284 General Fund and 1.0 FTE.

**H.B. 13-1317:** Requires the Department to establish standards and criteria for testing and certification of marijuana and to regulate those entities that provide such independent testing and certification. Appropriates \$87,615 cash funds from the Marijuana Cash Fund and 1.0 FTE for FY 2013-14. For additional information, see the corresponding bill description at the end of Part III for the Department of Revenue.



# Department Details

## DEPARTMENT OF PUBLIC SAFETY

### FY 2012-13 and FY 2013-14 Appropriations by Division and Bill

	Department of Public Safety					
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2012-13 Total Appropriation:</b>	<b>\$323,109,852</b>	<b>\$86,452,085</b>	<b>\$156,169,131</b>	<b>\$27,132,877</b>	<b>\$53,355,759</b>	<b>1,562.3</b>
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Executive Director's Office	35,827,576	6,484,721	17,202,713	10,958,077	1,182,065	47.2
Colorado State Patrol	132,718,471	4,796,629	114,723,826	8,111,438	5,086,578	1,125.8
Office of Preparedness, Security, and Fire Safety	0	0	0	0	0	0.0
Division of Fire Prevention and Control	9,591,116	1,066,002	8,023,244	161,038	340,832	65.4
Division of Criminal Justice	83,127,209	57,114,890	2,902,326	3,255,275	19,854,718	60.4
Colorado Bureau of Investigation	29,362,801	15,768,984	8,806,034	3,937,272	850,511	218.6
Division of Homeland Security and Emergency Management	32,482,679	1,220,859	4,510,988	709,777	26,041,055	44.9
<u>Breakdown of Total Appropriation by Bill</u>						
HB 12-1335	272,658,804	84,081,985	135,447,278	25,064,507	28,065,034	1,365.2
HB 12-1019	10,892,480	(283,704)	10,574,790	601,394	0	122.3
HB 12-1032	50,000	0	50,000	0	0	0.0
HB 12-1246	25,473	25,473	0	0	0	0.0
HB 12-1283	36,608,071	838,349	10,129,020	349,977	25,290,725	71.3
HB 12-1310	(37,964)	(37,964)	(1,098,016)	1,098,016	0	(0.5)
SB 13-101	2,433,321	1,365,479	1,048,859	18,983	0	0.0
SB 13-129	(6,500)	0	(6,500)	0	0	0.0
SB 13-230	123,700	100,000	23,700	0	0	0.0
HB 13-1229	362,467	362,467	0	0	0	4.0
<b>FY 2013-14 Total Appropriation:</b>	<b>\$343,086,267</b>	<b>\$97,396,503</b>	<b>\$164,734,328</b>	<b>\$25,776,057</b>	<b>\$55,179,379</b>	<b>1,616.1</b>
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Executive Director's Office	47,843,666	8,650,419	28,394,000	8,943,082	1,856,165	48.2
Colorado State Patrol	127,250,279	4,761,928	109,355,390	8,126,654	5,006,307	1,130.8
Division of Fire Prevention and Control	10,078,372	457,802	8,564,602	725,516	330,452	80.4
Division of Criminal Justice	89,095,056	61,662,883	2,837,999	3,416,909	21,177,265	65.2

<b>Department of Public Safety</b>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
Colorado Bureau of Investigation	36,655,473	20,880,391	11,071,349	3,857,800	845,933	243.0
Division of Homeland Security and Emergency Management	32,163,421	983,080	4,510,988	706,096	25,963,257	48.5
<u>Breakdown of Total Appropriation by Bill</u>						
SB 13-230	332,885,649	90,128,524	161,806,324	25,776,057	55,174,744	1,575.1
SB 13-007	255,443	255,443	0	0	0	2.5
SB 13-083	4,635	0	0	0	4,635	0.0
SB 13-123	184,902	15,000	169,902	0	0	3.0
SB 13-138	68,398	68,398	0	0	0	1.0
SB 13-283	154,034	0	154,034	0	0	0.0
HB 13-1020	6,351,002	6,351,002	0	0	0	0.0
HB 13-1031	260,114	260,114	0	0	0	2.8
HB 13-1129	739,591	739,591	0	0	0	6.0
HB 13-1163	167,067	167,067	0	0	0	0.2
HB 13-1195	9,020	9,020	0	0	0	0.1
HB 13-1228	0	(1,032,376)	1,032,376	0	0	0.0
HB 13-1229	1,415,932	0	1,415,932	0	0	24.7
HB 13-1241	434,720	434,720	0	0	0	0.0
HB 13-1317	155,760	0	155,760	0	0	0.7
<b>Increase/(Decrease)</b>	\$19,976,415	\$10,944,418	\$8,565,197	(\$1,356,820)	\$1,823,620	53.8
Percentage Change	6.2%	12.7%	5.5%	(5.0%)	3.4%	3.4%

**Informational Funds:** The FY 2013-14 Long Bill and other legislation indicates when an amount is shown solely for informational purposes through an "(I)" notation. The following amounts in the Department of Public Safety are annotated with the "(I)". For additional information, see Appendix J.

	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>
FY 2013-14 Appropriations containing an (I) notation	\$65,040,367	\$0	\$9,860,988	\$0	\$55,179,379

## Detail of Appropriation by Administrative Section

### Executive Director's Office

This Office manages the administrative and fiscal affairs of the Department, and the Witness Protection Program, the School Safety Resource Center, and houses the Colorado Integrated Criminal Justice Information System. The primary cash funds and reappropriated funds sources include the Highway Users Tax Fund, indirect cost recoveries, and other various funds.

	Executive Director's Office					FTE
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	
<b>FY 2012-13 Appropriation:</b>						
HB 12-1335	\$32,124,419	\$6,439,514	\$14,619,529	\$10,079,814	\$985,562	42.7
HB 12-1019	2,263,038	(283,704)	1,945,348	601,394	0	4.5
HB 12-1283	612,061	(127,223)	268,032	274,749	196,503	0.0
HB 12-1310	(10,793)	0	(10,793)	0	0	0.0
SB 13-101	670,371	287,654	380,597	2,120	0	0.0
SB 13-230	100,000	100,000	0	0	0	0.0
HB 13-1229	<u>68,480</u>	<u>68,480</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$35,827,576</b>	<b>\$6,484,721</b>	<b>\$17,202,713</b>	<b>\$10,958,077</b>	<b>\$1,182,065</b>	<b>47.2</b>
<b>FY 2013-14 Appropriation:</b>						
FY 2012-13 Appropriation	\$35,827,576	\$6,484,721	\$17,202,713	\$10,958,077	\$1,182,065	47.2
Centrally appropriated line items	11,253,872	2,298,806	11,095,246	(2,817,557)	677,377	0.0
Statewide IT common policy adjustments	668,985	63,352	(219,155)	832,700	(7,912)	0.0
Health facility safety inspections transfer	20,870	0	7,688	13,182	0	0.0
Fund source adjustment	0	70,045	0	(70,045)	0	0.0
Annualize prior year funding	(444,269)	(335,164)	(125,037)	15,932	0	0.0
Other	10,793	0	0	10,793	0	0.0
<b>SB 13-230</b>	<b>\$47,337,827</b>	<b>\$8,581,760</b>	<b>\$27,961,455</b>	<b>\$8,943,082</b>	<b>\$1,851,530</b>	<b>47.2</b>
SB 13-083	4,635	0	0	0	4,635	0.0
SB 13-138	68,398	68,398	0	0	0	1.0
HB 13-1031	108,000	108,000	0	0	0	0.0
HB 13-1228	0	(107,739)	107,739	0	0	0.0
HB 13-1229	<u>324,806</u>	<u>0</u>	<u>324,806</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$47,843,666</b>	<b>\$8,650,419</b>	<b>\$28,394,000</b>	<b>\$8,943,082</b>	<b>\$1,856,165</b>	<b>48.2</b>
<b>Increase/(Decrease)</b>	<b>\$12,016,090</b>	<b>\$2,165,698</b>	<b>\$11,191,287</b>	<b>(\$2,014,995)</b>	<b>\$674,100</b>	<b>1.0</b>

Executive Director's Office						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Percentage Change	33.5%	33.4%	65.1%	(18.4%)	57.0%	2.1%

### **FY 2012-13 Appropriation - Mid-year Adjustments**

Senate Bill 13-101 modifies the FY 2012-13 appropriation for payment to risk management and property funds, legal services, the School Safety Resource Center, and various centrally appropriated line items related to an earlier than anticipated completion of the Ralph L. Carr Colorado Judicial Center. Senate Bill 13-230 increases the FY 2012-13 appropriation by \$100,000 General Fund for an independent study of the Sex Offender Management Board residing in the Division of Criminal Justice in FY 2012-13 to look at the Board's guidelines for treating adult offenders, criteria for release from prison, measurement of progress in treatment, the application and review process for treatment providers, and other related matters. The bill also inserts a footnote specifying legislative intent on how the study should be conducted. House Bill 13-1229 provides \$68,480 General Fund for centrally appropriated line items related to additional staff in the Instant Criminal Background Check Program.

### **FY 2013-14 Appropriation – S.B. 13-230 (Long Bill) Issue Descriptions**

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

**Statewide IT common policy adjustments:** The appropriation includes adjustments to line items appropriated for: purchase of services from the computer center; Colorado state network; management and administration of the Governor's Office of Information Technology (OIT); communication services payments; information technology security; and COFRS modernization.

**Health facility safety inspections transfer:** The appropriation includes funding related to the transfer of responsibility for inspections of health care facilities for compliance with building fire code standards from the Department of Public Health and Environment to the Division of Fire Prevention and Control (H.B. 12-1268 and H.B. 13-1155).

**Fund source adjustment:** The appropriation includes an increase of \$70,045 General Fund offset by a decrease of \$70,045 reappropriated funds associated with an indirect cost adjustment for leased space.

**Annualize prior year funding:** The appropriation includes adjustments related to prior year budget actions. Including \$162,626 total funds for security services for the Ralph L. Carr Center; a reduction of \$438,415 total funds related to FY 2012-13 supplemental budget actions; and a reduction of \$100,000 total funds related to the annualization of the FY 2012-13 Sex Offender Management Board study.

**Other:** The appropriation moves \$10,793 to the Executive Director's Office associated with H.B. 12-1310.

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

## Colorado State Patrol

This Division is responsible for the safe and efficient movement of motor vehicle traffic on federal, state, and county roads in Colorado. The State Patrol enforces motor vehicle laws, assists motorists in need, conducts automotive and motor carrier safety checks, manages ports of entry for commercial traffic, investigates traffic accidents, and oversees the transportation of hazardous materials.

The State Patrol coordinates the "Alive at 25" defensive driving training program for students ages 15 to 24. In further support of the highway safety plan, the Communications Program operates the \*CSP toll free hotline for motorists to report aggressive drivers, drunk drivers, and other hazards.

The primary cash fund is the Highway Users Tax Fund, providing 74.1 percent of the entire funding for this division. Other major cash funding source, include the Colorado Auto Theft Prevention Cash Fund, local government pass-through funds, and various other cash funds. Major reappropriated funds include funds from the Department of Transportation, Limited Gaming funds from the Department of Revenue, and various other agencies.

	<b>Colorado State Patrol</b>					
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2012-13 Appropriation:</b>						
HB 12-1335	\$123,410,404	\$4,796,629	\$105,432,622	\$8,094,575	\$5,086,578	1,008.0
HB 12-1019	8,629,442	0	8,629,442	0	0	117.8
SB 13-101	685,125	0	668,262	16,863	0	0.0
SB 13-129	<u>(6,500)</u>	<u>0</u>	<u>(6,500)</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$132,718,471</b>	<b>\$4,796,629</b>	<b>\$114,723,826</b>	<b>\$8,111,438</b>	<b>\$5,086,578</b>	<b>1,125.8</b>
<b>FY 2013-14 Appropriation:</b>						
FY 2012-13 Appropriation	\$132,718,471	\$4,796,629	\$114,723,826	\$8,111,438	\$5,086,578	1,125.8
Special events road and lane closures	548,262	0	548,262	0	0	0.0
Moffat County public center operating agreement	63,525	0	63,525	0	0	0.0
Fund source adjustment	0	0	(61,261)	60,016	1,245	0.0
Annualize prior year funding	(2,672,612)	(5,000)	(2,798,851)	131,239	0	5.0
Indirect cost assessment	(2,118,278)	0	(1,897,347)	(142,963)	(77,968)	0.0
Centrally appropriated line items	(1,294,089)	(34,701)	(1,222,764)	(33,076)	(3,548)	0.0
Other	5,000	5,000	0	0	0	0.0
<b>SB 13-230</b>	<b><u>\$127,250,279</u></b>	<b><u>\$4,761,928</u></b>	<b><u>\$109,355,390</u></b>	<b><u>\$8,126,654</u></b>	<b><u>\$5,006,307</u></b>	<b><u>1,130.8</u></b>
<b>TOTAL</b>	<b>\$127,250,279</b>	<b>\$4,761,928</b>	<b>\$109,355,390</b>	<b>\$8,126,654</b>	<b>\$5,006,307</b>	<b>1,130.8</b>
<b>Increase/(Decrease)</b>	<b>(\$5,468,192)</b>	<b>(\$34,701)</b>	<b>(\$5,368,436)</b>	<b>\$15,216</b>	<b>(\$80,271)</b>	<b>5.0</b>
<b>Percentage Change</b>	<b>(4.1%)</b>	<b>(0.7%)</b>	<b>(4.7%)</b>	<b>0.2%</b>	<b>(1.6%)</b>	<b>0.4%</b>

FY 2012-13 Appropriation - Mid-year Adjustments

Senate Bill 13-101 modifies the FY 2012-13 appropriation for safety and law enforcement support, the automobile theft prevention authority, and the executive and capitol complex security program. Senate Bill 13-129 reduces the appropriation for the automobile theft prevention authority.

FY 2013-14 Appropriation – S.B. 13-230 (Long Bill) Issue Descriptions

**Special events road and lane closures:** The appropriation includes an increase of \$548,262 cash funds so the Patrol can continue to provide escort for oversize and overweight loads and oversee road closures related to the USA Pro Cycling challenge.

**Moffat County public center operating agreement:** The appropriation includes an increase of \$63,525 cash funds for increased operating costs at the Craig Troop Office.

**Fund source adjustment:** The appropriation includes adjustments to align dispatch billings with revenue sources.

**Annualize prior year funding:** The appropriation includes adjustments related to prior year budget actions. Including an increase of \$314,875 total funds related to FY 2012-13 supplemental budget actions; an increase of \$148,102 reappropriated funds and 5.0 FTE for security services for the Ralph L. Carr Center; an increase of \$6,500 cash funds for S.B. 13-129; a reduction of \$1,802,624 HUTF "Off-the-Top" for FY 2012-13 funding for the replacement of trooper vehicle radios and base receivers; a reduction of \$1,308,218 HUTF "Off-the-Top" for FY 2012-13 funding for the creation of a comprehensive evidence processing, handling, and management system, including the retention of DNA evidence, and the purchase of mobile video recorders (MVRs) for trooper vehicles; a reduction of \$26,247 HUTF "Off-the-Top" for H.B. 12-1019; and a reduction of \$5,000 General Fund for H.B. 12-1246.

**Indirect cost assessment:** The appropriation includes a net decrease in the division's indirect cost assessment.

**Centrally appropriated line items:** The appropriation includes an adjustment for vehicle lease payments.

**Other:** The appropriation moves a \$5,000 appropriation to the Colorado State Patrol associated with H.B. 12-1246.

Office of Preparedness, Security, and Fire Safety

The Office of Preparedness, Security, and Fire Safety was eliminated through H.B. 12-1283 and the functions were moved to the Division of Fire Prevention and Control and the Division of Homeland Security and Emergency Management.

Office of Preparedness, Security, and Fire Safety						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2012-13 Appropriation:						
HB 12-1335	\$4,949,960	\$243,464	\$2,623,244	\$795,587	\$1,287,665	39.0

Office of Preparedness, Security, and Fire Safety						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
HB 12-1283	(4,949,960)	(243,464)	(2,623,244)	(795,587)	(1,287,665)	(39.0)
<b>TOTAL</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
<b>FY 2013-14 Appropriation:</b>						
FY 2012-13 Appropriation	\$0	\$0	\$0	\$0	\$0	0.0
<b>SB 13-230</b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>0.0</u></b>
<b>TOTAL</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
<b>Increase/(Decrease)</b>	\$0	\$0	\$0	\$0	\$0	0.0
Percentage Change	n/a	n/a	n/a	n/a	n/a	n/a

## Division of Fire Prevention and Control

The Division of Fire Prevention and Control, created in H.B. 12-1283, incorporates the existing Office of Fire Safety and wildfire-related powers and duties of the State Forest Service previously housed in the Colorado State University. The Division is tasked with fire code enforcement, training, certification, and wildfire preparedness, response, suppression, coordination, and management. The primary sources of cash funds for this Division include: the Wildfire Preparedness Fund; the Public School Construction and Inspection Cash Fund; the Emergency Fire Fund; the Wildland Fire Equipment Repair Cash Fund; the Health Facility Construction and Inspection Cash Fund; the Firefighter, First Responder, and Hazardous Materials Responder Certification Fund; the Fire Suppression Cash Fund; the Wildfire Emergency Response Fund; the Wildland Fire Cost Recovery Fund; and various other cash funds. Reappropriated funds include transfers from the Department of Public Health and Environment for health facility inspections and Limited Gaming funds from the Department of Revenue.

Division of Fire Prevention and Control						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2012-13 Appropriation:</b>						
HB 12-1335	\$0	\$0	\$0	\$0	\$0	0.0
HB 12-1032	50,000	0	50,000	0	0	0.0
HB 12-1283	8,932,916	457,802	7,973,244	161,038	340,832	65.4
SB 13-101	<u>608,200</u>	<u>608,200</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$9,591,116</b>	<b>\$1,066,002</b>	<b>\$8,023,244</b>	<b>\$161,038</b>	<b>\$340,832</b>	<b>65.4</b>
<b>FY 2013-14 Appropriation:</b>						
FY 2012-13 Appropriation	\$9,591,116	\$1,066,002	\$8,023,244	\$161,038	\$340,832	65.4
Health facility safety inspections transfer	1,186,995	0	617,965	569,030	0	15.0

<b>Division of Fire Prevention and Control</b>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
Annualize prior year funding	(613,200)	(613,200)	0	0	0	0.0
Indirect cost assessment	(91,539)	0	(76,607)	(4,552)	(10,380)	0.0
Other	5,000	5,000	0	0	0	0.0
<b>SB 13-230</b>	<b><u>\$10,078,372</u></b>	<b><u>\$457,802</u></b>	<b><u>\$8,564,602</u></b>	<b><u>\$725,516</u></b>	<b><u>\$330,452</u></b>	<b><u>80.4</u></b>
<b>TOTAL</b>	<b>\$10,078,372</b>	<b>\$457,802</b>	<b>\$8,564,602</b>	<b>\$725,516</b>	<b>\$330,452</b>	<b>80.4</b>
<b>Increase/(Decrease)</b>	\$487,256	(\$608,200)	\$541,358	\$564,478	(\$10,380)	15.0
Percentage Change	5.1%	(57.1%)	6.7%	350.5%	(3.0%)	22.9%

### **FY 2012-13 Appropriation - Mid-year Adjustments**

Senate Bill 13-101 increases FY 2012-13 appropriations to reimburse the Wildfire Emergency Response Fund for incurred expenditures during the 2012 fire season.

### **FY 2013-14 Appropriation – S.B. 13-230 (Long Bill) Issue Descriptions**

**Health facility safety inspections transfer:** The appropriation includes funding related to the transfer of responsibility for inspections of health care facilities for compliance with building fire code standards from the Department of Public Health and Environment to the Division of Fire Prevention and Control (H.B. 12-1268 and H.B. 13-1155).

**Annualize prior year funding:** The appropriation includes adjustments related to prior year budget actions. In particular, the bill includes a decrease of \$608,200 General Fund related to the annualization of a FY 2012-13 supplemental budget action to reimburse expenses incurred by the Wildfire Emergency Response Fund related to 2012 fires; and a decrease of \$5,000 General Fund for H.B. 12-1246.

**Indirect cost assessment:** The appropriation includes a net decrease in the division's indirect cost assessment.

**Other:** The appropriation moves a \$5,000 appropriation to the Division of Fire Prevention and Control associated with H.B. 12-1246.

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## **Division of Criminal Justice**

This division:

- Provides funding for the state's community corrections programs and for local oversight boards;
- Administers state and federally funded grant programs targeting juvenile delinquency and federally funded grant programs that help local and state law enforcement agencies improve the services they deliver;
- Administers state and federally funded grant programs that help state and local agencies assist crime victims, operates the state's Victim's Rights Act Compliance Program, and responds to requests for assistance in implementing Colorado's Victim's Rights Amendment;



- Assists the Domestic Violence Offender Management Board and the Sex Offender Management Board in developing and implementing standards and policies for the evaluation, treatment, monitoring, and management of adults convicted of domestic violence and sex offenses;
- Analyzes and distributes criminal justice data and information, evaluates criminal justice programs, provides research support to the Colorado Commission on Criminal and Juvenile Justice; and
- Helps strengthen the performance and professionalism of Colorado law enforcement agencies through training, education, and technical assistance programs.

The primary sources of cash funds are the State Victims Assistance and Law Enforcement (State VALE) Fund, which accounts for over two-thirds of total cash funds, and the Child Abuse Investigation Surcharge Fund. The primary sources of reappropriated funds are reappropriations of moneys appropriated to the Correctional Treatment Cash Fund in the Judicial Department, followed by appropriations of departmental indirect cost recoveries. The primary sources of federal funds include Federal Victims Assistance and Compensation Grants and State and Local Crime Control and System Improvement Grants.

<b>Division of Criminal Justice</b>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2012-13 Appropriation:</b>						
HB 12-1335	\$83,154,380	\$57,152,854	\$3,989,549	\$2,157,259	\$19,854,718	60.9
HB 12-1310	(27,171)	(37,964)	(1,087,223)	1,098,016	0	(0.5)
SB 13-101	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$83,127,209</b>	<b>\$57,114,890</b>	<b>\$2,902,326</b>	<b>\$3,255,275</b>	<b>\$19,854,718</b>	<b>60.4</b>
<b>FY 2013-14 Appropriation:</b>						
FY 2012-13 Appropriation	\$83,127,209	\$57,114,890	\$2,902,326	\$3,255,275	\$19,854,718	60.4
Community provider rate	3,396,655	3,371,805	0	24,850	0	0.0
Informational funds adjustment	1,103,070	0	(204,766)	(75,000)	1,382,836	(1.5)
Subsistence grace period pilot project	591,200	591,200	0	0	0	0.0
Substance abuse treatment	225,150	0	0	225,150	0	0.0
Community corrections placements	(673,410)	(673,410)	0	0	0	0.0
Move a parolee substance abuse program to Department of Corrections	(180,000)	(180,000)	0	0	0	0.0
Annualize prior year funding	(167,443)	(167,443)	0	0	0	(2.5)
Indirect cost assessment	(76,457)	0	(13,595)	(2,573)	(60,289)	0.0
Other	(10,793)	0	0	(10,793)	0	0.0
<b>SB 13-230</b>	<b>\$87,335,181</b>	<b>\$60,057,042</b>	<b>\$2,683,965</b>	<b>\$3,416,909</b>	<b>\$21,177,265</b>	<b>56.4</b>
SB 13-007	255,443	255,443	0	0	0	2.5
SB 13-283	154,034	0	154,034	0	0	0.0
HB 13-1129	739,591	739,591	0	0	0	6.0
HB 13-1163	167,067	167,067	0	0	0	0.2

	Division of Criminal Justice					
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
HB 13-1195	9,020	9,020	0	0	0	0.1
HB 13-1241	<u>434,720</u>	<u>434,720</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$89,095,056</b>	<b>\$61,662,883</b>	<b>\$2,837,999</b>	<b>\$3,416,909</b>	<b>\$21,177,265</b>	<b>65.2</b>
<b>Increase/(Decrease)</b>	\$5,967,847	\$4,547,993	(\$64,327)	\$161,634	\$1,322,547	4.8
Percentage Change	7.2%	8.0%	(2.2%)	5.0%	6.7%	7.9%

### FY 2012-13 Appropriation - Mid-year Adjustments

Senate Bill 13-101 modifies the FY 2012-13 appropriation by adding the Sex Offender Treatment Provider Fund as a source of cash funds without changing the cash fund appropriation.

### FY 2013-14 Appropriation – S.B. 13-230 (Long Bill) Issue Descriptions

**Community provider rate:** The appropriation includes a 2.5 percent increase for most community providers with increases of 52 percent for Intensive Residential Treatment and 18 percent for Therapeutic Communities.

**Informational funds adjustment:** The appropriation adjusts several informational appropriations to align them more closely with expected revenue.

**Subsistence grace period pilot project:** The appropriation provides funding for a three-month experiment, during which offenders newly arrived in community corrections (i.e. halfway houses) will not have to pay the \$17 per day "subsistence" fee that they normally pay. These offenders will not be required to pay subsistence for their first four weeks in the halfway house.

**Substance abuse treatment:** The appropriation provides additional funding for substance abuse treatment for offenders in community corrections.

**Community corrections placements:** The appropriation reduces funding for standard community corrections beds due to declining caseloads.

**Move a parolee substance abuse program to Department of Corrections:** The appropriation moves a \$180,000 program that reduces parolee substance-abuse to the Department of Corrections.

**Annualize prior year funding:** The appropriation eliminates funding for the Colorado Commission on Criminal and Juvenile Justice because authorization for the Commission is expiring. (S.B. 13-007 continues the Commission and restores this funding.)

**Indirect cost assessment:** The appropriation includes a net decrease in the division's indirect cost assessment.

**Other:** The appropriation moves a \$10,793 appropriation to the Executive Director's Office associated with H.B. 12-1310.

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

## Colorado Bureau of Investigation

The Colorado Bureau of Investigation (CBI) provides information technology, laboratory, and investigative services to local, state, and federal law enforcement agencies upon request. The Colorado Crime Information Center (CCIC) provides information around the clock to law enforcement agencies on warrants, case status, stolen property, vehicle registration, known offenders, and drivers' licenses. The CBI also operates the State's "instacheck" criminal background check program for the firearms industry. The laboratory analyzes DNA, fingerprint, firearms and tool marks, physiological fluids, chemical, document, and digital evidence, as well as trace evidence and shoe and tire track evidence. Major cash fund sources include the CBI Identification Unit Fund (fingerprint and name check processing fees), the Instant Criminal Background Check Cash Fund, the Offender Identification Fund, and the Colorado Identity Theft and Financial Fraud Cash Fund. Major reappropriated funds sources include the CBI Identification Unit Fund, Limited Gaming funds appropriated to the Department of Revenue, and the Medical Marijuana License Cash Fund.

	Colorado Bureau of Investigation					
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2012-13 Appropriation:</b>						
HB 12-1335	\$29,019,641	\$15,449,524	\$8,782,334	\$3,937,272	\$850,511	214.6
HB 12-1246	25,473	25,473	0	0	0	0.0
SB 13-101	0	0	0	0	0	0.0
SB 13-230	23,700	0	23,700	0	0	0.0
HB 13-1229	<u>293,987</u>	<u>293,987</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4.0</u>
<b>TOTAL</b>	<b>\$29,362,801</b>	<b>\$15,768,984</b>	<b>\$8,806,034</b>	<b>\$3,937,272</b>	<b>\$850,511</b>	<b>218.6</b>
<b>FY 2013-14 Appropriation:</b>						
FY 2012-13 Appropriation	\$29,362,801	\$15,768,984	\$8,806,034	\$3,937,272	\$850,511	218.6
Annualize prior year funding	(352,823)	(306,023)	0	(46,800)	0	(4.0)
Indirect cost assessment	(106,436)	0	(70,483)	(29,867)	(6,086)	0.0
Centrally appropriated line items	(20,859)	(13,935)	(5,627)	(2,805)	1,508	0.0
Other	(10,000)	(10,000)	0	0	0	0.0
<b>SB 13-230</b>	<b>\$28,872,683</b>	<b>\$15,439,026</b>	<b>\$8,729,924</b>	<b>\$3,857,800</b>	<b>\$845,933</b>	<b>214.6</b>
SB 13-123	184,902	15,000	169,902	0	0	3.0
HB 13-1020	6,351,002	6,351,002	0	0	0	0.0
HB 13-1228	0	(924,637)	924,637	0	0	0.0
HB 13-1229	1,091,126	0	1,091,126	0	0	24.7
HB 13-1317	<u>155,760</u>	<u>0</u>	<u>155,760</u>	<u>0</u>	<u>0</u>	<u>0.7</u>
<b>TOTAL</b>	<b>\$36,655,473</b>	<b>\$20,880,391</b>	<b>\$11,071,349</b>	<b>\$3,857,800</b>	<b>\$845,933</b>	<b>243.0</b>

	Colorado Bureau of Investigation					
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>Increase/(Decrease)</b>	\$7,292,672	\$5,111,407	\$2,265,315	(\$79,472)	(\$4,578)	24.4
Percentage Change	24.8%	32.4%	25.7%	(2.0%)	(0.5%)	11.2%

### **FY 2012-13 Appropriation - Mid-year Adjustments**

Senate Bill 13-101 modifies a lettered note in the FY 2012-13 appropriation to the Colorado Crime Information Center. Senate Bill 13-230 provides 23,700 cash funds from the CBI Identification Unit Fund for the implementation of H.B. 12-1110. House Bill 13-1229 provides 293,987 General Fund and 4.0 FTE to the Instant Criminal Background Check Program in order to prepare for an anticipated increase in workload commencing on July 1, 2013.

### **FY 2013-14 Appropriation – S.B. 13-230 (Long Bill) Issue Descriptions**

**Annualize prior year funding:** The appropriation includes adjustments related to prior year legislation and budget actions including: an increase of \$46,800 reappropriated funds from the Department of Revenue related to a FY 2012-13 supplemental budget action for the CBI to complete an IT interface between the Department of Revenue and the Department of Public Health and Environment as required by H.B. 10-1284; an increase of \$3,437 for a FY 2012-13 budget action for an increase in CCIC (Colorado Crime Information Center) IT operations and maintenance costs associated with the new CCIC system; a reduction of \$293,987 General Fund and 4.0 FTE for H.B. 13-1229; a reduction of \$93,600 reappropriated funds for a FY 2012-13 budget action for the CBI to complete an IT interface between the Department of Revenue and the Department of Public Health and Environment as required by H.B. 10-1284; and a reduction of \$15,473 General Fund for H.B. 12-1246.

**Indirect cost assessment:** The appropriation includes a net decrease in the division's indirect cost assessment.

**Centrally appropriated line items:** The appropriation includes adjustments to centrally appropriated line items for vehicle lease payments.

**Other:** The appropriation removes a \$10,000 appropriation from the Colorado Bureau of Investigation associated with H.B. 12-1246.

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

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### **Division of Homeland Security and Emergency Management**

The Division of Homeland Security and Emergency Management, created in H.B. 12-1283, consists of three offices: Office of Emergency Management, Office of Prevention and Security, and Office of Preparedness. The Division is tasked with consolidating and restructuring the state's homeland security and disaster preparedness and response functions by better coordination of emergency management, homeland security, and public health entities in the state. This division is primarily federal funded, and the primary cash fund source is the Disaster Emergency Fund.

Division of Homeland Security and Emergency Management						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2012-13 Appropriation:</b>						
HB 12-1335	\$0	\$0	\$0	\$0	\$0	0.0
HB 12-1283	32,013,054	751,234	4,510,988	709,777	26,041,055	44.9
SB 13-101	<u>469,625</u>	<u>469,625</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$32,482,679</b>	<b>\$1,220,859</b>	<b>\$4,510,988</b>	<b>\$709,777</b>	<b>\$26,041,055</b>	<b>44.9</b>
<b>FY 2013-14 Appropriation:</b>						
FY 2012-13 Appropriation	\$32,482,679	\$1,220,859	\$4,510,988	\$709,777	\$26,041,055	44.9
Critical infrastructure and continuity of operations	74,332	74,332	0	0	0	0.8
Annualize prior year funding	(464,225)	(464,225)	0	0	0	0.0
Indirect cost assessment	(81,479)	0	0	(3,681)	(77,798)	0.0
<b>SB 13-230</b>	<b>\$32,011,307</b>	<b>\$830,966</b>	<b>\$4,510,988</b>	<b>\$706,096</b>	<b>\$25,963,257</b>	<b>45.7</b>
HB 13-1031	<u>152,114</u>	<u>152,114</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2.8</u>
<b>TOTAL</b>	<b>\$32,163,421</b>	<b>\$983,080</b>	<b>\$4,510,988</b>	<b>\$706,096</b>	<b>\$25,963,257</b>	<b>48.5</b>
<b>Increase/(Decrease)</b>	(\$319,258)	(\$237,779)	\$0	(\$3,681)	(\$77,798)	3.6
Percentage Change	(1.0%)	(19.5%)	0.0%	(0.5%)	(0.3%)	8.0%

### FY 2012-13 Appropriation - Mid-year Adjustments

Senate Bill 13-101 modifies the FY 2012-13 appropriation for unanticipated personnel costs as a result of the transfer of Office of Emergency Management employees from the Department of Local Affairs to the Department of Public Safety.

### FY 2013-14 Appropriation – S.B. 13-230 (Long Bill) Issue Descriptions

**Critical infrastructure and continuity of operations:** The appropriation provides \$74,332 General Fund and 0.8 FTE to the Office of Preparedness for a position to manage all critical infrastructure protection activities for State-owned facilities and other key resources as well as to update and administer the State's continuity of operations and continuity of government programs and processes.

**Annualize prior year funding:** The appropriation reduces \$464,225 General Fund for a FY 2012-13 supplemental funding for unanticipated personnel costs as a result of the transfer of Office of Emergency Management employees from the Department of Local Affairs to the Department of Public Safety.

**Indirect cost assessment:** The appropriation includes a net decrease in the division's indirect cost assessment.

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

## Recent Legislation

### 2012 Session Bills

**H.B. 12-1019:** Abolishes the Motor Carrier Services Division in the Department of Revenue, transfers the Ports of Entry Program to the Department of Public Safety, Colorado State Patrol, and transfers the International Registration Program for commercial vehicles to the Division of Motor Vehicles in the Department of Revenue. Appropriates \$10.9 million total funds and 122.3 FTE to the Department of Public Safety for FY 2012-13, of these amounts, reduces the General Fund appropriation by \$283,704, increases cash funds appropriations by \$10.6 million, and increases reappropriated funds appropriations by \$601,394. Reduces appropriations to the Department of Revenue by \$10.1 million and 122.3 FTE for FY 2012-13.

**H.B. 12-1032:** Continues the Forest Restoration Program for five years and specifies that the Program is no longer a pilot program. Extends for five years the annual transfers from the Operational Account of the Severance Tax Trust Fund of \$1.0 million to the Forest Restoration Program Cash Fund, \$1.45 million to the Healthy Forests and Vibrant Communities Fund, and \$50,000 to the Wildland-Urban Interface Training Fund. Appropriates \$50,000 from the Wildland-Urban Interface Training Fund to the Department of Public Safety.

**H.B. 12-1110:** Establishes within the Department of Regulatory Agencies, Division of Real Estate a licensure program for appraisal management companies. For FY 2012-13, appropriates \$23,700 cash funds to the Department of Public Safety, Colorado Bureau of Investigation for conducting criminal history background checks. The effective date of the bill is July 1, 2013, effectively nullifying the appropriation for FY 2012-13. For additional information on H.B. 12-1110, see the "Recent Legislation" section for the Department of Regulatory Agencies.

**H.B. 12-1246:** Reverses the annual pay date shift as it applies to state employees paid on a biweekly basis. Appropriates \$25,473 General Fund to the Department of Public Safety for FY 2012-13. For additional information on H.B. 12-1246, see the "Recent Legislation" section for the Department of Personnel.

**H.B. 12-1268:** Transfers the responsibility for inspections of health care facilities for compliance with building and fire codes standards from the Department of Public Health and Environment (DPHE) to the Division of Fire Safety in the Department of Public Safety (DPS). The transfer is contingent on the modification of the current agreement between the federal Department of Health and Human Services and DPHE has been modified to permit the Division of Fire Safety in the DPS to perform building and fire safety code inspections pursuant to federal requirements set forth by the federal Centers for Medicare and Medicaid Services.

**H.B. 12-1283:** Consolidates the State's fire prevention and control and homeland security and emergency management functions, personnel, and resources into two new divisions within the Department of Public Safety. Eliminates the Office of Preparedness, Security, and Fire Safety. Creates the Division of Fire Prevention and Control tasked with all the functions of the former Office of Fire Safety. Transfers to the Division of Fire Prevention and Control the powers and obligations relating to fire and wildfire preparedness, response, suppression, coordination, and management vested previously in the State Forest Service and the board of governors of the Colorado State University. Codifies the consolidation of Colorado's homeland security functions, personnel, and resources, enacted under Executive Order D 2011-030 into a new Division of Homeland Security and Emergency Management, consisting of the Office of Emergency Management, Office of Prevention and Security, and Office of Preparedness. Moves appropriations from the Governor's Office, Department of Higher Education, Department of Local Affairs, and Department of Public Health and

Environment into the new Division of Fire Prevention and Control and the new Division of Homeland Security and Emergency Management.

<b>Appropriations and Adjustments to the 2012 Long Bill (H.B. 12-1335) in H.B. 12-1283</b>						
<b>Department/Division</b>	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
Governor, Office of Homeland Security	(\$10,201,205)	\$0	\$0	\$0	(\$10,201,205)	(6.0)
Higher Education, Fee-for-service Contracts with State Institutions and Board of Governors of the Colorado State University System	(620,090)	(310,045)	0	(310,045)	0	(35.4)
Local Affairs, Division of Emergency Management and EDO	(20,075,990)	(380,575)	(4,510,988)	(349,977)	(14,834,450)	(27.9)
Public Health and Environment, Emergency Preparedness and Response Division	(147,729)	(147,729)	0	0	0	(2.0)
Public Safety, Various	<u>36,608,071</u>	<u>838,349</u>	<u>10,129,020</u>	<u>349,977</u>	<u>25,290,725</u>	<u>71.3</u>
<b>TOTAL</b>	<b>\$5,563,057</b>	<b>\$0</b>	<b>\$5,618,032</b>	<b>(\$310,045)</b>	<b>\$255,070</b>	<b>0.0</b>

**H.B. 12-1310:** Addresses criminal justice matters in several areas including drug offenses and treatment, sentencing, court proceedings, sex offenses, probation, and parole. Relevant to the Department of Public Safety, consolidates funding for substance-abuse treatment for adult and juvenile offenders, replacing multiple appropriations with a set of similar appropriations involving the Correctional Treatment Cash Fund, which is created by the bill. Implements a consistent appropriation format that initially appropriates all General Fund and cash funds made available for treatment by S.B. 03-318 and H.B. 10-1352 to a single department (Judicial). Transfers funds not used in the Judicial Department to other state agencies as reappropriated funds. Eliminates a statutory requirement that the Division of Criminal Justice analyze and report each year to the Joint Budget Committee concerning the amount of fiscal savings generated by H.B. 10-1352. Increases appropriations of reappropriated funds to the Department by \$1,098,016 while reducing appropriations of cash funds by the same amount. Reduces General Fund appropriations to the Division of Criminal Justice by \$37,964 and 0.5 FTE. For additional information on H.B. 12-1310, see the "Recent Legislation" section for the Judicial Department.

**H.B. 12-1335:** General appropriations act for FY 2012-13. Also appropriates \$259,510 to the Division of Criminal Justice for FY 2011-12 for offenders in community corrections with substance abuse problems.

## 2013 Session Bills

**S.B. 13-007:** Changes the repeal date for the Colorado Commission on Criminal and Juvenile Justice from July 1, 2013 to July 1, 2018. Requires the Office of Legislative Legal Services to provide a staff member to attend meetings of the Commission upon request. Makes the following FY 2013-14 General Fund appropriations: \$255,433 to the Department of Public Safety, \$56,100 to the Department of Corrections, and \$6,061 to the Legislative Department.

**S.B. 13-083:** Creates the "Colorado Prescribed Burning Act". Requires the Division of Fire Prevention and Control to implement a prescribed burning program. Appropriates \$4,635 federal funds to the Department of Public Safety for legal services from the Department of Law.

**S.B. 13-101:** Supplemental appropriation to the Department of Public Safety to modify FY 2012-13 appropriations included in the FY 2012-13 Long Bill (H.B. 12-1335). Also, modifies FY 2012-13 appropriations to the Department of Public Safety in H.B. 12-1283.

**S.B. 13-123:** Allows defendants who enter into an agreement alternative to sentencing or receive probation or a sentence to community corrections to apply for an order of collateral relief for the conviction, and establishes procedures for the application and standards for granting the relief. Provides that a pardon or commutation of sentence issued by the Governor waives all collateral consequences associated with each conviction for which the person received a pardon unless the pardon limits the scope of the pardon or commutation regarding collateral consequences. If the Governor grants a pardon or a commutation of sentence, the Governor shall provide a copy of the pardon or commutation to the Colorado Bureau of Investigation (CBI), and the CBI shall include a note in the individual's record in the Colorado Crime Information Center that a pardon was issued or clemency was granted. Appropriates \$184,902 and 3.0 FTE to the Department of Public Safety's Colorado Bureau of Investigation for FY 2013-14, including \$169,902 cash funds from the Colorado Bureau of Investigation Identification Unit Fund, and 3.0 FTE, and \$15,000 General Fund. For additional information on S.B. 13-123, see the "Recent Legislation" section for the Judicial Department.

**S.B. 13-129:** Modifies several statutory duties for the Office of the State Auditor (OSA). Changes the cycle for regular audits by the OSA of the Colorado Auto Theft Prevention Cash Fund from every two years to every five years. Reduces the FY 2012-13 appropriation to the Automobile Theft Prevention Authority in the Colorado State Patrol by \$6,500 cash funds. For additional information on S.B. 13-129, see the "Recent Legislation" section for the Legislative Branch.

**S.B. 13-138:** Defines "school resource officer" and "community partners" and expressly includes school resource officers as community partners for the purposes of school safety, readiness, and incident management. Requires the School Safety Resource Center to hire or contract for the services of an emergency response consultant with experience in law enforcement and school safety to provide guidance to school districts and schools for school building safety assessments and the use of best practices for school security, emergency preparedness and response, interoperable communications, and obtaining grants. Requires the School Safety Resource Center to provide suggestions concerning training for school resource officers. For FY 2013-14 appropriates \$68,398 General Fund and 1.0 FTE to the Schools Safety Resource Center.

**S.B. 13-283:** Requires the Colorado Commission on Criminal and Juvenile Justice to make recommendations to the General Assembly regarding criminal law changes that must be made to conform to Amendment 64. Requires the Division of Criminal Justice to undertake or contract for a study of law enforcement activities related to retail marijuana implementation. For FY 2013-14 appropriates \$154,034 from the Marijuana Cash Fund to the Department of Public Safety. For additional information on S.B. 13-283, see the "Recent Legislation" section for the Department of Public Health and Environment.

**S.B. 13-230:** General appropriations act for FY 2013-14. Also includes supplemental adjustments to modify appropriations to the Department of Public Safety included in the FY 2012-13 Long Bill (H.B. 12-1335).

**H.B. 13-1020:** Sets forth new requirements concerning the collection and treatment of forensic medical evidence of alleged sexual assault. Requires the Department of Public Safety to convene a group of stakeholders to develop rules on the standards and timing for submitting, analyzing, and comparing such evidence going forward. Requires law enforcement agencies and personnel at medical facilities performing forensic medical examinations to comply with the new rules within 90 days after their promulgation. A law enforcement agency may develop its own plan to analyze forensic evidence if the evidence will be analyzed by



a date specified in rule by the executive director. Directs the Department of Public Safety to include within the funding requests submitted to the joint budget committee money to analyze the backlog of forensic medical evidence. For FY 2013-14 appropriates \$6,351,002 General Fund to the Colorado Bureau of Investigation for the testing of backlog forensic evidence.

**H.B. 13-1031:** Clarifies the powers and duties of the Office of Emergency Management in relation to the Statewide All-Hazards Mobilization Plan. Establishes the means by which mobilized governmental entities may seek reimbursement for costs incurred by rendering inter-jurisdictional disaster assistance. Creates the Resource Mobilization Fund, the moneys in which are used by the executive director of the department to reimburse state agencies and jurisdictions in accordance with the plan. Authorizes the governor to transfer moneys to the Resource Mobilization Fund from the Disaster Emergency Fund when he or she believes that a disaster is imminent. For FY 2013-14 appropriates \$260,114 General Fund and 2.8 FTE to the Department of Public Safety.

**H.B. 13-1129:** Creates the Evidence-based Practices Implementation for Capacity (EPIC) Resource Center in the Division of Criminal Justice, to help agencies serving juvenile and adult offender populations develop, implement, and sustain evidence-based practices. The EPIC Center was developed in 2009 as an initiative of the Colorado Commission on Criminal and Juvenile Justice and is funded with federal Justice Assistance Grant funds, set to end on September 30, 2013. For FY 2013-14, appropriates \$739,591 General Fund and 6.0 FTE to the Division of Criminal Justice to replace the expiring federal support.

**H.B. 13-1155:** Makes the interdepartmental transfer of staff responsible for the life safety code inspections of health facilities contained in H.B. 12-1268 from the Department of Public Health and Environment (DPHE) to the Division of Fire Prevention and Control in the Department of Public Safety (DPS) contingent upon approval from the Secretary of the federal Department of Health and Human Services (federal DHHS). Due to the fact that the bill was signed into law on March 14, 2013, transfer appropriations totaling \$1,207,865 and 15.0 FTE in FY 2013-14 were included in S.B. 13-230.

**H.B. 13-1163:** Creates an emergency payment program in the Division of Criminal Justice for victims of sexual assault who need additional time to determine if they wish to pursue legal action. The program serves as payer of last resort for victims who require financial assistance to pay the costs of a forensic medical exam. For FY 2013-14, appropriates \$167,067 General Fund and 0.2 FTE to the Division of Criminal Justice.

**H.B. 13-1195:** Directs the Colorado Commission on Criminal and Juvenile Justice to review the State's implementation of human trafficking statutes since their inception in 2007. The Commission must report its findings to the General Assembly by January 1, 2014. For FY 2013-14, appropriates \$9,020 General Fund to the Division of Criminal Justice.

**H.B. 13-1228:** Requires the Colorado Bureau of Investigation (CBI) to charge a fee for performing instant criminal background checks related to the transfer of firearms. The fee may not exceed the direct and indirect costs associated with performing the background checks. Creates the Instant Criminal Background Check Cash Fund. Authorizes the CBI to continue using General Fund in FY 2013-14 until sufficient moneys exist in the fund to pay for the performing of criminal background checks. For FY 2013-14 reduces \$1,032,276 General Fund and 15.0 FTE and appropriates \$1,032,276 and 15.0 FTE from the Instant Criminal Background Check Cash Fund to the Department of Public Safety.

**H.B. 13-1229:** Expands instant criminal background checks related to the transfer of firearms to all firearms transfers on and after July 1, 2013. Requires a prospective firearm transferor to arrange for the services of one

or more licensed gun dealers to obtain a background check. Prohibits a prospective firearm transferee from accepting possession of a firearm unless the prospective firearm transferor has obtained approval of the transfer from the Colorado Bureau of Investigation after a background check has been requested by a licensed gun dealer. For FY 2012-13 appropriates \$362,467 General Fund and 4.0 FTE to the Department of Public Safety. For FY 2013-14 appropriates \$1,415,932 cash funds from the Instant Criminal Background Check Cash Fund and 24.7 FTE to the Department of Public Safety.

**H.B. 13-1241:** Directs the Division of Criminal Justice to distribute moneys for a statewide victim information and notification system that already exists and is operated by the County Sheriffs of Colorado. In 2007, the federal Bureau of Justice Assistance provided a grant to create this system, which provides information on inmates in county jails. Operating costs are currently paid by participating counties and by the Division of Youth Corrections (DYC) in the Department of Human Services, which also participates in the system. For FY 2013-14, the bill appropriates \$434,720 General Fund to the Division of Criminal Justice to pay for expenses of the system, with \$10,000 reappropriated to the DYC to pay for the DYC's share of system costs. Adjusts FY 2013-14 appropriations to the DYC, reducing General Fund by \$10,000 and increasing reappropriated funds from the Department of Public Safety by \$10,000.

**H.B. 13-1317:** Establishes the regulatory framework to implement Amendment 64, which legalizes the possession of small amounts of marijuana. For FY 2013-14 appropriates \$155,760 cash funds from the Colorado Bureau of Investigation Identification Unit Fund and 0.7 FTE to the Department of Public Safety for fingerprint-based criminal history record checks. For additional information on H.B. 13-1317, see the "Recent Legislation" section for the Department of Revenue.

# Department Details

## DEPARTMENT OF REGULATORY AGENCIES

### FY 2012-13 and FY 2013-14 Appropriations by Division and Bill

Department of Regulatory Agencies						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2012-13 Total Appropriation:</b>	<b>\$78,885,112</b>	<b>\$1,715,818</b>	<b>\$71,586,905</b>	<b>\$4,267,189</b>	<b>\$1,315,200</b>	<b>559.9</b>
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Executive Director's Office and Administrative Services	23,839,294	565,655	19,512,687	3,496,477	264,475	29.5
Division of Banking	4,369,807	0	4,369,807	0	0	40.0
Civil Rights Division	1,779,652	1,150,163	0	174,930	454,559	27.0
Office of Consumer Counsel	897,250	0	897,250	0	0	7.0
Division of Financial Services	1,386,125	0	1,386,125	0	0	13.0
Division of Insurance	7,338,289	0	6,772,904	0	565,385	84.9
Public Utilities Commission	15,857,498	0	15,826,717	0	30,781	95.0
Division of Real Estate	4,289,563	0	4,289,563	0	0	48.9
Division of Professions and Occupations	16,023,008	0	15,427,226	595,782	0	190.6
Division of Securities	3,104,626	0	3,104,626	0	0	24.0
<u>Breakdown of Total Appropriation by Bill</u>						
HB 12-1335	78,180,593	1,714,111	70,886,928	4,265,351	1,314,203	555.9
HB 12-1052	36,745	0	36,745	0	0	0.0
HB 12-1266	(3,930)	0	(3,930)	0	0	(0.1)
HB 12-1300	9,175	0	9,175	0	0	0.0
HB 12-1303	111,148	0	111,148	0	0	1.1
HB 12-1311	225,108	0	225,108	0	0	1.0
SB 13-102	326,273	1,707	321,731	1,838	997	2.0
<b>FY 2013-14 Total Appropriation:</b>	<b>\$81,184,712</b>	<b>\$1,703,494</b>	<b>\$73,652,864</b>	<b>\$4,504,371</b>	<b>\$1,323,983</b>	<b>572.7</b>
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Executive Director's Office and Administrative Services	27,644,371	659,565	23,022,867	3,627,425	334,514	29.5
Division of Banking	4,396,128	0	4,396,128	0	0	40.0
Civil Rights Division	1,755,833	1,043,929	0	281,164	430,740	27.0
Office of Consumer Counsel	901,856	0	901,856	0	0	7.0

<b>Department of Regulatory Agencies</b>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
Division of Financial Services	1,394,679	0	1,394,679	0	0	13.0
Division of Insurance	7,374,287	0	6,833,119	0	541,168	85.0
Public Utilities Commission	13,232,774	0	13,215,213	0	17,561	95.0
Division of Real Estate	4,568,978	0	4,568,978	0	0	52.4
Division of Professions and Occupations	16,635,671	0	16,039,889	595,782	0	199.8
Division of Securities	3,280,135	0	3,280,135	0	0	24.0
<u>Breakdown of Total Appropriation by Bill</u>						
SB 13-230	80,850,194	1,703,494	73,318,346	4,504,371	1,323,983	559.9
SB 13-014	8,318	0	8,318	0	0	0.0
SB 13-026	146,353	0	146,353	0	0	2.0
SB 13-039	58,966	0	58,966	0	0	0.6
SB 13-125	(2,400)	0	(2,400)	0	0	0.0
SB 13-151	149,691	0	149,691	0	0	1.9
SB 13-162	259,175	0	259,175	0	0	3.6
SB 13-172	5,021	0	5,021	0	0	0.0
SB 13-180	37,737	0	37,737	0	0	0.2
SB 13-189	5,000	0	5,000	0	0	0.0
SB 13-194	(725,548)	0	(725,548)	0	0	0.0
SB 13-204	2,100	0	2,100	0	0	0.0
SB 13-207	10,020	0	10,020	0	0	0.0
SB 13-221	275,046	0	275,046	0	0	3.5
SB 13-238	5,794	0	5,794	0	0	0.0
SB 13-277	8,756	0	8,756	0	0	0.1
HB 13-1111	90,489	0	90,489	0	0	0.9
<b>Increase/(Decrease)</b>	\$2,299,600	(\$12,324)	\$2,065,959	\$237,182	\$8,783	12.8
Percentage Change	2.9%	(0.7%)	2.9%	5.6%	0.7%	2.3%

**Informational Funds:** The FY 2013-14 Long Bill and other legislation indicates when an amount is shown solely for informational purposes through an "(I)" notation. The following amounts in the Department of Regulatory Agencies are annotated with the "(I)". For additional information, see Appendix J.

	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>
FY 2013-14 Appropriations containing an (I) notation	\$3,324,525	\$0	\$2,000,542	\$0	\$1,323,983

## Detail of Appropriation by Administrative Section

### Executive Director's Office and Administrative Services

The Executive Director's Office performs department-wide administrative functions including: accounting, budgeting, data processing, purchasing, facilities planning, and management reporting. The Office of Policy, Research and Regulatory Reform is located within the Executive Director's Office and is responsible for conducting sunrise and sunset reviews of state divisions and programs. The majority of cash funds in this division are from various department cash funds for centrally appropriated line items. The reappropriated funds are primarily from indirect cost recoveries paid by the divisions for central services.

Executive Director's Office and Administrative Services						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2012-13 Appropriation:</b>						
HB 12-1335	\$23,544,121	\$563,948	\$19,222,056	\$3,494,639	\$263,478	29.5
HB 12-1052	35,520	0	35,520	0	0	0.0
HB 12-1110	0	0	0	0	0	0.0
HB 12-1300	2,271	0	2,271	0	0	0.0
HB 12-1303	17,840	0	17,840	0	0	0.0
HB 12-1311	23,092	0	23,092	0	0	0.0
SB 13-102	<u>216,450</u>	<u>1,707</u>	<u>211,908</u>	<u>1,838</u>	<u>997</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$23,839,294</b>	<b>\$565,655</b>	<b>\$19,512,687</b>	<b>\$3,496,477</b>	<b>\$264,475</b>	<b>29.5</b>
<b>FY 2013-14 Appropriation:</b>						
FY 2012-13 Appropriation	\$23,839,294	\$565,655	\$19,512,687	\$3,496,477	\$264,475	29.5
Centrally appropriated line items	4,010,708	119,784	3,707,020	139,245	44,659	0.0
Fund source adjustment	0	744	6,660	(7,404)	0	0.0
Statewide IT common policy adjustments	(277,896)	(11,654)	(263,990)	0	(2,252)	0.0
Annualize prior year funding	(204,723)	(1,707)	(200,181)	(1,838)	(997)	0.0
Other	28,880	(13,257)	12,563	945	28,629	0.0
<b>SB 13-230</b>	<b>\$27,396,263</b>	<b>\$659,565</b>	<b>\$22,774,759</b>	<b>\$3,627,425</b>	<b>\$334,514</b>	<b>29.5</b>
SB 13-014	2,318	0	2,318	0	0	0.0
SB 13-026	7,725	0	7,725	0	0	0.0
SB 13-039	22,287	0	22,287	0	0	0.0
SB 13-151	21,244	0	21,244	0	0	0.0
SB 13-162	60,989	0	60,989	0	0	0.0
SB 13-172	5,021	0	5,021	0	0	0.0
SB 13-180	19,850	0	19,850	0	0	0.0

<b>Executive Director's Office and Administrative Services</b>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
SB 13-189	5,000	0	5,000	0	0	0.0
SB 13-207	6,180	0	6,180	0	0	0.0
SB 13-221	69,525	0	69,525	0	0	0.0
SB 13-238	5,794	0	5,794	0	0	0.0
HB 13-1111	<u>22,175</u>	<u>0</u>	<u>22,175</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$27,644,371</b>	<b>\$659,565</b>	<b>\$23,022,867</b>	<b>\$3,627,425</b>	<b>\$334,514</b>	<b>29.5</b>
<b>Increase/(Decrease)</b>	\$3,805,077	\$93,910	\$3,510,180	\$130,948	\$70,039	0.0
Percentage Change	16.0%	16.6%	18.0%	3.7%	26.5%	0.0%

### **FY 2012-13 Appropriation - Mid-year Adjustments**

Senate Bill 13-102 modified FY 2012-13 appropriations that includes:

- An additional \$100,000 cash funds for computer programming services;
- An additional \$62,839 cash funds for legal services; and
- An additional \$53,611 total funds for the Department's share of the statewide Liability Program mid-year adjustments.

### **FY 2013-14 Appropriation – S.B. 13-230 (Long Bill) Issue Descriptions**

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

**Fund source adjustment:** The appropriation includes an increase in General Fund and cash funds offset by a decrease in reappropriated funds.

**Statewide IT common policy adjustments:** The appropriation includes adjustments to line items appropriated for: purchase of services from the computer center; Colorado state network; management and administration of the Governor's Office of Information Technology (OIT); and information technology security.

**Annualize prior year funding:** The appropriation includes adjustments related to prior year legislation and budget actions.

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

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

## Division of Banking

The Division of Banking regulates state-chartered commercial and industrial banks, trust companies, debt adjusters, and money order companies. Division staff conduct examinations of banking institutions and ensure compliance with the Public Deposit Protection Act. This Division is entirely cash funded from the Division of Banking Cash Fund pursuant to Section 11-102-403, C.R.S.

Division of Banking						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2012-13 Appropriation:</b>						
HB 12-1335	<u>\$4,369,807</u>	<u>\$0</u>	<u>\$4,369,807</u>	<u>\$0</u>	<u>\$0</u>	<u>40.0</u>
<b>TOTAL</b>	<b>\$4,369,807</b>	<b>\$0</b>	<b>\$4,369,807</b>	<b>\$0</b>	<b>\$0</b>	<b>40.0</b>
<b>FY 2013-14 Appropriation:</b>						
FY 2012-13 Appropriation	\$4,369,807	\$0	\$4,369,807	\$0	\$0	40.0
Indirect cost assessment	26,321	0	26,321	0	0	0.0
<b>SB 13-230</b>	<b><u>\$4,396,128</u></b>	<b><u>\$0</u></b>	<b><u>\$4,396,128</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>40.0</u></b>
<b>TOTAL</b>	<b>\$4,396,128</b>	<b>\$0</b>	<b>\$4,396,128</b>	<b>\$0</b>	<b>\$0</b>	<b>40.0</b>
<b>Increase/(Decrease)</b>	\$26,321	\$0	\$26,321	\$0	\$0	0.0
Percentage Change	0.6%	n/a	0.6%	n/a	n/a	0.0%

### FY 2013-14 Appropriation – S.B. 13-230 (Long Bill) Issue Descriptions

**Indirect cost assessment:** The appropriation includes a net increase in the division's indirect cost assessment.

## Civil Rights Division

The Civil Rights Division is the enforcement arm of the Colorado Civil Rights Commission, and is responsible for the enforcement of state laws that prohibit discrimination in employment, housing, and public accommodations on the basis of race, gender, national origin, ancestry, a physical or mental disability, religion, color, marital status, or sexual orientation. The Division is primarily funded with General Fund and federal funds from the Equal Employment Opportunity Commission and the U.S. Department of Housing and Urban Development.

Civil Rights Division						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2012-13 Appropriation:</b>						
HB 12-1335	<u>\$1,779,652</u>	<u>\$1,150,163</u>	<u>\$0</u>	<u>\$174,930</u>	<u>\$454,559</u>	<u>27.0</u>
<b>TOTAL</b>	<b>\$1,779,652</b>	<b>\$1,150,163</b>	<b>\$0</b>	<b>\$174,930</b>	<b>\$454,559</b>	<b>27.0</b>

	Civil Rights Division					
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2013-14 Appropriation:</b>						
FY 2012-13 Appropriation	\$1,779,652	\$1,150,163	\$0	\$174,930	\$454,559	27.0
Fund source adjustment	0	(106,234)	0	106,234	0	0.0
Indirect cost assessment	(23,819)	0	0	0	(23,819)	0.0
<b>SB 13-230</b>	<b><u>\$1,755,833</u></b>	<b><u>\$1,043,929</u></b>	<b><u>\$0</u></b>	<b><u>\$281,164</u></b>	<b><u>\$430,740</u></b>	<b><u>27.0</u></b>
<b>TOTAL</b>	<b>\$1,755,833</b>	<b>\$1,043,929</b>	<b>\$0</b>	<b>\$281,164</b>	<b>\$430,740</b>	<b>27.0</b>
<b>Increase/(Decrease)</b>	(\$23,819)	(\$106,234)	\$0	\$106,234	(\$23,819)	0.0
Percentage Change	(1.3%)	(9.2%)	n/a	60.7%	(5.2%)	0.0%

### FY 2013-14 Appropriation – S.B. 13-230 (Long Bill) Issue Descriptions

**Fund source adjustment:** The appropriation includes an increase in reappropriated funds offset by a decrease in General Fund.

**Indirect cost assessment:** The appropriation includes a net decrease in the division's indirect cost assessment.

### Office of Consumer Counsel

The Office of Consumer Counsel represents the interests of residential, agricultural and small business consumers at electric, gas and telecommunications rate and service proceedings before the Public Utilities Commission. This Division is entirely cash funded from the Public Utilities Commission Fixed Utility Fund pursuant to Section 40-2-114, C.R.S.

	Office of Consumer Counsel					
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2012-13 Appropriation:</b>						
HB 12-1335	<u>\$897,250</u>	<u>\$0</u>	<u>\$897,250</u>	<u>\$0</u>	<u>\$0</u>	<u>7.0</u>
<b>TOTAL</b>	<b>\$897,250</b>	<b>\$0</b>	<b>\$897,250</b>	<b>\$0</b>	<b>\$0</b>	<b>7.0</b>
<b>FY 2013-14 Appropriation:</b>						
FY 2012-13 Appropriation	\$897,250	\$0	\$897,250	\$0	\$0	7.0
Indirect cost assessment	4,606	0	4,606	0	0	0.0
<b>SB 13-230</b>	<b><u>\$901,856</u></b>	<b><u>\$0</u></b>	<b><u>\$901,856</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>7.0</u></b>
<b>TOTAL</b>	<b>\$901,856</b>	<b>\$0</b>	<b>\$901,856</b>	<b>\$0</b>	<b>\$0</b>	<b>7.0</b>
<b>Increase/(Decrease)</b>	\$4,606	\$0	\$4,606	\$0	\$0	0.0
Percentage Change	0.5%	n/a	0.5%	n/a	n/a	0.0%



## FY 2013-14 Appropriation – S.B. 13-230 (Long Bill) Issue Descriptions

**Indirect cost assessment:** The appropriation includes a net increase in the division's indirect cost assessment.

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### Division of Financial Services

This Division regulates state-chartered credit unions, life care institutions, and savings and loan associations. Division staff conduct examinations of financial service institutions to ensure compliance with regulatory standards. This Division is entirely cash funded from the Division of Financial Services Cash Fund pursuant to Section 11-40-106 (2), C.R.S.

	Division of Financial Services					FTE
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	
FY 2012-13 Appropriation:						
HB 12-1335	<u>\$1,386,125</u>	<u>\$0</u>	<u>\$1,386,125</u>	<u>\$0</u>	<u>\$0</u>	<u>13.0</u>
TOTAL	\$1,386,125	\$0	\$1,386,125	\$0	\$0	13.0
FY 2013-14 Appropriation:						
FY 2012-13 Appropriation	\$1,386,125	\$0	\$1,386,125	\$0	\$0	13.0
Indirect cost assessment	8,554	0	8,554	0	0	0.0
SB 13-230	<u>\$1,394,679</u>	<u>\$0</u>	<u>\$1,394,679</u>	<u>\$0</u>	<u>\$0</u>	<u>13.0</u>
TOTAL	\$1,394,679	\$0	\$1,394,679	\$0	\$0	13.0
Increase/(Decrease)						
	\$8,554	\$0	\$8,554	\$0	\$0	0.0
Percentage Change	0.6%	n/a	0.6%	n/a	n/a	0.0%

## FY 2013-14 Appropriation – S.B. 13-230 (Long Bill) Issue Descriptions

**Indirect cost assessment:** The appropriation includes a net increase in the division's indirect cost assessment.

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### Division of Insurance

This Division is responsible for the licensing of insurance agents and adjusters, and regulation of insurance companies, non-profit hospitals, prepaid dental plans, health maintenance organizations, workers' compensation self-insurance pools, bail bondsmen, and pre-need funeral contracts. The Division of Insurance Cash Fund, created in Section 10-1-103 (3), C.R.S., is the primary source of cash funds.

Division of Insurance						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2012-13 Appropriation:</b>						
HB 12-1335	\$7,340,684	\$0	\$6,775,299	\$0	\$565,385	85.0
HB 12-1266	(3,930)	0	(3,930)	0	0	(0.1)
SB 13-102	<u>1,535</u>	<u>0</u>	<u>1,535</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$7,338,289</b>	<b>\$0</b>	<b>\$6,772,904</b>	<b>\$0</b>	<b>\$565,385</b>	<b>84.9</b>
<b>FY 2013-14 Appropriation:</b>						
FY 2012-13 Appropriation	\$7,338,289	\$0	\$6,772,904	\$0	\$565,385	84.9
Indirect cost assessment	29,642	0	53,859	0	(24,217)	0.0
<b>SB 13-230</b>	<b>\$7,367,931</b>	<b>\$0</b>	<b>\$6,826,763</b>	<b>\$0</b>	<b>\$541,168</b>	<b>84.9</b>
SB 13-125	(2,400)	0	(2,400)	0	0	0.0
SB 13-277	<u>8,756</u>	<u>0</u>	<u>8,756</u>	<u>0</u>	<u>0</u>	<u>0.1</u>
<b>TOTAL</b>	<b>\$7,374,287</b>	<b>\$0</b>	<b>\$6,833,119</b>	<b>\$0</b>	<b>\$541,168</b>	<b>85.0</b>
<b>Increase/(Decrease)</b>	\$35,998	\$0	\$60,215	\$0	(\$24,217)	0.1
Percentage Change	0.5%	n/a	0.9%	n/a	(4.3%)	0.1%

### FY 2012-13 Appropriation - Mid-year Adjustments

Senate Bill 13-102 modified FY 2012-13 appropriations to make a technical adjustment for the Transfer to CAPCO Administration payment to the Governor's Office.

### FY 2013-14 Appropriation – S.B. 13-230 (Long Bill) Issue Descriptions

**Indirect cost assessment:** The appropriation includes a net increase in the division's indirect cost assessment.

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

### Public Utilities Commission

The Public Utilities Commission regulates the rates and services of fixed utilities and transportation utilities located in the state, and administers the Colorado Telecommunications High Cost Program, the Low-Income Telephone Assistance Program, the Highway Crossing Protection Program, and the Disabled Telephone Users Program. This Division is entirely cash funded, primarily from the Public Utilities Commission Fixed Utility Fund, the Disabled Telephone Users Fund, the Low-Income Telephone Assistance Fund, and the Public Utilities Commission Motor Carrier Fund.

<b>Public Utilities Commission</b>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2012-13 Appropriation:</b>						
HB 12-1335	\$15,851,475	\$0	\$15,820,694	\$0	\$30,781	95.0
SB 13-102	<u>6,023</u>	<u>0</u>	<u>6,023</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$15,857,498</b>	<b>\$0</b>	<b>\$15,826,717</b>	<b>\$0</b>	<b>\$30,781</b>	<b>95.0</b>
<b>FY 2013-14 Appropriation:</b>						
FY 2012-13 Appropriation	\$15,857,498	\$0	\$15,826,717	\$0	\$30,781	95.0
Indirect cost assessment	49,294	0	62,514	0	(13,220)	0.0
Informational funds adjustment	(1,957,253)	0	(1,957,253)	0	0	0.0
Annualize prior year funding	(6,023)	0	(6,023)	0	0	0.0
Other	14,806	0	14,806	0	0	0.0
<b>SB 13-230</b>	<b>\$13,958,322</b>	<b>\$0</b>	<b>\$13,940,761</b>	<b>\$0</b>	<b>\$17,561</b>	<b>95.0</b>
SB 13-194	<u>(725,548)</u>	<u>0</u>	<u>(725,548)</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$13,232,774</b>	<b>\$0</b>	<b>\$13,215,213</b>	<b>\$0</b>	<b>\$17,561</b>	<b>95.0</b>
<b>Increase/(Decrease)</b>	<b>(\$2,624,724)</b>	<b>\$0</b>	<b>(\$2,611,504)</b>	<b>\$0</b>	<b>(\$13,220)</b>	<b>0.0</b>
Percentage Change	(16.6%)	n/a	(16.5%)	n/a	(42.9%)	0.0%

### **FY 2012-13 Appropriation - Mid-year Adjustments**

Senate Bill 13-102 modified FY 2012-13 appropriations to make a technical adjustment for the payment to the Department of Human Services for the Commission for the Deaf and Hard of Hearing.

### **FY 2013-14 Appropriation – S.B. 13-230 (Long Bill) Issue Descriptions**

**Indirect cost assessment:** The appropriation includes a net increase in the division's indirect cost assessment.

**Informational funds adjustment:** The appropriation includes a decrease of cash funds reflected in the Long Bill for informational purposes only.

**Annualize prior year funding:** The appropriation includes adjustments related to prior year legislation and budget actions.

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

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

## Division of Real Estate

The Division of Real Estate licenses real estate brokers and appraisal professionals, analyzes subdivision offerings on undeveloped land, and administers an enforcement program that responds to the needs of the industry and the consumer. Additional protection is offered to the public through the Real Estate Recovery Fund and errors and omissions insurance for all real estate licensees. The Division is entirely cash funded primarily from the Division of Real Estate Cash Fund and the Mortgage Broker Licensing Cash Fund.

	Division of Real Estate					
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2012-13 Appropriation:</b>						
HB 12-1335	\$4,187,298	\$0	\$4,187,298	\$0	\$0	46.9
SB 13-102	<u>102,265</u>	<u>0</u>	<u>102,265</u>	<u>0</u>	<u>0</u>	<u>2.0</u>
<b>TOTAL</b>	<b>\$4,289,563</b>	<b>\$0</b>	<b>\$4,289,563</b>	<b>\$0</b>	<b>\$0</b>	<b>48.9</b>
<b>FY 2013-14 Appropriation:</b>						
FY 2012-13 Appropriation	\$4,289,563	\$0	\$4,289,563	\$0	\$0	48.9
Indirect cost assessment	46,039	0	46,039	0	0	0.0
Operating adjustments	37,261	0	37,261	0	0	0.0
Annualize prior year funding	(9,406)	0	(9,406)	0	0	0.0
<b>SB 13-230</b>	<b>\$4,363,457</b>	<b>\$0</b>	<b>\$4,363,457</b>	<b>\$0</b>	<b>\$0</b>	<b>48.9</b>
SB 13-221	<u>205,521</u>	<u>0</u>	<u>205,521</u>	<u>0</u>	<u>0</u>	<u>3.5</u>
<b>TOTAL</b>	<b>\$4,568,978</b>	<b>\$0</b>	<b>\$4,568,978</b>	<b>\$0</b>	<b>\$0</b>	<b>52.4</b>
<b>Increase/(Decrease)</b>	\$279,415	\$0	\$279,415	\$0	\$0	3.5
Percentage Change	6.5%	n/a	6.5%	n/a	n/a	7.2%

### FY 2012-13 Appropriation - Mid-year Adjustments

Senate Bill 13-102 modified FY 2012-13 appropriations to add \$102,265 cash funds and 2.0 FTE for the regulation of appraisal management companies.

### FY 2013-14 Appropriation – S.B. 13-230 (Long Bill) Issue Descriptions

**Indirect cost assessment:** The appropriation includes a net increase in the division's indirect cost assessment.

**Operating adjustments:** The appropriation includes an increase of \$37,261 cash funds for a legal services adjustment for the Mortgage Broker Consumer Protection line item.

**Annualize prior year funding:** The appropriation includes adjustments related to prior year legislation and budget actions.

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

## Division of Professions and Occupations

This Division regulates over 347,000 licensees in over fifty professions and occupations. Boards and Commissions establish regulatory standards to ensure a minimal level of licensee competency and rules to ensure a safe environment for professionals and customers. The Division is primarily funded with cash funds from the Division of Professions and Occupations Cash Fund. Reappropriated funds are primarily from Departmental indirect cost recoveries.

Division of Professions and Occupations						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2012-13 Appropriation:</b>						
HB 12-1335	\$15,719,555	\$0	\$15,123,773	\$595,782	\$0	188.5
HB 12-1052	1,225	0	1,225	0	0	0.0
HB 12-1300	6,904	0	6,904	0	0	0.0
HB 12-1303	93,308	0	93,308	0	0	1.1
HB 12-1311	<u>202,016</u>	<u>0</u>	<u>202,016</u>	<u>0</u>	<u>0</u>	<u>1.0</u>
<b>TOTAL</b>	<b>\$16,023,008</b>	<b>\$0</b>	<b>\$15,427,226</b>	<b>\$595,782</b>	<b>\$0</b>	<b>190.6</b>
<b>FY 2013-14 Appropriation:</b>						
FY 2012-13 Appropriation	\$16,023,008	\$0	\$15,427,226	\$595,782	\$0	190.6
Indirect cost assessment	139,976	0	139,976	0	0	0.0
Annualize prior year funding	(127,394)	0	(127,394)	0	0	0.0
<b>SB 13-230</b>	<b>\$16,035,590</b>	<b>\$0</b>	<b>\$15,439,808</b>	<b>\$595,782</b>	<b>\$0</b>	<b>190.6</b>
SB 13-014	6,000	0	6,000	0	0	0.0
SB 13-026	138,628	0	138,628	0	0	2.0
SB 13-039	36,679	0	36,679	0	0	0.6
SB 13-151	128,447	0	128,447	0	0	1.9
SB 13-162	198,186	0	198,186	0	0	3.6
SB 13-180	17,887	0	17,887	0	0	0.2
SB 13-204	2,100	0	2,100	0	0	0.0
SB 13-207	3,840	0	3,840	0	0	0.0
HB 13-1111	<u>68,314</u>	<u>0</u>	<u>68,314</u>	<u>0</u>	<u>0</u>	<u>0.9</u>
<b>TOTAL</b>	<b>\$16,635,671</b>	<b>\$0</b>	<b>\$16,039,889</b>	<b>\$595,782</b>	<b>\$0</b>	<b>199.8</b>
<b>Increase/(Decrease)</b>	\$612,663	\$0	\$612,663	\$0	\$0	9.2
Percentage Change	3.8%	n/a	4.0%	0.0%	n/a	4.8%

## FY 2013-14 Appropriation – S.B. 13-230 (Long Bill) Issue Descriptions

**Indirect cost assessment:** The appropriation includes a net increase in the division's indirect cost assessment.

**Annualize prior year funding:** The appropriation includes adjustments related to prior year legislation and budget actions.

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

### Division of Securities

This Division monitors the conduct of state-licensed securities broker-dealers and sales representatives, and investigates complaints and other indications of securities fraud. Division staff perform examinations of dealer offices and investment advisory firms to ensure compliance with regulatory laws. The Division is entirely cash funded from the Division of Securities Cash Fund created in Section 11-51-707 (2), C.R.S.

	Division of Securities					
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2012-13 Appropriation:</b>						
HB 12-1335	<u>\$3,104,626</u>	<u>\$0</u>	<u>\$3,104,626</u>	<u>\$0</u>	<u>\$0</u>	<u>24.0</u>
<b>TOTAL</b>	<b>\$3,104,626</b>	<b>\$0</b>	<b>\$3,104,626</b>	<b>\$0</b>	<b>\$0</b>	<b>24.0</b>
<b>FY 2013-14 Appropriation:</b>						
FY 2012-13 Appropriation	\$3,104,626	\$0	\$3,104,626	\$0	\$0	24.0
Operating adjustments	159,716	0	159,716	0	0	0.0
Indirect cost assessment	15,793	0	15,793	0	0	0.0
<b>SB 13-230</b>	<b><u>\$3,280,135</u></b>	<b><u>\$0</u></b>	<b><u>\$3,280,135</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>24.0</u></b>
<b>TOTAL</b>	<b>\$3,280,135</b>	<b>\$0</b>	<b>\$3,280,135</b>	<b>\$0</b>	<b>\$0</b>	<b>24.0</b>
<b>Increase/(Decrease)</b>	\$175,509	\$0	\$175,509	\$0	\$0	0.0
Percentage Change	5.7%	n/a	5.7%	n/a	n/a	0.0%

## FY 2013-14 Appropriation – S.B. 13-230 (Long Bill) Issue Descriptions

**Operating adjustments:** The appropriation includes an increase of \$159,716 cash funds for a legal services adjustment for the Securities Fraud Prosecution line item.

**Indirect cost assessment:** The appropriation includes a net increase in the division's indirect cost assessment.

## Recent Legislation

### 2012 Session Bills

**H.B. 12-1052:** Requires the Department of Regulatory Agencies to request health care workforce data from certain health care professionals when receiving their initial or renewal license applications beginning on or before July 1, 2013. Appropriates \$36,475 cash funds from the Division of Registrations Cash Fund and reappropriates \$35,520 to the Governor's Office of Information Technology for the provision of programming services for FY 2012-13.

**H.B. 12-1055:** Renames the Division of Registrations in the Department of Regulatory Agencies as the Division of Professions and Occupations and renames the Division of Registrations Cash Fund as the Division of Professions and Occupations Cash Fund.

**H.B. 12-1110:** Redefines appraisal management company (AMC), establishes a licensure program for AMCs in the Division of Real Estate, and modifies the composition of the Board of Real Estate Appraisers to include a representative of an AMC. While the bill appropriates \$265,104 cash funds and 2.0 FTE from the Division of Real Estate Cash Fund, reappropriates \$62,839 and 0.5 FTE to the Department of Law for the provision of 830 hours of legal services, and appropriates \$23,700 from the CBI Identification Unit Cash Fund to the Department of Public Safety for fingerprint-based criminal history checks for FY 2012-13, the effective date of the bill is July 1, 2013 (FY 2013-14), effectively nullifying the appropriation for FY 2012-13.

**H.B. 12-1215:** Conforms state law to the federal Non-admitted and Reinsurance Reform Act of 2010 that allows the Division of Insurance to collect all possible premium taxes on multi-state insurance policies, enables the Division to collect premium taxes on surplus lines insurance more than once annually, and gives the Commissioner of Insurance the authority to enter into multi-state compacts to manage, collect, and distribute premium taxes.

**H.B. 12-1266:** Continues the licensing of surety bail bond agents as property and casualty insurance providers and strikes all references to bail bond agents in Title 12 of the Colorado Revised Statutes and reestablishes regulatory oversight of the profession in the Division of Insurance in the Department of Regulatory Agencies in a new article in Title 10 of the Colorado Revised Statutes. Decreases the FY 2012-13 Long Bill appropriation for the Division of Insurance by 0.1 FTE and \$3,930 from the Division of Insurance Cash Fund.

**H.B. 12-1300:** Implements the recommendations from the Department of Regulatory Agencies 2011 Sunset Review and extends the functions of professional review committees under the Colorado Professional Review Act until September 1, 2019. Appropriates \$9,175 cash funds from the Division of Registrations Cash Fund to the Division of Registrations in the Department of Regulatory Agencies and reappropriates \$2,271 to the Department of Law for the provision of 30 hours of legal services for FY 2012-13.

**H.B. 12-1303:** Enacts the Speech-Language Pathology Practice Act and requires that the Division of Registrations create a certification program for speech-language pathologists. Appropriates 1.1 FTE and \$111,148 cash funds from the Division of Registrations Cash Fund, reappropriates \$16,656 and 0.1 FTE to the Department of Law for the provision of 220 hours of legal services, and reappropriates \$1,184 to the Governor's Office of Information Technology for the provision of technical assistance for FY 2012-13.

**H.B. 12-1311:** Continues the Colorado State Board of Pharmacy in the Department of Regulatory Agencies, continues the regulation of the practice of pharmacy through September 21, 2021, recodifies and relocates

statutes regulating the practice of pharmacy and statutes pertaining to the licensing of addiction programs by the Department of Human Services. Appropriates 1.0 FTE and \$225,108 cash funds from the Division of Registrations Cash Fund and reappropriates \$23,092 to the Department of Law for the provision of 305 hours of legal services for FY 2012-13.

**H.B. 12-1327:** Repeals the requirement that a towing carrier maintain a \$50,000 surety bond to pay civil penalties assessed by the Public Utilities Commission and provides for the immediate revocation of the towing carrier's operating authority, a five-year prohibition on reapplying for a new authority, and a five-year disqualification from the same for principals connected to the towing carrier for failure to pay a fine or civil penalty. Requires towing carriers to purchase and display tow truck license plates created in the bill, beginning January 1, 2013. Appropriates \$11,840 from the License Plate Cash Fund and \$12,210 from the Colorado State Titling and Registration Account in the Highway Users Tax Fund to the Department of Revenue and reappropriates \$12,210 to the Governor's Office of Information Technology for provision of programming for FY 2012-13.

**H.B. 12-1332:** Adds anesthesiologist assistants to the Medical Practices Act and requires that they be licensed by the Colorado Medical Board in the Department of Regulatory Agencies to practice in Colorado.

**H.B. 12-1335:** General appropriations act for FY 2012-13.

## **2013 Session Bills**

**S.B. 13-014:** Provides immunity to a person other than a health care provider or a health care facility who acts in good faith to administer an opiate antagonist to another person whom the person believes to be suffering an opiate-related drug overdose event; appropriates \$8,318 cash funds from the Division of Professions and Occupations Cash Fund for rule-making in FY 2013-14.

**S.B. 13-026:** Modifies the Michael Skolnik Medical Transparency Act by requiring compliance from additional health care providers; appropriates \$146,353 cash funds and 2.0 FTE from the Division of Professions and Occupations Cash Fund in FY 2013-14.

**S.B. 13-039:** Reauthorizes the Division of Professions and Occupations to regulate audiologists. Appropriates \$58,966 and 0.6 FTE from the Division of Professions and Occupations Cash Fund in FY 2013-14.

**S.B. 13-102:** Supplemental appropriation to the Department of Regulatory Agencies for FY 2012-13.

**S.B. 13-125:** Modifies the regulation of preneed funeral contracts by the Commissioner of Insurance; reduces the cash funds appropriation from the Division of Insurance Cash Fund by \$2,400 in FY 2013-14.

**S.B. 13-151:** Continues and modifies the regulation of massage therapists; appropriates an additional \$149,691 cash funds and 1.9 FTE from the Division of Professions and Occupations Cash Fund in FY 2013-14.

**S.B. 13-162:** Continues and modifies the Examining Board of Plumbers and the regulation of plumbers; appropriates an additional \$259,175 cash funds and 3.6 FTE from the Division of Professions and Occupations Cash Fund in FY 2013-14.



**S.B. 13-172:** Continues and modifies the regulation of acupuncturists; appropriates an additional \$5,021 cash funds from the Division of Professions and Occupations Cash Fund for legal services related to rule-making in FY 2013-14.

**S.B. 13-180:** Continues and modifies the regulation of occupational therapists; appropriates an additional \$37,737 cash funds and 0.2 FTE from the Division of Professions and Occupations Cash Fund in FY 2013-14.

**S.B. 13-189:** Creates the Moving Outreach Fund to be used to educate consumers about their rights and the responsibilities of movers and allocates half the civil penalties collected by the Public Utilities Commission from movers of household goods; appropriates \$5,000 cash funds from the Moving Outreach Fund to the Executive Director's Office and Administrative Services in FY 2013-14.

**S.B. 13-194:** Repeals the Low Income Telephone Assistance Program (Program), reduces by \$725,548 the informational cash funds appropriation from the Low-Income Telephone Assistance Fund (Fund) for the Public Utilities Commission, and decreases by \$118,272 cash funds and 1.5 FTE, the appropriation from the Fund to the Department of Human Services for administration of the Program in FY 2013-14.

**S.B. 13-204:** Increases the number of members on the Colorado State Board of Chiropractic Examiners to seven. Appropriates an additional \$2,100 cash funds from the Division of Professions and Occupations Cash Fund for board member expenses in FY 2013-14.

**S.B. 13-207:** Allows a licensed or certified mental health care professional with appropriate training to perform auricular acudetox, defined as the subcutaneous insertion of sterile, disposable acupuncture needles on five specific locations of a person's ear, and appropriates an additional \$10,020 cash funds from the Division of Professions and Occupations Cash Fund in FY 2013-14.

**S.B. 13-221:** Provides a conservation easement tax credit pre-approval process for tax years beginning January 1, 2014, and creates the Conservation Easement Tax Credit Certificate Review Fund (Fund); appropriates \$275,046 cash funds and 3.5 FTE from the Fund to the Division of Real Estate, reappropriates \$69,525 and 0.5 FTE to the Department of Law for the provision of legal services, and appropriates \$48,000 General Fund to the Department of Revenue in FY 2013-14. Provides a General Fund loan to the Department of Regulatory Agencies beginning July 1, 2013 for implementation of the process.

**S.B. 13-230:** General appropriations act for FY 2013-14.

**S.B. 13-238:** Regulates hearing aid providers by the Division of Professions and Occupations and appropriates \$5,794 cash funds to the Executive Director's Office and Administrative Services from the Division of Professions and Occupations Cash Fund for legal services and reappropriates that amount to the Department of Law in FY 2013-14.

**S.B. 13-277:** Requires the Commissioner of Insurance to develop, by July 31, 2014, and prescribing providers, carriers, and, pharmacy benefit management firms to use, by January 1, 2015, a uniform prior authorization process for purposes of submitting and receiving requests for prior coverage approval of a drug benefit; appropriates \$8,756 cash funds and 0.1 FTE to the Division of Insurance from the Division of Insurance Cash Fund in FY 2013-14.

**H.B. 13-1111:** Regulates naturopathic doctors by the Division of Professions and Occupations; appropriates \$90,489 cash funds and 0.9 FTE to the Division of Professions and Occupations from the Division of Professions and Occupations Cash Fund in FY 2013-14.

**H.B. 13-1183:** Imposes an aggregate annual cap of \$45.0 million for Conservation Easement Tax Credit Certificates issued by the Division of Real Estate beginning in calendar year 2014. Credits that exceed the limit are placed on a wait list for a future year; limits the ongoing wait list to \$15.0 million for the following calendar year.

**H.B. 13-1277:** Requires any person who manages the affairs of a common interest community on behalf of a homeowner association (HOA) for compensation, on or after July 1, 2015, to meet minimum qualifications and obtain a license from the Division of Real Estate and creates the Community Association Manager Licensing Cash Fund (Fund) in Section 12-61-1012, C.R.S.

# Department Details

## DEPARTMENT OF REVENUE

### FY 2012-13 and FY 2013-14 Appropriations by Division and Bill

Department of Revenue						
	Total Funds	General Fund <sup>/1</sup>	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2012-13 Total Appropriation:</b>	<b>\$287,797,760</b>	<b>\$73,393,521</b>	<b>\$211,976,517</b>	<b>\$1,603,334</b>	<b>\$824,388</b>	<b>1,249.1</b>
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Executive Director's Office	41,640,021	17,501,906	22,952,611	1,185,504	0	43.4
Central Department Operations Division	12,331,052	11,216,056	1,041,831	73,165	0	97.3
Information Technology Division	4,827,393	877,111	3,950,282	0	0	0.0
Taxation Business Group	45,888,616	42,747,988	2,096,155	220,085	824,388	329.6
Division of Motor Vehicles	34,007,023	667,956	33,339,067	0	0	422.3
Motor Carrier Services Division	0	0	0	0	0	0.0
Enforcement Business Group	51,739,171	382,504	51,232,087	124,580	0	239.4
State Lottery Division	97,364,484	0	97,364,484	0	0	117.1
<u>Breakdown of Total Appropriation by Bill</u>						
HB 12-1335	296,857,697	95,804,403	198,734,454	1,494,452	824,388	1,370.7
SB 12-044	28,639	0	28,639	0	0	0.8
HB 12-1019	(9,758,101)	379,400	(10,173,574)	36,073	0	(122.3)
HB 12-1023	20,720	0	20,720	0	0	0.0
HB 12-1038	45,147	0	45,147	0	0	0.3
HB 12-1131	20,720	0	20,720	0	0	0.0
HB 12-1153	3,396	0	3,396	0	0	0.0
HB 12-1162	4,936	0	4,936	0	0	0.0
HB 12-1216	(74,421)	(22,664,244)	22,664,243	(74,420)	0	0.0
HB 12-1246	133,783	133,783	0	0	0	0.0
HB 12-1275	85,840	0	85,840	0	0	0.0
HB 12-1295	20,720	0	20,720	0	0	0.0
HB 12-1302	20,720	0	20,720	0	0	0.0
HB 12-1314	14,800	14,800	0	0	0	0.0

Department of Revenue						
	Total Funds	General Fund <sup>/1</sup>	Cash Funds	Reappropriated Funds	Federal Funds	FTE
HB 12-1327	24,050	0	24,050	0	0	0.0
SB 12S-001	251,055	0	251,055	0	0	0.8
SB 13-103	98,059	(274,621)	225,451	147,229	0	(1.2)
<b>FY 2013-14 Total Appropriation:</b>	<b>\$302,095,503</b>	<b>\$77,856,804</b>	<b>\$218,345,598</b>	<b>\$5,068,713</b>	<b>\$824,388</b>	<b>1,241.7</b>
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Executive Director's Office	52,305,127	22,337,668	25,867,296	4,100,163	0	66.6
Central Department Operations Division	10,808,015	9,710,292	628,874	468,849	0	80.6
Information Technology Division	5,900,971	1,908,865	3,992,106	0	0	0.0
Taxation Business Group	46,183,319	42,838,215	2,300,631	220,085	824,388	323.2
Division of Motor Vehicles	36,747,198	714,426	36,032,772	0	0	416.8
Motor Carrier Services Division	0	0	0	0	0	0.0
Enforcement Business Group	52,746,060	347,338	52,119,106	279,616	0	237.4
State Lottery Division	97,404,813	0	97,404,813	0	0	117.1
<u>Breakdown of Total Appropriation by Bill</u>						
SB 13-230	299,057,894	76,836,412	216,328,381	5,068,713	824,388	1,237.6
SB 13-001	60,000	60,000	0	0	0	0.0
SB 13-004	4,588	0	4,588	0	0	0.0
SB 13-060	3,605	0	3,605	0	0	0.0
SB 13-120	3,315	0	3,315	0	0	0.0
SB 13-170	16,000	16,000	0	0	0	0.0
SB 13-221	48,000	48,000	0	0	0	0.0
SB 13-224	8,892	0	8,892	0	0	0.0
SB 13-251	436,292	436,292	0	0	0	0.0
SB 13-280	25,900	0	25,900	0	0	0.0
HB 13-1011	5,000	0	5,000	0	0	0.0
HB 13-1022	5,000	0	5,000	0	0	0.0
HB 13-1042	280,000	280,000	0	0	0	0.0
HB 13-1071	193,489	0	193,489	0	0	0.0
HB 13-1110	254,096	0	254,096	0	0	0.0
HB 13-1119	72,800	0	72,800	0	0	0.0
HB 13-1135	86,672	0	86,672	0	0	0.0
HB 13-1142	1,600	1,600	0	0	0	0.0
HB 13-1153	98,411	98,411	0	0	0	0.4
HB 13-1240	126,834	0	126,834	0	0	1.0
HB 13-1288	80,089	80,089	0	0	0	0.0
HB 13-1317	1,227,026	0	1,227,026	0	0	2.7

Department of Revenue						
	Total Funds	General Fund <sup>/1</sup>	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>Increase/(Decrease)</b>	\$14,297,743	\$4,463,283	\$6,369,081	\$3,465,379	\$0	(7.4)
Percentage Change	5.0%	6.1%	3.0%	216.1%	0.0%	(0.6%)

<sup>/1</sup> Includes \$17,700,000 in FY 2012-13 and \$16,400,000 in FY 2013-14 that is exempt from the statutory limit on state General Fund appropriations pursuant to Section 24-75-201.1, C.R.S.

**Informational Funds:** The FY 2013-14 Long Bill and other legislation indicates when an amount is shown solely for informational purposes through an "(I)" notation. The following amounts in the Department of Revenue are annotated with the "(I)". For additional information, see Appendix J.

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds
FY 2013-14 Appropriations containing an (I) notation	\$53,238,663	\$16,400,000	\$36,014,275	\$0	\$824,388

## Detail of Appropriation by Administrative Section

### Executive Director's Office

The Executive Director's Office performs department-wide administrative functions including: accounting, budgeting, data processing, purchasing, facilities planning, and management reporting. The Office of Policy, Research and Regulatory Reform is located within the Executive Director's Office and is responsible for conducting sunrise and sunset reviews of state divisions and programs. The majority of cash funds in this division are from various department cash funds for centrally appropriated line items. The reappropriated funds are primarily from indirect cost recoveries paid by the divisions for central services.

Executive Director's Office						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2012-13 Appropriation:</b>						
HB 12-1335	\$43,820,067	\$25,595,329	\$17,153,749	\$1,070,989	\$0	45.4
HB 12-1019	(2,228,395)	283,349	(2,536,444)	24,700	0	(2.0)
HB 12-1216	(1)	(7,954,625)	8,019,577	(64,953)	0	0.0
HB 12-1246	3,184	3,184	0	0	0	0.0
SB 13-103	<u>45,166</u>	<u>(425,331)</u>	<u>315,729</u>	<u>154,768</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$41,640,021</b>	<b>\$17,501,906</b>	<b>\$22,952,611</b>	<b>\$1,185,504</b>	<b>\$0</b>	<b>43.4</b>
<b>FY 2013-14 Appropriation:</b>						
FY 2012-13 Appropriation	\$41,640,021	\$17,501,906	\$22,952,611	\$1,185,504	\$0	43.4
Centrally appropriated line items	4,786,733	2,173,700	2,613,033	0	0	0.0

	Executive Director's Office					
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
DOR IT infrastructure performance enhancements	3,256,667	2,177,291	1,079,376	0	0	0.0
EDO realignment	1,735,691	619,430	882,633	233,628	0	20.5
Statewide IT common policy adjustments	410,293	(307,922)	1,169,699	(451,484)	0	0.0
Leased space inflator	80,051	12,137	67,914	0	0	0.0
Fund source adjustment	0	127,738	(127,738)	0	0	0.0
Indirect cost assessment	0	(448,973)	(2,838,310)	3,287,283	0	0.0
Annualize prior year funding	(48,350)	422,147	(315,729)	(154,768)	0	0.0
Tax document processing pipeline efficiencies	(20,000)	(20,000)	0	0	0	0.0
Eliminate county jail ID processing unit	(6,687)	0	(6,687)	0	0	0.0
<b>SB 13-230</b>	<b>\$51,834,419</b>	<b>\$22,257,454</b>	<b>\$25,476,802</b>	<b>\$4,100,163</b>	<b>\$0</b>	<b>63.9</b>
SB 13-251	7,725	7,725	0	0	0	0.0
HB 13-1288	72,489	72,489	0	0	0	0.0
HB 13-1317	<u>390,494</u>	<u>0</u>	<u>390,494</u>	<u>0</u>	<u>0</u>	<u>2.7</u>
<b>TOTAL</b>	<b>\$52,305,127</b>	<b>\$22,337,668</b>	<b>\$25,867,296</b>	<b>\$4,100,163</b>	<b>\$0</b>	<b>66.6</b>
<b>Increase/(Decrease)</b>	\$10,665,106	\$4,835,762	\$2,914,685	\$2,914,659	\$0	23.2
Percentage Change	25.6%	27.6%	12.7%	245.9%	n/a	53.5%

### FY 2012-13 Appropriation - Mid-year Adjustments

Senate Bill 13-103 modifies FY 2012-13 appropriations to:

- Make indirect cost fund allocation adjustments;
- Eliminate the appropriation for the County Jail Identification Processing Unit; and
- Add billing to fix fund balance shortfall.

### FY 2013-14 Appropriation – S.B. 13-230 (Long Bill) Issue Descriptions

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

**DOR IT infrastructure performance enhancements:** The appropriation includes an increase for enhancements and upgrades to the Department's information technology infrastructure and an increased level of support from the Governor's Office of Information Technology (OIT).

**EDO realignment:** The appropriation includes a funding and FTE increase *in this division* to realign personnel throughout the Department to provide the flexibility to better manage the Department's personnel and resources. The appropriation includes a total department-wide increase of \$367,281 reappropriated funds from increased indirect cost recoveries, decreases General Fund by \$257,623, and increases cash funds by \$257,623, and has no change in the total FTE approved for the Department.

**Statewide IT common policy adjustments:** The appropriation includes adjustments to line items appropriated for: the purchase services from the computer center; Colorado state network; management and administration of the Governor's OIT; communication services payments; information technology security; and COFRS modernization.

**Leased space inflator:** The appropriation includes inflation adjustments built into leases the Department has signed across the state, mostly for driver's license and Lottery offices.

**Fund source adjustment:** The appropriation includes a decrease in the amount of total department indirect cost recoveries applied to offset the need for General Fund in this division, which necessitates an increase in the General Fund appropriation.

**Indirect cost assessment:** The appropriation for indirect costs includes a decrease in General Fund and cash funds offset by an increase in reappropriated funds.

**Annualize prior year funding:** The appropriation includes adjustments related to prior year legislation and budget actions.

**Tax document processing pipeline efficiencies:** The appropriation includes savings from the investment of capital construction moneys for the purchase of tax document processing equipment and related software.

**Eliminate county jail ID processing unit:** The appropriation realizes savings from the elimination of the county jail Identification (ID) processing unit.

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

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## Central Department Operations Division

This division maintains documents and records transactions for taxes, licensing, and other fee payments; deposits tax remittances; processes tax documents; issues income tax refunds; and handles a variety of incoming and outgoing mail. Major sources of cash funds include the Auto Dealers License Fund, the Liquor Enforcement Division and State Licensing Authority Cash Fund, the Racing Cash Fund, the Aviation Fund, the Highway Users Tax Fund, the identification Security Fund, the Colorado State Titling and Registration Account, the Limited Gaming Fund, the Driver's License Administrative Revocation Account, the Outstanding Judgments and Warrants Account, and the AIR Account. Sources of reappropriated funds are the State Lottery Fund and the Limited Gaming Fund.

### Central Department Operations Division

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2012-13 Appropriation:</b>						
HB 12-1335	\$12,289,581	\$11,097,484	\$1,087,956	\$104,141	\$0	97.3
HB 12-1019	(5,568)	75,927	(92,868)	11,373	0	0.0
HB 12-1216	0	(108,245)	117,712	(9,467)	0	0.0
HB 12-1246	44,534	44,534	0	0	0	0.0
SB 12S-001	2,505	0	2,505	0	0	0.0
SB 13-103	<u>0</u>	<u>106,356</u>	<u>(73,474)</u>	<u>(32,882)</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$12,331,052</b>	<b>\$11,216,056</b>	<b>\$1,041,831</b>	<b>\$73,165</b>	<b>\$0</b>	<b>97.3</b>
<b>FY 2013-14 Appropriation:</b>						
FY 2012-13 Appropriation	\$12,331,052	\$11,216,056	\$1,041,831	\$73,165	\$0	97.3
Fund source adjustment	0	(9,274)	(386,509)	395,783	0	0.0
Tax document processing pipeline efficiencies	(990,422)	(990,422)	0	0	0	(10.7)
EDO Realignment	(502,691)	(355,178)	(114,532)	(32,981)	0	(6.0)
Annualize prior year funding	(44,534)	(150,890)	73,474	32,882	0	0.0
<b>SB 13-230</b>	<b>\$10,793,405</b>	<b>\$9,710,292</b>	<b>\$614,264</b>	<b>\$468,849</b>	<b>\$0</b>	<b>80.6</b>
HB 13-1110	<u>14,610</u>	<u>0</u>	<u>14,610</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$10,808,015</b>	<b>\$9,710,292</b>	<b>\$628,874</b>	<b>\$468,849</b>	<b>\$0</b>	<b>80.6</b>
<b>Increase/(Decrease)</b>	<b>(\$1,523,037)</b>	<b>(\$1,505,764)</b>	<b>(\$412,957)</b>	<b>\$395,684</b>	<b>\$0</b>	<b>(16.7)</b>
Percentage Change	(12.4%)	(13.4%)	(39.6%)	540.8%	n/a	(17.2%)

### FY 2012-13 Appropriation - Mid-year Adjustments

Senate Bill 13-103 modifies FY 2012-13 appropriations to make indirect cost fund allocation adjustments.

### FY 2013-14 Appropriation – S.B. 13-230 (Long Bill) Issue Descriptions

**Fund source adjustment:** The appropriation includes a net decrease in General Fund and cash funds offset by an increase in reappropriated funds.

**Tax document processing pipeline efficiencies:** The appropriation includes savings from the investment of capital construction moneys for the purchase of tax document processing equipment and related software.

**EDO realignment:** The appropriation includes a funding and FTE decrease *in this division* to realign personnel throughout the Department to provide the flexibility to better manage the Department's personnel and resources. The appropriation includes a total department-wide increase of \$367,281 reappropriated funds from increased



indirect cost recoveries, decreases General Fund by \$257,623, and increases cash funds by \$257,623, and has no change in the total FTE approved for the Department.

**Annualize prior year funding:** The appropriation includes adjustments related to prior year legislation and budget actions.

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

## Information Technology Division

This division includes two sections: Systems Support, which provides most of the Department's information technology support; and the Colorado State Titling and Registration System (CSTARS). CSTARS is the motor vehicle titling and registration information system that automates the distribution of vehicle registration taxes among the State, counties, and the Highway Users Tax Fund (HUTF). CSTARS enables Colorado's 64 county clerk offices to issue approximately 2.1 million vehicle titles and 4.3 million vehicle registrations annually.

Major sources of cash funds include the Racing Cash Fund, the Liquor Enforcement Division and State Licensing Authority Cash Fund, the Auto Dealers License Fund, the Aviation Fund, the Highway Users Tax Fund, the Colorado State Titling and Registration Account, the Limited Gaming Fund, the Driver's License Administrative Revocation Account, the AIR Account, and the Outstanding Judgments and Warrants Account. Sources of reappropriated funds are the State Lottery Fund and the Limited Gaming Fund.

	Information Technology Division					
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2012-13 Appropriation:</b>						
HB 12-1335	\$4,644,962	\$862,311	\$3,782,651	\$0	\$0	0.0
HB 12-1023	2,960	0	2,960	0	0	0.0
HB 12-1038	32,000	0	32,000	0	0	0.0
HB 12-1131	2,960	0	2,960	0	0	0.0
HB 12-1153	2,960	0	2,960	0	0	0.0
HB 12-1162	2,960	0	2,960	0	0	0.0
HB 12-1275	68,080	0	68,080	0	0	0.0
HB 12-1295	2,960	0	2,960	0	0	0.0
HB 12-1302	2,960	0	2,960	0	0	0.0
HB 12-1314	14,800	14,800	0	0	0	0.0
HB 12-1327	12,210	0	12,210	0	0	0.0
SB 12S-001	76,220	0	76,220	0	0	0.0
SB 13-103	<u>(38,639)</u>	<u>0</u>	<u>(38,639)</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$4,827,393</b>	<b>\$877,111</b>	<b>\$3,950,282</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
<b>FY 2013-14 Appropriation:</b>						

	Information Technology Division					
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2012-13 Appropriation	\$4,827,393	\$877,111	\$3,950,282	\$0	\$0	0.0
DOR IT infrastructure performance enhancements	708,807	708,807	0	0	0	0.0
Annualize prior year funding	(237,477)	(69,846)	(167,631)	0	0	0.0
Eliminate county jail ID processing unit	(38,639)	0	(38,639)	0	0	0.0
<b>SB 13-230</b>	<b>\$5,260,084</b>	<b>\$1,516,072</b>	<b>\$3,744,012</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
SB 13-004	4,588	0	4,588	0	0	0.0
SB 13-060	2,972	0	2,972	0	0	0.0
SB 13-120	2,960	0	2,960	0	0	0.0
SB 13-224	2,972	0	2,972	0	0	0.0
SB 13-251	392,793	392,793	0	0	0	0.0
SB 13-280	25,900	0	25,900	0	0	0.0
HB 13-1071	604	0	604	0	0	0.0
HB 13-1110	68,212	0	68,212	0	0	0.0
HB 13-1119	7,800	0	7,800	0	0	0.0
HB 13-1135	31,672	0	31,672	0	0	0.0
HB 13-1240	26,714	0	26,714	0	0	0.0
HB 13-1317	<u>73,700</u>	<u>0</u>	<u>73,700</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$5,900,971</b>	<b>\$1,908,865</b>	<b>\$3,992,106</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
<b>Increase/(Decrease)</b>	\$1,073,578	\$1,031,754	\$41,824	\$0	\$0	0.0
Percentage Change	22.2%	117.6%	1.1%	n/a	n/a	n/a

### FY 2012-13 Appropriation - Mid-year Adjustments

Senate Bill 13-103 modifies FY 2012-13 appropriations to eliminate the appropriation for the County Jail identification Processing Unit.

### FY 2013-14 Appropriation – S.B. 13-230 (Long Bill) Issue Descriptions

**DOR IT infrastructure performance enhancements:** The appropriation includes an increase for enhancements and upgrades to the Department's information technology infrastructure and an increased level of support from the Governor's Office of Information Technology.

**Annualize prior year funding:** The appropriation includes adjustments related to prior year legislation and budget actions.

**Eliminate county jail ID processing unit:** The appropriation realizes savings from the elimination of the county jail identification (ID) processing unit.

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

## Taxation Business Group

The Taxation Business Group administers, collects, and enforces business taxes, income taxes, severance taxes, estate and transfer taxes, special taxes, including gasoline, special fuel, aviation fuel, cigarette, tobacco, and liquor excise taxes, public utility assessments, and food service licensing fees. Sources of cash funds include the Private Letter Ruling Fund, the Aviation Fund, the Tobacco Tax Cash Fund, the Alternative Fuels Rebate Fund, the Highway Users Tax Fund (for the Fuel Tracking System), the Mineral Audit Program, and the State Board of Land Commissioners. Sources of reappropriated funds include federal funds transferred from the Mineral Audit Program, the State Board of Land Commissioners, and the Oil and Gas Conservation Commission.

The Mineral Audit Division audits oil, gas, and mineral rents and royalties; the mill levy from oil and gas production; and severance taxes from federal, state, and private lands. It receives funding from the U.S. Department of Interior's Minerals Management Service under a cooperative agreement for delegated authority to audit federal minerals production in Colorado.

The Taxation Business Group manages the State's subsystem of the International Fuel Tracking System, which licenses fuel distributors, suppliers, importers, exporters and transporters, and collects fuel taxes for the Highway Users Tax Fund. This group also administers the old age heat and fuel and property tax assistance grants, the cigarette tax rebate to local governments, and the Amendment 35 tobacco tax distribution to local governments of proceeds from the Tobacco Tax Fund.

	<b>Taxation Business Group</b>					
	<b>Total Funds</b>	<b>General Fund <sup>1</sup></b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2012-13 Appropriation:</b>						
HB 12-1335	\$45,813,135	\$42,672,507	\$2,096,155	\$220,085	\$824,388	329.6
HB 12-1246	<u>75,481</u>	<u>75,481</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$45,888,616</b>	<b>\$42,747,988</b>	<b>\$2,096,155</b>	<b>\$220,085</b>	<b>\$824,388</b>	<b>329.6</b>
<b>FY 2013-14 Appropriation:</b>						
FY 2012-13 Appropriation	\$45,888,616	\$42,747,988	\$2,096,155	\$220,085	\$824,388	329.6
CITA annual maintenance and support	1,500,000	1,500,000	0	0	0	0.0
Indirect cost assessment	6,626	53	6,573	0	0	0.0
Forecast adjustments	(1,300,000)	(1,300,000)	0	0	0	0.0
EDO realignment	(519,644)	(518,772)	(872)	0	0	(6.2)
Annualize prior year funding	(84,254)	(84,254)	0	0	0	(0.2)
Amendment 35 forecast adjustment	(9,900)	0	(9,900)	0	0	0.0
<b>SB 13-230</b>	<b>\$45,481,444</b>	<b>\$42,345,015</b>	<b>\$2,091,956</b>	<b>\$220,085</b>	<b>\$824,388</b>	<b>323.2</b>
SB 13-001	60,000	60,000	0	0	0	0.0

Taxation Business Group						
	Total Funds	General Fund <sup>1</sup>	Cash Funds	Reappropriated Funds	Federal Funds	FTE
SB 13-170	16,000	16,000	0	0	0	0.0
SB 13-221	48,000	48,000	0	0	0	0.0
HB 13-1042	280,000	280,000	0	0	0	0.0
HB 13-1110	160,675	0	160,675	0	0	0.0
HB 13-1142	1,600	1,600	0	0	0	0.0
HB 13-1153	80,000	80,000	0	0	0	0.0
HB 13-1288	7,600	7,600	0	0	0	0.0
HB 13-1317	<u>48,000</u>	<u>0</u>	<u>48,000</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$46,183,319</b>	<b>\$42,838,215</b>	<b>\$2,300,631</b>	<b>\$220,085</b>	<b>\$824,388</b>	<b>323.2</b>
<b>Increase/(Decrease)</b>	\$294,703	\$90,227	\$204,476	\$0	\$0	(6.4)
Percentage Change	0.6%	0.2%	9.8%	0.0%	0.0%	(1.9%)

<sup>1</sup> Includes \$17,700,000 in FY 2012-13 and \$16,400,000 in FY 2013-14 that is exempt from the statutory limit on state General Fund appropriations pursuant to Section 24-75-201.1, C.R.S. For FY 2012-13, this amount includes \$10,300,000 for the Cigarette Tax rebate and \$7,400,000 for the Old Age Heat and Fuel and Property Tax Assistance grant. For FY 2013-14, this amount includes \$9,300,000 for the Cigarette Tax rebate and \$7,100,000 for the Old Age Heat and Fuel and Property Tax Assistance grant. Pursuant to Section 39-22-623 (1) (a) (II) (B), C.R.S. for the Cigarette Tax rebate and Section 39-31-102 (1), C.R.S. for the Old Age Heat and Fuel and Property Tax Assistance grant, these amounts are included in the Long Bill for informational purposes and shall not be deemed to be an appropriation subject to the limitations of Section 24-75-201.1, C.R.S.

### FY 2013-14 Appropriation – S.B. 13-230 (Long Bill) Issue Descriptions

**CITA annual maintenance and support:** The appropriation includes an increase in funding for the annual maintenance and support of the Colorado Integrated Tax Architecture (CITA) project, the State's new tax collection and information computer system.

**Indirect cost assessment:** The appropriation includes a net increase in the division's indirect cost assessment.

**Forecast adjustments:** The appropriation reflects a decrease due to forecast adjustments for the cigarette tax rebate and the Old Age Heat and Fuel and Property Tax Rebate program.

**EDO realignment:** The appropriation includes a funding and FTE decrease *in this division* to realign personnel throughout the Department to provide the flexibility to better manage the Department's personnel and resources. The appropriation includes a total department-wide increase of \$367,281 reappropriated funds from increased indirect cost recoveries, decreases General Fund by \$257,623, and increases cash funds by \$257,623, and has no change in the total FTE approved for the Department.

**Annualize prior year funding:** The appropriation includes adjustments related to prior year legislation and budget actions.

**Amendment 35 forecast adjustment:** The appropriation includes an adjustment due to revised forecast of tobacco tax collections and the Amendment 35 distribution to local governments.

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

## Division of Motor Vehicles

The Division of Motor Vehicles licenses drivers and issues personal identification documents; provides administrative support for the statewide vehicle titling and registration system; regulates commercial driving schools; administers the International Registration Plan; oversees the Motorist Insurance Identification Database; and enforces the State's auto emissions program.

Major sources of cash funds are the Licensing Services Cash Fund, the License Plate Cash Fund, the Colorado State Titling and Registration System Account, the AIR Account, the Driver's License Administrative Revocation Account, the Identification Security Account, the First-time Drunk Driving Offender Account, and the Motorist Insurance Identification Account.

Division of Motor Vehicles						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2012-13 Appropriation:</b>						
HB 12-1335	\$33,294,912	\$14,643,372	\$18,651,540	\$0	\$0	414.2
SB 12-044	28,639	0	28,639	0	0	0.7
HB 12-1019	444,804	617,225	(172,421)	0	0	7.5
HB 12-1023	17,760	0	17,760	0	0	0.0
HB 12-1038	13,147	0	13,147	0	0	0.3
HB 12-1131	17,760	0	17,760	0	0	0.0
HB 12-1153	436	0	436	0	0	0.0
HB 12-1162	1,976	0	1,976	0	0	0.0
HB 12-1216	0	(14,601,374)	14,601,374	0	0	0.0
HB 12-1246	10,584	10,584	0	0	0	0.0
HB 12-1275	17,760	0	17,760	0	0	0.0
HB 12-1295	17,760	0	17,760	0	0	0.0
HB 12-1302	17,760	0	17,760	0	0	0.0
HB 12-1327	11,840	0	11,840	0	0	0.0
SB 12S-001	172,330	0	172,330	0	0	0.8
SB 13-103	<u>(60,445)</u>	<u>(1,851)</u>	<u>(58,594)</u>	<u>0</u>	<u>0</u>	<u>(1.2)</u>
<b>TOTAL</b>	<b>\$34,007,023</b>	<b>\$667,956</b>	<b>\$33,339,067</b>	<b>\$0</b>	<b>\$0</b>	<b>422.3</b>
<b>FY 2013-14 Appropriation:</b>						
FY 2012-13 Appropriation	\$34,007,023	\$667,956	\$33,339,067	\$0	\$0	422.3
Indirect cost assessment	2,971,100	(3,829)	2,974,929	0	0	0.0
Fund source adjustment	0	0	0	0	0	0.0
EDO realignment	(484,703)	4,847	(489,550)	0	0	(6.3)

	Division of Motor Vehicles					
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Annualize prior year funding	(180,474)	(8,733)	(171,741)	0	0	0.6
Eliminate county jail ID processing unit	(60,445)	0	(60,445)	0	0	(1.2)
<b>SB 13-230</b>	<b>\$36,252,501</b>	<b>\$660,241</b>	<b>\$35,592,260</b>	<b>\$0</b>	<b>\$0</b>	<b>415.4</b>
SB 13-060	633	0	633	0	0	0.0
SB 13-120	355	0	355	0	0	0.0
SB 13-224	5,920	0	5,920	0	0	0.0
SB 13-251	35,774	35,774	0	0	0	0.0
HB 13-1011	5,000	0	5,000	0	0	0.0
HB 13-1022	5,000	0	5,000	0	0	0.0
HB 13-1071	192,885	0	192,885	0	0	0.0
HB 13-1110	10,599	0	10,599	0	0	0.0
HB 13-1119	65,000	0	65,000	0	0	0.0
HB 13-1135	55,000	0	55,000	0	0	0.0
HB 13-1153	18,411	18,411	0	0	0	0.4
HB 13-1240	<u>100,120</u>	<u>0</u>	<u>100,120</u>	<u>0</u>	<u>0</u>	<u>1.0</u>
<b>TOTAL</b>	<b>\$36,747,198</b>	<b>\$714,426</b>	<b>\$36,032,772</b>	<b>\$0</b>	<b>\$0</b>	<b>416.8</b>
<b>Increase/(Decrease)</b>	\$2,740,175	\$46,470	\$2,693,705	\$0	\$0	(5.5)
Percentage Change	8.1%	7.0%	8.1%	n/a	n/a	(1.3%)

### FY 2012-13 Appropriation - Mid-year Adjustments

Senate Bill 13-103 modifies FY 2012-13 appropriations to:

- Make indirect cost fund allocation adjustments; and
- Eliminate the appropriation for the county jail identification Processing Unit.

### FY 2013-14 Appropriation – S.B. 13-230 (Long Bill) Issue Descriptions

**Indirect cost assessment:** The appropriation includes a net increase in the divisions indirect cost assessment.

**Fund source adjustment:** The appropriation includes a redistribution of funding among cash funds within the Division.

**EDO realignment:** The appropriation includes a funding and FTE decrease *in this division* to realign personnel throughout the Department to provide the flexibility to better manage the Department's personnel and resources. The appropriation includes a total department-wide increase of \$367,281 reappropriated funds from increased indirect cost recoveries, decreases General Fund by \$257,623, and increases cash funds by \$257,623, and has no change in the total FTE approved for the Department.

**Annualize prior year funding:** The appropriation includes adjustments related to prior year legislation and budget actions.

**Eliminate county jail ID processing unit:** The appropriation realizes savings from the elimination of the county jail Identification (ID) processing unit.

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

## Motor Carrier Services Division

This division was eliminated in the Department of Revenue pursuant to H.B. 12-1019. The Ports of Entry program was transferred to the Colorado State Patrol in the Department of Public Safety and the International Registration Plan program was transferred to the Division of Motor Vehicles in the Department of Revenue. The FY 2013-14 appropriations in this division are adjustments to funding sources related to the elimination of the Division in FY 2012-13.

	<b>Motor Carrier Services Division</b>					
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2012-13 Appropriation:</b>						
HB 12-1335	\$8,000,267	\$592,353	\$7,407,914	\$0	\$0	127.8
HB 12-1019	(8,005,015)	(597,101)	(7,407,914)	0	0	(127.8)
SB 13-103	<u>4,748</u>	<u>4,748</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
<b>FY 2013-14 Appropriation:</b>						
FY 2012-13 Appropriation	\$0	\$0	\$0	\$0	\$0	0.0
Indirect cost assessment	4,748	4,748	0	0	0	0.0
Annualize prior year funding	(4,748)	(4,748)	0	0	0	0.0
<b>SB 13-230</b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>0.0</u></b>
<b>TOTAL</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
<b>Increase/(Decrease)</b>						
	\$0	\$0	\$0	\$0	\$0	0.0
<b>Percentage Change</b>						
	n/a	n/a	n/a	n/a	n/a	n/a

## FY 2012-13 Appropriation - Mid-year Adjustments

Senate Bill 13-103 modifies FY 2012-13 appropriations to make indirect cost fund allocation adjustments.

## FY 2013-14 Appropriation – S.B. 13-230 (Long Bill) Issue Descriptions

**Indirect cost assessment:** The appropriation includes a net increase in the Division's indirect cost assessment.

**Annualize prior year funding:** The appropriation includes adjustments related to prior year legislation and budget actions.

## Enforcement Business Group

This group: regulates limited gaming; enforces the State's liquor and tobacco laws; licenses liquor retailers, wholesalers, and manufacturers; regulates horse and dog racing events; regulates the retail and medical marijuana industry, including cultivation, manufacturing, and retail establishments; regulates the sale and distribution of motor vehicles; and adjudicates complaints related to driver's licenses, liquor licenses, certain racing licenses, and some tax disputes. Major sources of cash funds include the Limited Gaming Fund, the Auto Dealers License Fund, the Liquor Enforcement Division and State Licensing Authority Cash Fund, the Marijuana Cash Fund, the Racing Cash Fund, the Horse Breeders' and Owners' Awards and Supplemental Purse Fund, the Driver's License Administrative Revocation Account, and the Tobacco Education Programs Fund. The source of reappropriated funds is the Limited Gaming Fund.

Enforcement Business Group						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2012-13 Appropriation:</b>						
HB 12-1335	\$51,660,587	\$341,047	\$51,220,303	\$99,237	\$0	239.4
HB 12-1019	19,510	0	19,510	0	0	0.0
HB 12-1216	(31,385)	0	(31,385)	0	0	0.0
SB 13-103	<u>90,459</u>	<u>41,457</u>	<u>23,659</u>	<u>25,343</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$51,739,171</b>	<b>\$382,504</b>	<b>\$51,232,087</b>	<b>\$124,580</b>	<b>\$0</b>	<b>239.4</b>
<b>FY 2013-14 Appropriation:</b>						
FY 2012-13 Appropriation	\$51,739,171	\$382,504	\$51,232,087	\$124,580	\$0	239.4
Indirect cost assessment	404,156	14,241	376,170	13,745	0	0.0
EUDL grant funding restoration	88,113	0	88,113	0	0	0.0
EDO realignment	76,258	(7,950)	(82,426)	166,634	0	(2.0)
Division of Racing Events funding reduction	(186,011)	0	(186,011)	0	0	0.0
Annualize prior year funding	(90,459)	(41,457)	(23,659)	(25,343)	0	0.0
<b>SB 13-230</b>	<b>\$52,031,228</b>	<b>\$347,338</b>	<b>\$51,404,274</b>	<b>\$279,616</b>	<b>\$0</b>	<b>237.4</b>
HB 13-1317	<u>714,832</u>	<u>0</u>	<u>714,832</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$52,746,060</b>	<b>\$347,338</b>	<b>\$52,119,106</b>	<b>\$279,616</b>	<b>\$0</b>	<b>237.4</b>
<b>Increase/(Decrease)</b>	<b>\$1,006,889</b>	<b>(\$35,166)</b>	<b>\$887,019</b>	<b>\$155,036</b>	<b>\$0</b>	<b>(2.0)</b>
Percentage Change	1.9%	(9.2%)	1.7%	124.4%	n/a	(0.8%)



## FY 2012-13 Appropriation - Mid-year Adjustments

Senate Bill 13-103 modifies FY 2012-13 appropriations to make indirect cost fund allocation adjustments.

## FY 2013-14 Appropriation – S.B. 13-230 (Long Bill) Issue Descriptions

**Indirect cost assessment:** The appropriation includes a net increase in the Group's indirect cost assessment.

**EUDL grant funding restoration:** The appropriation includes funding to substitute state funding for the Enforcement of Underage Drinking Laws (EUDL) grant program that was terminated by the federal government.

**EDO realignment:** The appropriation includes a funding increase and FTE decrease *in this division* to realign personnel throughout the Department to provide the flexibility to better manage the Department's personnel and resources. The appropriation includes a total department-wide increase of \$367,281 reappropriated funds from increased indirect cost recoveries, decreases General Fund by \$257,623, and increases cash funds by \$257,623, and has no change in the total FTE approved for the Department.

**Division of Racing Events funding reduction:** The appropriation includes a decrease in funding for the Division of Racing Events to align spending authority with expenditures.

**Annualize prior year funding:** The appropriation includes adjustments related to prior year legislation and budget actions.

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

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## State Lottery Division

The State Lottery Division is an enterprise under the provisions of Article X, Section 20, of the Colorado Constitution (the Taxpayer's Bill of Rights). Expenditures are paid from the State Lottery Fund and appropriated as cash funds. The Lottery's direct costs for worker's compensation, variable vehicle expenses, legal services, the purchase of services from the computer center, multiuse network payments, payments to risk management, vehicle lease payments, leased space, Capitol Complex leased space, and communications services payments are shown in consolidated budget lines within the Executive Director's Office.

State Lottery Division						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2012-13 Appropriation:</b>						
HB 12-1335	\$97,334,186	\$0	\$97,334,186	\$0	\$0	117.1
HB 12-1019	16,563	0	16,563	0	0	0.0
HB 12-1216	(43,035)	0	(43,035)	0	0	0.0
SB 13-103	<u>56,770</u>	<u>0</u>	<u>56,770</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$97,364,484</b>	<b>\$0</b>	<b>\$97,364,484</b>	<b>\$0</b>	<b>\$0</b>	<b>117.1</b>

State Lottery Division						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2013-14 Appropriation:</b>						
FY 2012-13 Appropriation	\$97,364,484	\$0	\$97,364,484	\$0	\$0	117.1
EDO Realignment	62,370	0	62,370	0	0	0.0
Indirect cost assessment	34,729	0	34,729	0	0	0.0
Annualize prior year funding	(56,770)	0	(56,770)	0	0	0.0
<b>SB 13-230</b>	<b><u>\$97,404,813</u></b>	<b><u>\$0</u></b>	<b><u>\$97,404,813</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>117.1</u></b>
<b>TOTAL</b>	<b>\$97,404,813</b>	<b>\$0</b>	<b>\$97,404,813</b>	<b>\$0</b>	<b>\$0</b>	<b>117.1</b>
<b>Increase/(Decrease)</b>	\$40,329	\$0	\$40,329	\$0	\$0	0.0
Percentage Change	0.0%	n/a	0.0%	n/a	n/a	0.0%

### FY 2012-13 Appropriation - Mid-year Adjustments

Senate Bill 13-103 modifies FY 2012-13 appropriations to make indirect cost fund allocation adjustments.

### FY 2013-14 Appropriation – S.B. 13-230 (Long Bill) Issue Descriptions

**EDO realignment:** The appropriation includes a funding increase *in this division* to realign personnel throughout the Department to provide the flexibility to better manage the Department's personnel and resources. The appropriation includes a total department-wide increase of \$367,281 reappropriated funds from increased indirect cost recoveries, decreases General Fund by \$257,623, and increases cash funds by \$257,623, and has no change in the total FTE approved for the Department.

**Indirect cost assessment:** The appropriation includes a net increase in the divisions indirect cost assessment.

**Annualize prior year funding:** The appropriation includes adjustments related to prior year legislation and budget actions.

## Recent Legislation

### 2012 Session Bills

**S.B. 12-044:** Repeals the crime of theft of public transportation services and creates a class B traffic infraction, failure to present a valid transit pass or coupon, which covers the same prohibited conduct as the former crime. Specified that if the violation occurs in Denver, the Denver County court keeps the fine revenue; in all other jurisdictions, the fine revenue is sent to the Judicial Department. If a person was convicted of theft of public transportation services by fare evasion prior to its repeal, and the person has completed the sentence at the time the act becomes law, the court that entered the conviction shall seal the conviction by January 1, 2013, or the person may petition the court for sealing if the person wants the conviction sealed before January 1, 2013. If a person was convicted of theft of public transportation services by fare evasion prior to its repeal, but has not completed the sentence at the time the act becomes law, that person can petition for sealing after completing the

sentence. Appropriates \$28,639 cash funds and 0.8 FTE for FY 2012-13 to the Department of Revenue (DOR) for the processing of fines and judgments for the new traffic infraction.

**H.B. 12-1019:** Abolishes the Motor Carrier Services Division in the Department of Revenue, transferring the Ports of Entry program to the Department of Public Safety, Colorado State Patrol and transferring the International Registration Plan program for commercial vehicles to the Division of Motor Vehicles in the DOR. Reduces FY 2012-13 cash funds appropriations to the DOR by \$10.2 million and 122.3 FTE, increases General Fund appropriations to DOR by \$379,000 and increases reappropriated funds appropriations to DOR by \$36,073. For additional information on appropriations to the Department of Public Safety, see the corresponding bill description and the end of Part III of the Department of Public Safety.

**H.B. 12-1023:** Establishes the Fallen Heroes special license plate. In addition to paying the regular registration fees and special license plate fees, eligibility to purchase the license plate requires a \$50 donation to the Colorado Chapter of the Concerns of Police Survivors, Inc. Appropriates \$20,720 cash funds to the DOR for the purchase of computer center services from OIT and the purchase of special license plates from the Department of Corrections.

**H.B. 12-1038:** Creates an alternate registration for interstate commercial trailers and semitrailers if the owner is based in a jurisdiction other than Colorado or, if the owner is based in Colorado, the trailer or semitrailer is at least 10 years old. The registration does not expire until the trailer is sold or transferred. The owner notifies the DOR when the trailer is sold or transferred. The DPR will issue a report in 2014 making recommendations as to the cost-effectiveness of this system of registration. Expiration tabs and stickers for class A motor vehicles are eliminated. The act sets the specific ownership tax at \$95.50 and the registration fee at \$24.50. Of the fee, the DOR or authorized agent that registers the vehicle retains \$2.00, the DOR transfers \$1.50 of the fee to the county for the county road and bridge fund, the Statewide Bridge Enterprise Special Revenue Fund is credited with \$5.00, the Colorado State Titling and Registration Account is credited with \$0.50, the License Plate Cash Fund is credited with \$2.50, and the Highway Users Tax Fund is credited with \$13.00.

Appropriates \$32,000 cash funds to the DOR for FY 2012-13 for the purchase of computer center services from OIT, and \$13,157 cash funds and 0.3 FTE for personal services for the processing of registrations related to this bill.

**H.B. 12-1131:** Establishes the Child Loss Awareness special license plate. Requires the payment of the regular registration fees and special license plates fee. Appropriates \$20,720 cash funds to the DOR for FY 2012-13 for the purchase of computer center services from OIT and the purchase of special license plates from the Department of Corrections.

**H.B. 12-1153:** Establishes the Distinguished Flying Cross special license plate. Those eligible to purchase the license plate shall have been awarded the Distinguished Flying Cross by a branch of the United States Military. Appropriates \$3,396 cash funds to the DOR for FY 2012-13 for the purchase of computer center services from OIT and the purchase of special license plates from the Department of Corrections.

**H.B. 12-1162:** Establishes the Desert Storm special license plate. Those eligible to purchase the license plate shall have served in the United States Military between the dates of August 2, 1990 and February 28, 1991. Appropriates \$4,936 cash funds to the DOR for FY 2012-13 for the purchase of computer center services from OIT and the purchase of special license plates from the Department of Corrections.

**H.B. 12-1216:** Extends for three years the current diversion, from the Highway Users Tax Fund to the Licensing Services Cash Fund, of revenue collected for examinations for driver's licenses and for the issuance or renewal of instruction permits, driver's licenses, and identification cards. In addition, it permits the use of funds in the motorist insurance identification account to be used for expenses incurred by the DOR in licensing drivers and issuing identification cards for three more years. Adjusts the Long Bill appropriations to the DOR, decreasing General Fund and increasing cash funds by \$22.7 million.

**H.B. 12-1246:** Eliminates payroll date shift for certain General Fund employees. Increases appropriations to the DOR by \$133,783 General Fund for FY 2012-13.

**H.B. 12-1275:** Establishes the Colorado Wildlife Sporting special license plate. In addition to paying the regular registration fees and special license plate fees, requires the payment of an annual \$25 fee which is credited to the Wildlife Cash Fund. The Wildlife Cash Fund is administered by the Division of Parks and Wildlife in the Department of Natural Resources and these moneys are to be used to create and enhance shooting ranges throughout Colorado to increase public recreational shooting opportunities, including hunter education, marksmanship training, and youth shooting, and to provide grants to local and county governments, park and recreation departments, water districts, angling organizations, and others for projects to improve fishing opportunities in Colorado. Appropriates \$85,840 cash funds to the DOR for FY 2012-13 for the purchase of computer center services from OIT and the purchase of special license plates from the Department of Corrections.

**H.B. 12-1295:** Establishes the Colorado Rockies special license plate. In addition to paying the regular registration fees and special license plate fees, eligibility to purchase the license plate requires a \$52.80 donation to the Colorado Rockies Baseball Club Foundation. Appropriates \$20,720 cash funds to the DOR for FY 2012-13 for the purchase of computer center services from OIT and the purchase of special license plates from the Department of Corrections.

**H.B. 12-1302:** Establishes the Flight for Life special license plate. In addition to paying the regular registration fees and special license plate fees, eligibility to purchase the license plate requires a \$25 donation to Flight for Life Colorado. Appropriates \$20,720 cash funds to the DOR for FY 2012-13 for the purchase of computer center services from OIT and the purchase of special license plates from the Department of Corrections.

**H.B. 12-1314:** Creates an exception to the requirement that everyone subject to the severance tax on oil and gas must file a return with the DOR. This exception applies to any person who has less than \$250 withheld by all unit operators or first purchasers in a taxable year and whose withholding is greater than or equal to the taxes owed by the person for the taxable year. In addition, if any person fails to file a report related to the severance tax, the Executive Director of the DOR may estimate the amount of tax, interest, and penalties due and mail the estimate to the last-known address of the person. If, within 10 days of receiving the estimate, the person fails to file a correct report and payment, the estimate becomes the amount payable to the state. The act prohibits the Executive Director from sending this estimate to a person who has less than \$250 withheld by all unit operators or first purchasers for the taxable year; unless the executive director has good cause to believe that such person does not qualify for the filing exception. Appropriates \$14,800 General Fund to the DOR for FY 2012-13 for the purchase of computer center services from OIT related to the implementation of this bill.

**H.B. 12-1327:** Concerns the regulation of tow truck drivers by the Department of Regulatory Agencies. Appropriates \$12,210 cash funds to the DOR for FY 2012-13 for the purchase of computer center services from OIT to modify the Department's titling and registration information technology systems, and \$11,840 cash

funds for the purchase of license plates. For more information on H.B. 12-1327, please see the corresponding bill description at the end of Part III for Department of Regulatory Agencies.

**H.B. 12-1335:** General appropriations act for FY 2012-13.

## **2012 Special Session Bills**

**S.B. 12S-001:** Allows an owner of more than 10 pieces of special mobile machinery to register all new special mobile machinery quarterly with the county and to obtain and use special mobile machinery plates, identifying decals, or certificates to designate that the registration for the machinery is pending. This allows the owner to renew the registrations for all of the machinery on the same date each year. The license plate for special mobile machinery is not required to have an annual validating tab or sticker. Fees are set to implement the bill. Appropriates \$251,095 cash funds and 0.8 FTE from various cash funds sources for FY 2012-13 for expenses related to the implementation of this bill.

## **2013 Session Bills**

**S.B. 13-001:** Establishes two refundable tax credits in Colorado Statutes: The first credit is the Earned Income Tax Credit (EITC) which is currently a Taxpayer Bill of Rights (TABOR) refund mechanism. This credit will become permanent after the next time a TABOR EITC refund is triggered (which is not expected through at least FY 2015-16). The EITC is set a 10.0 percent of the federal EITC and is refundable, meaning that the taxpayer is eligible for a refund even if credit exceeds the taxpayer's tax liability prior to the credit.

The second credit established is the Child Tax Credit (CTC), which is set at a percentage of the federal Child Tax Credit, based upon adjusted gross income. The establishment of the tax credit is conditioned on enactment of the federal Marketplace Fairness Act (MFA) of 2013, or any other act with substantially similar requirements, and H.B. 13-1295 which implements the minimum simplification requirements of the MFA. The MFA will require the seller to collect sales taxes for out-of-state purchases under certain circumstances. The CTC is also a refundable tax credit.

Appropriates \$60,000 General Fund to the DOR for FY 2013-14 to implement the CTC if the federal MFA is enacted (H.B. 13-1295 was enacted by the General Assembly).

**S.B. 13-004:** Allows the holder of a State issued identification card who is sixty-five years of age to renew by electronic means or mail for every renewal period, provided that the holder attests, under penalty of perjury, that he/she is lawfully present in the United States and a resident of Colorado. Current law allows renewals by mail for every other renewal. Appropriates \$4,588 cash funds to the DOR for FY 2013-14 for the purchase of Computer Center services from the Governor's OIT.

**S.B. 13-060:** Creates the Civil Air Patrol special license plate. Any person who pays the requisite fees is eligible to purchase the special plates. The fees are the regular registration and license plate fees plus an additional one-time \$50 fee which is split evenly between the Highway Users Tax Fund (HUTF) and the Licensing Services Cash Fund (LSCF). Appropriates \$3,605 from several cash funds to the DOR for FY 2013-14 for the purchase of computer programming services from the Governor's OIT and for the purchase of license plates from Correctional Industries.

**S.B. 13-103:** Supplemental appropriations act to modify FY 2012-13 appropriations.

**S.B. 13-114:** Requires that investigation and application fees related to horse racing and dog racing be credited to the Racing Cash Fund. Currently the fees are not credited to any fund. The FY 2013-14 appropriation from the fund was made in the Long Bill (S.B. 13-230).

**S.B. 13-115:** Creates the Waste Tire Administration Cash Fund in the State Treasury, which is credited, from fees collected from retailers for the sale of each new tire, in the amount of the DOR's direct and indirect administrative costs in collecting the fees. The FY 2013-14 appropriation from the fund was made in the Long Bill (S.B. 13-230).

**S.B. 13-120:** Creates the Navy SEAL special license plate. The plate is available to an active or honorably discharged retired or reserve member of the Navy SEALs. A person who purchases the special license plate must pay regular registration and license plate fees, plus an additional one-time \$50 fee which is split evenly between the HUTF and the LSCF. Appropriates \$3,315 from several cash funds to the DOR for FY 2013-14 for the purchase of computer programming services from the Governor's OIT and for the purchase of license plates from Correctional Industries.

**S.B. 13-170:** Grants the License Plate Auction Group (LPAG) authority to issue a non-refundable income tax credit of 20 percent of the amount that exceed the appraised value of uniquely valuable license plate number. The credit may be carried forward for up to five years and the General Fund must be reimbursed for the value of the credit from the Registration Number Fund.

Authorizes an auctioneer or other seller of license plate number to retain a commission of 20 percent; increases the membership of the Board of the LPAG; allows the LPAG to sell license plates made of alternative materials, if approved by the DOR; allows the sale of license plates containing any symbol on the standard American keyboard or any symbol approved by the LPAG Board; and authorizes the Board to make business decision to carry out license plate auctions.

Appropriates \$16,000 General Fund to the DOR for FY 2013-14 for contract programming services required to implement the tax credit.

**S. B. 13-221:** Provides a conservation easement tax credit pre-approval process for tax years beginning January 1, 2014. Appropriates \$48,000 General Fund to the Department of Revenue for FY 2013-14 for contract programming services related to the Act. For more information on S.B. 13-221, please see the corresponding bill description at the end of Part III for the Department of Regulatory Agencies.

**S.B. 13-224:** Creates the Protect Our Rivers special license plate. The plate is available to all applicants who demonstrate that they have donated \$25 to Colorado Trout Unlimited, a non-profit organization. The donation is not to be used for litigation or lobbying. A person who purchases the special license plate must pay regular registration and license plate fees, plus an additional one-time \$50 fee which is split evenly between the HUTF and the LSCF. The bill appropriates \$8,892 from several cash funds to the DOR for FY 2013-14 for the purchase of computer programming services from the Governor's OIT and for the purchase of license plates from Correctional Industries.

**S.B. 13-230:** General appropriations act for FY 2013-14.

**S.B. 13-251:** Allows the State to issue a driver's license, minor driver's license, instruction permit, or State identification card to a non-resident who cannot furnish proof of lawful presence in the United States, upon presenting the documents required for issuance. The licenses, permits, and ID cards must carry the phrase "Not

Valid For Federal Identification, Voting, or Public Benefit Purposes" printed on the face of the card. Documents expire three years after issuance. Specifically states that peace officers are not authorized to arrest a person for possession of the document. Appropriates \$436,292 General Fund to the DOR for FY 2013-14 for the purchase of legal services from the Department of Law and computer center services from the Governor's OIT and for contract services and document design.

**S.B. 13-280:** Requires off-highway vehicles to be titled in the same manner as motor vehicles except under statutory provisions that apply to salvage vehicles and assumes the vehicle will be registered with the DOR. Off-highway vehicles sold before July 1, 2014 are exempt from the titling requirement until they are sold again. Appropriates \$25,900 cash funds to the DOR for FY 2013-14 for the purchase of Computer Center Services from the Governor's OIT.

**H.B. 13-1011:** Eliminates the \$15 fee charged to a person who adds the military identifier to a driver's license or State identification card. Appropriates \$5,000 cash funds to the DOR for FY 2013-14 for changes to the driver's license computer system.

**H.B. 13-1022:** Allows a court to dismiss a charge of non-compliance with compulsory auto insurance if it verifies the driver had a valid policy in effect at the time of the alleged violation by using the uninsured motorist insurance identification database. This bill also establishes a new class B traffic infraction, with a fine of up to \$500 and surcharge of \$4, for offering fraudulent evidence of valid vehicle insurance to officials. Appropriates \$5,000 cash funds to the DOR for FY 2013-14 for programming changes to the Motorist Insurance Identification database.

**H.B. 13-1024:** Exempts from Colorado income (for income tax purposes) any moneys received from the Colorado Military Family Relief Fund.

**H.B. 13-1036:** Allows local improvement districts (LID) to include noncontiguous territory in the unincorporated areas of a single county, provided that those territories are included in the district based on a property owner petition. Allows the LID to use sales tax revenue to conduct public events. Establishes a procedure for property owners to petition county government for inclusion in, or exclusion from, an LID. The DOR will need to adjust its computer systems each time the boundary of an LID is modified. The necessary appropriations will be addressed each time a boundary is changed through the annual budget process, with the LID reimbursing the State General Fund for the expense.

**H.B. 13-1042:** Creates a tax deduction for a Colorado taxpayer who is prohibited from claiming a federal income tax deduction by Section 280E of the Internal Revenue Code because marijuana is a controlled substance under federal law. Appropriates \$280,000 General Fund to the DOR for FY 2013-14 for programming changes to the Department's tax systems.

**H.B. 13-1071:** Specifies that a vehicle whose model year is more than 32 years old is eligible to be registered as a "collector's" vehicle. A vehicle so registered must pass an emissions test within 12 months after registration, if the vehicle is within the enhanced emissions program area. Previously, vehicles with model year 1975 or older were eligible to become collector's vehicles, so this expands the eligibility to model years 1976 through 1981, increasing by one year each year. Appropriates \$193,489 from several cash funds to the DOR for FY 2013-14 for the purchase of Computer Center Services from the Governor's OIT and license plates from Correctional Industries in the Department of Corrections.

**H.B. 13-1080:** Extends the existing Aircraft Manufacturer New Employee Tax Credit, which currently applies to aircraft manufacturers, to companies involved in the maintenance and repair, completion, or modification of aircraft.

**H.B. 13-1110:** Alters fees for vehicles propelled by compressed natural gas (CNG), liquefied petroleum gas (LPG), and liquefied natural gas (LNG) from an annual license fee based on the weight of the vehicle to a reduced special fuels tax levied on a gallon of gasoline equivalent when the fuel is purchased; assesses a \$10 fee on each truckload (defined as 8,000 gallons of gasoline equivalent) of CNG, LPG, or LNG; and requires a plug-in electric vehicle to pay an annual license fee of \$50. The \$10 fee for each truckload of CNG, LPG, or LNG will be credited to the LPG and Natural Gas Inspection Fund and made available to the Division of Oil and Public Safety in the Department of Labor and Employment for the enforcement of the standards set forth in the bill. Of the \$50 annual fee for a plug-in electric vehicle, \$30 will be credited to the HUTF and \$20 will be credited to the Electric Vehicle Grant Fund. Appropriates \$254,096 from several cash funds to the DOR for FY 2013-14, and reappropriates \$68,212 of those moneys to the Governor's OIT for the provision of computer center services to the DOR.

**H.B. 13-1119:** Allows a U.S. military veteran to obtain a driver's license or identification card that identifies the holder as a veteran. Sets forth qualifications for the identifier. Appropriates \$72,800 from the LSCF to the DOR for FY 2013-14 for the purchase of services from the computer center and \$65,000 for contractor services. Reappropriates \$7,800 of those moneys to the Governor's OIT for the provision of computer center services to the DOR.

**H.B. 13-1135:** Allows a person who has turned 16 years of age, who will not be 18 years of age by the date of the next election, to preregister to vote. The registrant will be registered automatically upon turning 18 years of age. Appropriates \$86,672 cash funds to the DOR for FY 2013-14 for necessary computer programming modifications.

**H.B. 13-1142:** Reforms the Urban and Rural Enterprise Zone Act. Appropriates \$1,600 General Fund to the DOR for FY 2013-14 for modification to the GenTax computer system.

**H.B. 13-1144:** Permanently eliminates the state sales and use tax exemption for the sale of cigarettes purchased in the State, which increases General Fund revenue over existing law by \$28.0 million in FY 2013-14 and by \$26.5 million in FY 2014-15.

**H.B. 13-1153:** Allows multi-county owners of special mobile machinery to file an electronic report with the DOR, which will provide that information to the counties. Appropriates \$98,411 General Fund and 0.4 FTE to the DOR for contract programming services and the administration of the program.

**H.B. 13-1240:** Modifies the definition and penalties for persistent drunk drivers. Specifically: lowers the blood alcohol content (BAC) threshold for labeling a person a persistent drunk driver (PDD); adds a person who has refused a BAC test to the list of persons who may be defined as a PDD; requires a PDD to obtain and use an ignition interlock device (IID) for one year after reinstatement of their license; allows a person whose license revoked for one year to apply for reinstatement after one year provided they use an IID, and to apply for reinstatement after two months for refusing a BAC test; requires the DOR to provide assistance to indigent persons in obtaining an IID; and allows most revocation penalties to run concurrently rather than consecutively. Appropriates \$126,834 cash funds from the First-time Drunk Driving Offender Account to the DOR for FY 2013-14 for personal services, temporary staff, operating expenses, and the purchase of services from the



computer center, of which \$26,714 is reappropriated to the Governor's OIT for the provision of computer center services to the DOR.

**H.B. 13-1247:** Extends through tax year 2021 the availability for taxpayers to claim the Innovative Motor Fuel Tax Credit; clarifies the definition of plug-in hybrid-electric vehicles; and alters the way the credit is calculated for the purchase or lease of plug-in hybrid-electric, compressed natural gas, and liquefied petroleum gas vehicles and for the conversion of vehicles to electric and natural gas power sources.

**H.B. 13-1288:** Requires the DOR, in conjunction with counties and municipalities, to prepare a report that identifies the sales tax exemptions for each jurisdiction in the state, estimates the revenue associated with each exemption, determines how a uniform sales tax can be revenue neutral for the state and local taxing districts, and makes recommendations to the General Assembly to establish a uniform sales tax base. Appropriates \$80,089 General Fund to the DOR for FY 2013-14 for the costs associated with collecting data, computer programming, and publishing the report.

**H.B. 13-1295:** Implements the requirements of the federal Marketplace Fairness Act (MFA), which would require the collection of Colorado sales taxes from out-of-state vendors when those vendors sell to Colorado residents. Appropriates \$2,502,786 General Fund to the DOR for FY 2013-14 to implement and administer the tax. This bill, including the appropriation, will only take effect if the MFA (or substantially similar legislation) is enacted by the federal government. Thus this appropriation is not reflected in the tables within this report.

**H.B. 13-1317:** Establishes the regulatory framework to implement Amendment 64, which legalizes the possession of small amounts of marijuana.

- Converts the existing Medical Marijuana Enforcement Division (MMED) to the Marijuana Enforcement Division (MED), with the MED having the authority to regulate medical marijuana and retail marijuana, and authorizes the MED to receive moneys from the General Fund. All spending authority that previously existed for the MMED is transferred to the MED.
- Establishes unlawful acts including consuming marijuana in a licensed retail marijuana business, buying or selling marijuana outside of the regulated system, selling to a person under 21 years of age, and failing to pay the lawful excise tax. These acts are classified as Class 2 misdemeanors.
- Specifies the amount of the application fees for existing medical marijuana business and new businesses.
- Requires the MED to provide a report to the Finance Committees that includes the amount of revenue generated by retail marijuana, the expenses of the MED, and the regulatory work performed by the MED.
- Provides that only existing medical marijuana licensees businesses in good standing can apply for a license for a retail marijuana license business until September 30, 2014. Starting July 1, 2014, other persons may give notice of intent to apply for a retail license and receive preference from the MED.
- Through September 30, 2014, continues the current requirement for vertical integration.
- Requires the MED to develop and maintain a seed-to-sale tracking system.
- Credits the Marijuana Cash Fund with all application and licensing fees related to marijuana businesses, all regular sales taxes and any special sales taxes from medical and retail marijuana, as well as any General Fund required to fund the MED's regulatory and enforcement operations. Once the MED achieves a sufficient balance of cash funds to support the operations of the MED, excess moneys are transferred to the General Fund until the General Fund has been repaid any moneys provided to the MED for its operations.
- Appropriates \$1,227,026 cash funds to the DOR for personal services and operating expense and the purchase of legal services and computer center services related to implementation of the act.

**H.B. 13-1318:** Creates a special sales tax of up to 15 percent (in addition to the current 2.9 percent state sales tax and any local sales tax) to be levied on retail marijuana sales. The tax rate is initially set at 10 percent,

which the General Assembly may raise or lower without having to go back to the voters for approval. The retailers are not permitted to keep any portion of the tax for their costs in collecting the tax for the State. Local jurisdictions receive 15 percent of the proceeds from the tax in the proportion of the total marijuana sales that occur in their areas. Requires an annual transfer from the General Fund to the Marijuana Cash Fund in the amount equal to the remaining sales tax revenues after apportionment to the local jurisdictions.

Creates an excise tax of up to 15 percent of the average market rate of the unprocessed retail marijuana upon its first sale or transfer from a cultivation facility to a retail store, manufacturing facility, or other cultivation facility. As required by Amendment 64, the first \$40 million raised goes to the Public School Capital Construction Fund, with any remaining moneys deposited into the Marijuana Cash Fund.

The additional sales and excise taxes will go into effect if the voters approve, at the November 2013 statewide election, the statewide ballot question regarding imposition of the taxes. Appropriates, if the ballot measure is approved, \$4,246,090 from the Marijuana Cash Fund to the DOR for FY 2013-14 for the administration of the taxes imposed.

# Department Details

## DEPARTMENT OF STATE

### FY 2012-13 and FY 2013-14 Appropriations by Division and Bill

	Department of State					
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2012-13 Total Appropriation:</b>	<b>\$20,458,878</b>	<b>\$0</b>	<b>\$20,458,878</b>	<b>\$0</b>	<b>\$0</b>	<b>133.0</b>
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Administration	9,830,745	0	9,830,745	0	0	99.0
Information Technology Services	7,802,204	0	7,802,204	0	0	34.0
Elections Division	2,825,929	0	2,825,929	0	0	0.0
Business and Licensing Division	0	0	0	0	0	0.0
<u>Breakdown of Total Appropriation by Bill</u>						
HB 12-1335	18,871,474	0	18,871,474	0	0	133.0
SB 12-123	525,788	0	525,788	0	0	0.0
HB 12-1143	233,128	0	233,128	0	0	0.0
HB 12-1209	198,912	0	198,912	0	0	0.0
HB 12-1236	41,440	0	41,440	0	0	0.0
HB 12-1274	22,400	0	22,400	0	0	0.0
SB 13-104	297,856	0	297,856	0	0	0.0
SB 13-230	267,880	0	267,880	0	0	0.0
<b>FY 2013-14 Total Appropriation:</b>	<b>\$22,908,217</b>	<b>\$0</b>	<b>\$22,908,217</b>	<b>\$0</b>	<b>\$0</b>	<b>139.0</b>
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Administration	5,754,413	0	5,754,413	0	0	20.0
Information Technology Services	9,742,598	0	9,742,598	0	0	36.0
Elections Division	4,871,260	0	4,871,260	0	0	35.0
Business and Licensing Division	2,539,946	0	2,539,946	0	0	48.0
<u>Breakdown of Total Appropriation by Bill</u>						
SB 13-230	21,372,884	0	21,372,884	0	0	135.0
HB 13-1101	25,160	0	25,160	0	0	0.0
HB 13-1135	26,640	0	26,640	0	0	0.0
HB 13-1138	91,760	0	91,760	0	0	0.0

	Department of State					
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
HB 13-1167	74,592	0	74,592	0	0	0.0
HB 13-1303	1,317,181	0	1,317,181	0	0	4.0
<b>Increase/(Decrease)</b>	\$2,449,339	\$0	\$2,449,339	\$0	\$0	6.0
Percentage Change	12.0%	n/a	12.0%	n/a	n/a	4.5%

**Informational Funds:** The FY 2013-14 Long Bill and other legislation indicates when an amount is shown solely for informational purposes through an "(I)" notation. The following amounts in the Department of State are annotated with the "(I)". For additional information, see Appendix J.

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds
FY 2013-14 Appropriations containing an (I) notation	\$349,222	\$0	\$349,222	\$0	\$0

## Detail of Appropriation by Administrative Section

### Administration

The Administration division provides general management supervision for the entire Department, including budgeting, accounting, and human resources services. The Department is required to charge a fee for many of the business filings section's services, and these fees are the primary source of revenue for the Department of State Cash Fund. The Department of State does not receive any General Fund appropriations.

	Administration					
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2012-13 Appropriation:</b>						
HB 12-1335	\$9,601,979	\$0	\$9,601,979	\$0	\$0	99.0
HB 12-1274	0	0	0	0	0	0.0
SB 13-104	<u>228,766</u>	<u>0</u>	<u>228,766</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$9,830,745</b>	<b>\$0</b>	<b>\$9,830,745</b>	<b>\$0</b>	<b>\$0</b>	<b>99.0</b>
<b>FY 2013-14 Appropriation:</b>						
FY 2012-13 Appropriation	\$9,830,745	\$0	\$9,830,745	\$0	\$0	99.0
Centrally appropriated line items	458,285	0	458,285	0	0	0.0
Business intelligence suite	175,000	0	175,000	0	0	1.0
Statewide IT common policy adjustments	170,821	0	170,821	0	0	0.0
Department reorganization	(4,651,672)	0	(4,651,672)	0	0	(80.0)

	<b>Administration</b>					
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
Annualize prior year funding	(228,766)	0	(228,766)	0	0	0.0
<b>SB 13-230</b>	<b><u>\$5,754,413</u></b>	<b><u>\$0</u></b>	<b><u>\$5,754,413</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>20.0</u></b>
<b>TOTAL</b>	<b>\$5,754,413</b>	<b>\$0</b>	<b>\$5,754,413</b>	<b>\$0</b>	<b>\$0</b>	<b>20.0</b>
<b>Increase/(Decrease)</b>	(\$4,076,332)	\$0	(\$4,076,332)	\$0	\$0	(79.0)
Percentage Change	(41.5%)	n/a	(41.5%)	n/a	n/a	(79.8%)

### **FY 2012-13 Appropriation - Mid-year Adjustments**

Senate Bill 13-104 modifies FY 2012-13 appropriations to:

- Provide \$219,000 cash funds for the mailing of notifications to potential voters to encourage them to register to vote;
- Provide \$69,090 cash funds for contract programming services to facilitate the preparation of the voting abstract; and
- Provide \$9,766 cash funds to add billings to fix a fund balance shortfall.

### **FY 2013-14 Appropriation – S.B. 13-230 (Long Bill) Issue Descriptions**

**Centrally appropriated line items:** The appropriation includes adjustments to centrally appropriated line items for the following: state contributions for health, life, and dental benefits; merit pay; salary survey; short-term disability; supplemental state contributions to the Public Employees Retirement Association (PREA) pension fund; workers' compensation; legal services; administrative law judges; and payment to risk management and property funds.

**Business intelligence suite:** The appropriation includes additional funding and FTE to implement a "business intelligence suite" that will facilitate the dissemination of information already collected in the State's existing databases.

**Statewide IT common policy adjustments:** The appropriation includes adjustments to line items appropriated for: the purchase services from the computer center; Colorado state network; communication services payments; information technology security; and COFRS modernization.

**Department reorganization:** The appropriation creates two new divisions, the Elections Division and the Business and Licensing Division, transferring funding and FTE from the Administration and the Special Purpose Divisions. There is no net change in funding or FTE to implement this reorganization.

**Annualize prior year funding:** The appropriation includes adjustments related to prior year legislation and budget actions.

## Information Technology Services

Information Technology Services (ITS) provides most of the technology support for the Department and is responsible for the Department's compliance with the Colorado Information Security Act. The Department provides search and filing services via the internet and processes over 1,200 web-based transactions daily. ITS also provides project direction and support for the statewide voter registration and election management system. Funding is provided entirely by the Department of State Cash Fund.

Information Technology Services						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2012-13 Appropriation:</b>						
HB 12-1335	\$6,944,574	\$0	\$6,944,574	\$0	\$0	34.0
SB 12-123	525,788	0	525,788	0	0	0.0
HB 12-1209	198,912	0	198,912	0	0	0.0
HB 12-1236	41,440	0	41,440	0	0	0.0
HB 12-1274	22,400	0	22,400	0	0	0.0
SB 13-104	<u>69,090</u>	<u>0</u>	<u>69,090</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$7,802,204</b>	<b>\$0</b>	<b>\$7,802,204</b>	<b>\$0</b>	<b>\$0</b>	<b>34.0</b>
<b>FY 2013-14 Appropriation:</b>						
FY 2012-13 Appropriation	\$7,802,204	\$0	\$7,802,204	\$0	\$0	34.0
Business intelligence suite	575,000	0	575,000	0	0	0.0
SharePoint software	329,261	0	329,261	0	0	1.0
Extend spending authority for H.B. 12-1209	198,912	0	198,912	0	0	0.0
Election night reporting	177,816	0	177,816	0	0	0.0
Secure file transfer	31,200	0	31,200	0	0	0.0
Annualize prior year funding	(650,852)	0	(650,852)	0	0	0.0
<b>SB 13-230</b>	<b>\$8,463,541</b>	<b>\$0</b>	<b>\$8,463,541</b>	<b>\$0</b>	<b>\$0</b>	<b>35.0</b>
HB 13-1101	25,160	0	25,160	0	0	0.0
HB 13-1135	26,640	0	26,640	0	0	0.0
HB 13-1138	91,760	0	91,760	0	0	0.0
HB 13-1167	74,592	0	74,592	0	0	0.0
HB 13-1303	<u>1,060,905</u>	<u>0</u>	<u>1,060,905</u>	<u>0</u>	<u>0</u>	<u>1.0</u>
<b>TOTAL</b>	<b>\$9,742,598</b>	<b>\$0</b>	<b>\$9,742,598</b>	<b>\$0</b>	<b>\$0</b>	<b>36.0</b>
<b>Increase/(Decrease)</b>	\$1,940,394	\$0	\$1,940,394	\$0	\$0	2.0
Percentage Change	24.9%	n/a	24.9%	n/a	n/a	5.9%

## **FY 2012-13 Appropriation - Mid-year Adjustments**

Senate Bill 13-104 modifies FY 2012-13 appropriations to increase funding for contract programming services to facilitate the preparation of the voting abstract.

## **FY 2013-14 Appropriation – S.B. 13-230 (Long Bill) Issue Descriptions**

**Business intelligence suite:** The appropriation includes funding and FTE to implement a "business intelligence suite" that will facilitate the dissemination of information already collected in the State's existing databases.

**SharePoint software:** The appropriation includes funding and FTE to purchase, install, and implement the Microsoft SharePoint software suite, which will facilitate the sharing of information with employees inside the Department as well as interested members of the public.

**Extend spending authority for H.B. 12-1209:** The appropriation includes funding to allow the Department to expend the FY 2012-13 appropriation in H.B. 12-1209 (Uniform Electronic Legal Material Act) over a two-year period that includes FY 2012-13 and FY 2013-14.

**Election night reporting:** The appropriation includes funding for the implementation of an election night reporting system.

**Secure file transfer:** The appropriation includes funding to replace the Department's secure file transfer system with a more modern, user-friendly, and secure system.

**Annualize prior year funding:** The appropriation includes adjustments related to prior year legislation and budget actions.

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

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## **Elections Division**

This is a new Division in the FY 2013-14 Long Bill, combining the elections oversight responsibilities previously carried out in the Administration Division and the elections funding functions in the former Special Purpose Division. The Elections Division supervises primary, general, and congressional vacancy elections; maintains the statewide voter registration file; authorizes official recounts for federal, state, and district elections; and administers the Fair Campaign Practices Act. The Elections Section also helps the Secretary of State supervise the 64 county clerks in the execution of their statutory responsibilities relating to voter registration and elections. The source of funding for this Division is the Department of State Cash Fund and the Federal Elections Assistance Fund.

<b>Elections Division</b>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2012-13 Appropriation:</b>						
HB 12-1335	\$2,324,921	\$0	\$2,324,921	\$0	\$0	0.0
HB 12-1143	233,128	0	233,128	0	0	0.0
SB 13-230	<u>267,880</u>	<u>0</u>	<u>267,880</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$2,825,929</b>	<b>\$0</b>	<b>\$2,825,929</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
<b>FY 2013-14 Appropriation:</b>						
FY 2012-13 Appropriation	\$2,825,929	\$0	\$2,825,929	\$0	\$0	0.0
Department reorganization	2,111,726	0	2,111,726	0	0	32.0
Annualize prior year funding	(267,880)	0	(267,880)	0	0	0.0
Appropriation adjustment	(54,791)	0	(54,791)	0	0	0.0
<b>SB 13-230</b>	<b>\$4,614,984</b>	<b>\$0</b>	<b>\$4,614,984</b>	<b>\$0</b>	<b>\$0</b>	<b>32.0</b>
HB 13-1303	<u>256,276</u>	<u>0</u>	<u>256,276</u>	<u>0</u>	<u>0</u>	<u>3.0</u>
<b>TOTAL</b>	<b>\$4,871,260</b>	<b>\$0</b>	<b>\$4,871,260</b>	<b>\$0</b>	<b>\$0</b>	<b>35.0</b>
<b>Increase/(Decrease)</b>	\$2,045,331	\$0	\$2,045,331	\$0	\$0	35.0
Percentage Change	72.4%	n/a	72.4%	n/a	n/a	n/a

### **FY 2012-13 Appropriation - Mid-year Adjustments**

Senate Bill S.B. 13-230 modifies FY 2012-13 appropriations to increase funding for the reimbursement of the counties for the costs of statewide elections due to increased numbers of persons registering to vote.

### **FY 2013-14 Appropriation – S.B. 13-230 (Long Bill) Issue Descriptions**

**Department reorganization:** The appropriation creates two new divisions, including this division, transferring funding and FTE from the Administration and the Special Purpose Divisions. There is no net change in funding or FTE to implement this reorganization.

**Annualize prior year funding:** The appropriation includes adjustments related to prior year legislation and budget actions.

**Appropriation adjustment:** The appropriation includes a decrease in funding to reflect adjustments to the Local Elections Reimbursement and Initiative and Referendum line items, because any statewide election in FY 2013-14 is limited to TABOR issues.

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



## Business and Licensing Division

This Division was created in the FY 2013-14 Long Bill, assuming the programmatic functions previously carried out in the Administration Division related to business filings and licensing services. The Division:

- Collects, stores, and provides public access to articles of incorporation, annual reports, and a variety of other documents filed by for-profit and not-for-profit entities under Colorado's corporation and association laws;
- Collects, stores, and provides public access to a variety of Uniform Commercial Code documents, including security interests, liens, and other items that are utilized by lending institutions;
- Administers the Administrative Rules Code, a body of statutes governing the rule-making authority of many State agencies;
- Oversees the bingo and raffles program pursuant to Section 3 of Article XVIII of the Colorado Constitution;
- Administers the Charitable Solicitations Act, which forbids fraudulent charitable solicitation; and
- Licenses and regulates notaries public.

<b>Business and Licensing Division</b>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2012-13 Appropriation:</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
<b>TOTAL</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
<b>FY 2013-14 Appropriation:</b>						
FY 2012-13 Appropriation	\$0	\$0	\$0	\$0	\$0	0.0
Department reorganization	2,539,946	0	2,539,946	0	0	48.0
<b>SB 13-230</b>	<b><u>\$2,539,946</u></b>	<b><u>\$0</u></b>	<b><u>\$2,539,946</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>48.0</u></b>
<b>TOTAL</b>	<b>\$2,539,946</b>	<b>\$0</b>	<b>\$2,539,946</b>	<b>\$0</b>	<b>\$0</b>	<b>48.0</b>
<b>Increase/(Decrease)</b>	\$2,539,946	\$0	\$2,539,946	\$0	\$0	48.0
Percentage Change	n/a	n/a	n/a	n/a	n/a	n/a

### FY 2013-14 Appropriation – S.B. 13-230 (Long Bill) Issue Descriptions

**Department reorganization:** The appropriation creates two new divisions, including this division, transferring funding and FTE from the Administration Division. There is no net change in funding or FTE to implement this appropriation.

## Recent Legislation

### 2012 Session Bills

**S.B. 12-123:** Directs the Secretary of State to implement enhancements to the on-line business filing system, including enhancements to user accounts and for registered agents and records management, certifications, the integration of business documents with charitable solicitation documents, and greater search functionality; authorizes a registered agent to become a "commercial registered agent", which allows a registered agent to file

documents relating to multiple entities, thus saving the registered agent time and reducing filing fees; allows a reporting entity to change its anniversary month when it files a periodic report, its organic organizational document, or a restatement of its organic organizational document; allows the Secretary of State to charge a fee for the licensing or sale of business and licensing software developed by the secretary of state; and appropriates \$525,788 from the Department of State Cash Fund to the Department of State for FY 2013-14 for implementation of the act.

**H.B. 12-1143:** Increases the rate at which the State is required to reimburse a particular county for the cost of the duties performed by the county clerk and recorder in conducting an election in which a state ballot issue or state ballot question is on the county ballot. Increases the reimbursement rate by \$0.10 for each registered active voter on the county's voter lists. Appropriates \$233,128 cash funds to the Department of State for FY 2012-13.

**H.B. 12-1209:** Enacts the "Uniform Electronic Legal Material Act" drafted by the National Conference of Commissioners on Uniform State Laws. Defines "legal material" as the constitution of this state, the session laws of Colorado, the Colorado Revised Statutes, and a state agency rule. Requires, if legal material is only published electronically, the official publisher to designate the record as official, but if it is published in another format, the publisher may make such designation (In either case, if electronic legal material is designated as official, the publisher is required to meet requirements related to the authentication and preservation of the electronic record and the availability of the preserved electronic record). Presumes that electronic legal material in an electronic record that is authenticated by the official publisher is an accurate copy of the legal material (this presumption applies to electronic legal material from states that have adopted a law that is substantially similar to the act). Requires the official comments issued by the commissioners to be published with the act. Appropriates \$198,912 cash funds to the Department of State for FY 2012-13.

**H.B. 12-1236:** Excludes grant writers from the definition of "paid solicitor" unless the grant writer's compensation is computed on the basis of funds raised from the grant; specifies that fundraising on behalf of a named individual is not a charitable appeal and therefore the fundraiser does not have to register with the Secretary of State; eliminates the need for a charity to request a 3-month extension for the filing of its initial or annual financial report with the Secretary of State if the charity has filed for an extension with the internal revenue service; clarifies that only monetary contributions must be deposited with a financial institution; and requires paid solicitors, near the beginning of a telephone solicitation, to disclose that a contribution is not tax-deductible, if that is the case, before soliciting the donation and to state their full and complete name. Appropriates \$41,440 cash funds to the Department of State for FY 2012-13.

**H.B. 12-1274:** Modifies the Secretary of State's regulation of notaries public by:

- Allows, at the Secretary of State's discretion, electronic filing of applications and renewals;
- Clarifies the disciplinary and nondisciplinary actions that the Secretary of State may take against a notary public;
- Disallows the use of a seal embosser; and
- Updates the information a notary public includes on his or her official notary seal and requiring the seal to be rectangular.

Transfers fees collected in connection with the regulation of notaries public from the Notary Administration Cash Fund, which fund is repealed, to the Department of State Cash Fund.

Appropriates \$22,400 to the Department of State for FY 2012-13 for contract programming services. Adjusts appropriations made in the FY 2012-13 Long Bill to account for the repeal of the Notary Administration Cash Fund and transfer of that spending authority to the Department of State Cash Fund.

**H.B. 12-1335:** General appropriations act for FY 2012-13.

## 2013 Session Bills

**S.B. 13-104:** Supplemental appropriations act to modify FY 2012-13 appropriations.

**S.B. 13-230:** General appropriations act for FY 2013-14.

**H.B. 13-1101:** Authorizes bingo-raffle licensees to offer progressive raffles where the jackpot is carried over and increased from one drawing to the next until the jackpot is awarded and to offer consolation prizes where the jackpot is not won. The Secretary of State is authorized to establish rules specifying the conduct of progressive raffles, including limiting the maximum jackpot and the maximum number of simultaneous progressive raffles that may be conducted. Appropriates \$25,160 cash funds to the Department of State for FY 2013-14 for contract programming services to make the necessary changes to the bingo-raffles licensing system.

**H.B. 13-1135:** Allows a person who has turned 16 years of age, who will not be 18 years of age by the date of the next election, to preregister to vote. The registrant will be registered automatically upon turning 18 years of age. Appropriates \$26,640 cash funds to the Department of State for FY 2013-14 for necessary computer programming modifications.

**H.B. 13-1138:** Establishes the requirements for a corporation to be created as or convert to a "benefit corporation", including that the corporation is intended to produce one or more public benefits and to operate in a responsible and sustainable manner. Requires the corporation to provide information in its annual report on the benefits that the corporation has promoted specific benefits. Appropriates \$91,760 cash funds to the Department of State for FY 2013-14 for contract computer programming services to implement the required changes to the Department's computer systems.

**H.B. 13-1167:** Requires the Secretary of State (SOS) to *request* information from business owners filing documents with the SOS regarding the business owners' gender, race, veteran status, disability, and the National American Industry Classification code. The submission of the requested information is voluntary on the part of the owner. The SOS is required to make this information available to the public in a searchable manner. Appropriates \$74,592 cash funds to the Department of State for FY 2013-14 for contract computer programming services to implement the required changes to the Department's computer systems.

**H.B. 13-1303:** Requires that all general, primary, odd-year, coordinated, presidential, special legislative, recall, and congressional vacancy elections are to be conducted as mail ballot elections and the county clerks are required to mail a ballot to all active registered voters. Voters have the option of returning the ballot by mail, dropping the ballot off at a voter service and polling center (center), or casting a ballot at a center.

Requires clerks to operate the center in all covered elections and eliminates polling places. Centers are required to be open for at least 15 days prior to and including election day (Sundays excluded). The center must have the ability to:

- Register a person to vote;

- Allow a voter to cast a ballot, including a provisional ballot;
- Accept mail ballots deposited by electors;
- Allow a registered voter to update his or her name, if legally changed, and his or her address;
- Allow an unaffiliated voter to affiliate with a political party and cast a ballot in a primary election;
- Access the statewide voter registration database (SCORE) through a secure computer connection, except that counties with fewer than 25,000 registered voters may, upon demonstrating hardship, seek approval from the Secretary to State to access SCORE and conduct real-time verification of voter eligibility by telephone or other means;
- Provide mail ballots to requesting voters;
- Provide original and replacement ballots; and
- Creates the Voter Access and Modernized Elections Commission.

Centers serve all voters in the county and the number of centers and the number and type of ballot drop-off locations that counties must provide are specified. Voters may register to vote by mail or through a voter registration agency or voter registration drive up to 22 days before an election, register online through the Secretary of State (SOS) website up to 8 days before an election, register in person at a county clerk's office, when registrations are permitted, and register at a voter service center up to and including election day. Requires the voter to reside in a precinct to vote and reduces the time required for state residency to 22 days. Eliminates the state of "Inactive – Failed to Vote" and shifts all voters to active status. Allows county clerks, with voter permission, to send certain election-related communications to voters electronically, except for ballots and confirmation cards.

Requires the SOS to conduct a National Change of Address database search on all registered voters in the SOCRE database, and to transmit the results monthly to county clerks. Specifies the procedures for county clerks to confirm that the voters identified in the search have moved. Requires the SOS to enter into data sharing agreements with the Department of Public Health and Environment and the Department of Corrections to cross-check person registering to vote with death records and felon lists, respectively.

Appropriates \$1,317,181 cash funds and 4.0 FTE to the Department of State for FY 2013-14 for contract computer programming services, personal services, the costs related to the Voter Access and Modernized Elections Commission, program testing, and other costs to implement the bill.

## Department Details

# DEPARTMENT OF TRANSPORTATION

### FY 2012-13 and FY 2013-14 Appropriations by Division and Bill

	Department of Transportation					
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2012-13 Total Appropriation:</b>	<b>\$1,119,353,686</b>	<b>\$0</b>	<b>\$706,181,582</b>	<b>\$3,763,059</b>	<b>\$409,409,045</b>	<b>3,308.8</b>
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Administration	24,358,412	0	22,545,905	1,812,507	0	178.3
Construction, Maintenance, and Operations	997,968,797	0	586,609,200	1,950,552	409,409,045	3,126.5
High Performance Transportation Enterprise	2,500,000	0	2,500,000	0	0	4.0
First Time Drunk Driving Offenders Account	1,500,000	0	1,500,000	0	0	0.0
Statewide Bridge Enterprise	93,026,477	0	93,026,477	0	0	0.0
<u>Breakdown of Total Appropriation by Bill</u>						
HB 12-1335	1,119,353,686	0	706,181,582	3,763,059	409,409,045	3,308.8
SB 13-105	0	0	0	0	0	0.0
<b>FY 2013-14 Total Appropriation:</b>	<b>\$1,267,747,364</b>	<b>\$0</b>	<b>\$759,829,076</b>	<b>\$19,775,304</b>	<b>\$488,142,984</b>	<b>3,317.5</b>
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Administration	24,633,679	0	22,808,927	1,824,752	0	169.0
Construction, Maintenance, and Operations	1,092,631,785	0	602,538,249	1,950,552	488,142,984	3,142.5
High Performance Transportation Enterprise	33,500,000	0	32,500,000	1,000,000	0	4.0
First Time Drunk Driving Offenders Account	1,500,000	0	1,500,000	0	0	0.0
Statewide Bridge Enterprise	115,481,900	0	100,481,900	15,000,000	0	2.0
<u>Breakdown of Total Appropriation by Bill</u>						
SB 13-230	1,267,747,364	0	759,829,076	19,775,304	488,142,984	3,317.5
<b>Increase/(Decrease)</b>	<b>\$148,393,678</b>	<b>\$0</b>	<b>\$53,647,494</b>	<b>\$16,012,245</b>	<b>\$78,733,939</b>	<b>8.7</b>
Percentage Change	13.3%	n/a	7.6%	425.5%	19.2%	0.3%

**Informational Funds:** The FY 2013-14 Long Bill and other legislation indicates when an amount is shown solely for informational purposes through an "(I)" notation. The following amounts in the Department of Transportation are annotated with the "(I)". For additional information, see Appendix J.

	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>
FY 2013-14 Appropriations containing an (I) notation	\$1,241,613,685	\$0	\$735,520,149	\$17,950,552	\$488,142,984

## Detail of Appropriation by Administrative Section

### Administration

The Administration section consists of the following offices and divisions:

- Transportation Commission;
- Office of the Executive Director;
- Office of Government Relations;
- Office of Public Relations;
- Office of Information Technology;
- Office of Financial Management and Budget;
- Accounting Branch;
- Office of the Chief Engineer and Region Transportation Directors;
- Motor Pool Operations for State Fleet Vehicles;
- Division of Human Resources and Administration; and
- Division of Audit.

The General Assembly appropriates funds to this division in a lump sum as required by Section 43-1-113 (3) (a), C.R.S. This line item includes the salaries and expenses for the numerous offices and programs within the Administration section. This line item is a "program" line item, which gives the Department discretion to move funds from personal services to operating expenses and also from one program within the line item to another. Section 43-1-113 (6) (a), C.R.S., limits the Administration line item to no more than 5.0 percent of the total Department of Transportation budget. The majority of the Administration line item is supported with cash funds from the State Highway Fund, with a portion of administrative costs funded by reappropriated funds paid to the print shop and for the maintenance of other state agencies' vehicles.

	<b>Administration</b>					<b>FTE</b>
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	
<b>FY 2012-13 Appropriation:</b>						
HB 12-1335	\$23,771,617	\$0	\$21,959,110	\$1,812,507	\$0	178.3
SB 13-105	<u>586,795</u>	<u>0</u>	<u>586,795</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$24,358,412</b>	<b>\$0</b>	<b>\$22,545,905</b>	<b>\$1,812,507</b>	<b>\$0</b>	<b>178.3</b>
<b>FY 2013-14 Appropriation:</b>						
FY 2012-13 Appropriation	\$24,358,412	\$0	\$22,545,905	\$1,812,507	\$0	178.3
Statewide IT common policy adjustments	497,587	0	497,587	0	0	0.0

<b>Administration</b>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
Centrally appropriated line items	403,613	0	391,368	12,245	0	0.0
Annualize prior year funding	(586,795)	0	(586,795)	0	0	(9.3)
Technical adjustment	(39,138)	0	(39,138)	0	0	0.0
<b>SB 13-230</b>	<b><u>\$24,633,679</u></b>	<b><u>\$0</u></b>	<b><u>\$22,808,927</u></b>	<b><u>\$1,824,752</u></b>	<b><u>\$0</u></b>	<b><u>169.0</u></b>
<b>TOTAL</b>	<b>\$24,633,679</b>	<b>\$0</b>	<b>\$22,808,927</b>	<b>\$1,824,752</b>	<b>\$0</b>	<b>169.0</b>
<b>Increase/(Decrease)</b>	\$275,267	\$0	\$263,022	\$12,245	\$0	(9.3)
Percentage Change	1.1%	n/a	1.2%	0.7%	n/a	(5.2%)

### **FY 2012-13 Appropriation - Mid-year Adjustments**

Senate Bill 13-105 adds billing to fix fund a balance shortfall in the state's risk management account, which includes an increase in this Division which is offset by a decrease in Construction, Maintenance, and Operations.

### **FY 2013-14 Appropriation – S.B. 13-230 (Long Bill) Issue Descriptions**

**Statewide IT common policy adjustments:** The appropriation includes adjustments to line items appropriated for: the purchase services from the computer center; information technology security; and COFRS modernization.

**Centrally appropriated line items:** The appropriation includes adjustments to centrally appropriated line items for the following: state contributions for health, life, and dental benefits; merit pay; salary survey; short-term disability; supplemental state contributions to the Public Employees Retirement Association (PREA) pension fund; workers' compensation; legal services; and payment to risk management and property funds.

**Annualize prior year funding:** The appropriation includes adjustments related to prior year legislation and budget actions.

**Technical adjustment:** The appropriation includes offsetting technical adjustments in the Administration and Construction, Maintenance, and Operations Divisions.

### **Construction, Maintenance, and Operations**

The Construction, Maintenance, and Operations division is responsible for transportation planning, inter-modal transportation programs, and all phases of highway operation including engineering, construction, and maintenance. The Transportation Commission allocates the budgets for these programs and amounts are included in the Long Bill for informational purposes only. This division represents the majority of the Department's total budget. Funding for this division is intended to improve the condition of the state transportation system.

This division reflects revenues that are continuously appropriated to the Department for the construction, maintenance, and operations of state highways and transportation systems. Cash funds include the State

Highway Fund, miscellaneous permit fees, interest earnings, and local matching funds made available for federal dollars. Appropriation authority over these revenues rests with the Transportation Commission.

<b>Construction, Maintenance, and Operations</b>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2012-13 Appropriation:</b>						
HB 12-1335	\$998,555,592	\$0	\$587,195,995	\$1,950,552	\$409,409,045	3,126.5
SB 13-105	<u>(586,795)</u>	<u>0</u>	<u>(586,795)</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$997,968,797</b>	<b>\$0</b>	<b>\$586,609,200</b>	<b>\$1,950,552</b>	<b>\$409,409,045</b>	<b>3,126.5</b>
<b>FY 2013-14 Appropriation:</b>						
FY 2012-13 Appropriation	\$997,968,797	\$0	\$586,609,200	\$1,950,552	\$409,409,045	3,126.5
Updated revenue projections	94,926,010	0	16,192,071	0	78,733,939	0.0
Annualize prior year funding	586,795	0	586,795	0	0	16.0
Technical adjustment	39,138	0	39,138	0	0	0.0
Statewide IT common policy adjustments	(497,587)	0	(497,587)	0	0	0.0
Centrally appropriated line items	(391,368)	0	(391,368)	0	0	0.0
<b>SB 13-230</b>	<b><u>\$1,092,631,785</u></b>	<b><u>\$0</u></b>	<b><u>\$602,538,249</u></b>	<b><u>\$1,950,552</u></b>	<b><u>\$488,142,984</u></b>	<b><u>3,142.5</u></b>
<b>TOTAL</b>	<b>\$1,092,631,785</b>	<b>\$0</b>	<b>\$602,538,249</b>	<b>\$1,950,552</b>	<b>\$488,142,984</b>	<b>3,142.5</b>
<b>Increase/(Decrease)</b>	\$94,662,988	\$0	\$15,929,049	\$0	\$78,733,939	16.0
Percentage Change	9.5%	n/a	2.7%	0.0%	19.2%	0.5%

### **FY 2012-13 Appropriation - Mid-year Adjustments**

Senate Bill 13-105 adds billing to fix a fund balance shortfall in the state's risk management account, which includes an increase in the Administration Division which is offset by a decrease in this division.

### **FY 2013-14 Appropriation – S.B. 13-230 (Long Bill) Issue Descriptions**

**Updated revenue projections:** The appropriation includes a projected increase in funding from the State Highway Fund and an increase in estimated revenue from the Federal government.

**Annualize prior year funding:** The appropriation includes adjustments related to prior year legislation and budget actions.

**Technical adjustment:** The appropriation includes offsetting technical adjustments in the Administration and Construction, Maintenance, and Operations Divisions.

**Statewide IT common policy adjustments:** The appropriation includes adjustments in this division to offset the increases in IT common policy decisions made in the Administration Division.



**Centrally appropriated line items:** The appropriation includes adjustments in this division to offset the increases in centrally appropriated line items in the Administration Division.

## High Performance Transportation Enterprise

This section, created in S.B. 09-108, replaced the Statewide Tolling Enterprise. In addition to assuming the responsibilities of the Statewide Tolling Enterprise, the High Performance Transportation Enterprise was established to pursue public-private partnerships and other means of completing surface transportation projects, including collecting tolls on existing roadways if such projects are approved by local transportation entities. This section is granted enterprise status as long as it retains the authority to issue revenue bonds and receives less than 10.0 percent of its total revenues from grants from state and local governments. The amounts shown are revenue estimates from the existing toll lanes and are included in the Long Bill for informational purposes only.

High Performance Transportation Enterprise						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2012-13 Appropriation:</b>						
HB 12-1335	<u>\$2,500,000</u>	<u>\$0</u>	<u>\$2,500,000</u>	<u>\$0</u>	<u>\$0</u>	<u>4.0</u>
<b>TOTAL</b>	<b>\$2,500,000</b>	<b>\$0</b>	<b>\$2,500,000</b>	<b>\$0</b>	<b>\$0</b>	<b>4.0</b>
<b>FY 2013-14 Appropriation:</b>						
FY 2012-13 Appropriation	\$2,500,000	\$0	\$2,500,000	\$0	\$0	4.0
RTD payment for US 36 HOT lanes	30,000,000	0	30,000,000	0	0	0.0
Updated revenue projections	1,000,000	0	0	1,000,000	0	0.0
<b>SB 13-230</b>	<b><u>\$33,500,000</u></b>	<b><u>\$0</u></b>	<b><u>\$32,500,000</u></b>	<b><u>\$1,000,000</u></b>	<b><u>\$0</u></b>	<b><u>4.0</u></b>
<b>TOTAL</b>	<b>\$33,500,000</b>	<b>\$0</b>	<b>\$32,500,000</b>	<b>\$1,000,000</b>	<b>\$0</b>	<b>4.0</b>
<b>Increase/(Decrease)</b>	\$31,000,000	\$0	\$30,000,000	\$1,000,000	\$0	0.0
Percentage Change	1,240.0%	n/a	1,200.0%	n/a	n/a	0.0%

### FY 2013-14 Appropriation – S.B. 13-230 (Long Bill) Issue Descriptions

**RTD payment for US 36 HOT lanes:** The appropriation reflects a \$30.0 million increase in cash funds for the Regional Transportation District's (RTD) contribution for the construction of high-occupancy tolling (HOT) lanes on U.S. Highway 36 between Interstate 25 and Boulder.

**Updated revenue projections:** The appropriation includes an increase in reappropriated funds and FTE that reflects a loan from the Transportation Commission to the High Performance Transportation Enterprise, and an increase in estimated revenue from the Federal government.

## First Time Drunk Driving Offenders Account

This section provides funding for increased high visibility drunk driving law enforcement actions pursuant to Section 42-2-132 (4) (b) (II) (A), C.R.S. The section was created because the program requires annual appropriation by the General Assembly and therefore should not be included in the continuously appropriated Construction, Maintenance, and Operations line item. Fees are from the fees charged for the reinstatement of driver's licenses.

First Time Drunk Driving Offenders Account						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2012-13 Appropriation:</b>						
HB 12-1335	\$1,500,000	\$0	\$1,500,000	\$0	\$0	0.0
<b>TOTAL</b>	<b>\$1,500,000</b>	<b>\$0</b>	<b>\$1,500,000</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
<b>FY 2013-14 Appropriation:</b>						
FY 2012-13 Appropriation	\$1,500,000	\$0	\$1,500,000	\$0	\$0	0.0
<b>SB 13-230</b>	<b>\$1,500,000</b>	<b>\$0</b>	<b>\$1,500,000</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
<b>TOTAL</b>	<b>\$1,500,000</b>	<b>\$0</b>	<b>\$1,500,000</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
<b>Increase/(Decrease)</b>	\$0	\$0	\$0	\$0	\$0	0.0
Percentage Change	0.0%	n/a	0.0%	n/a	n/a	n/a

## FY 2013-14 Appropriation – S.B. 13-230 (Long Bill) Issue Descriptions

**No Changes:** The appropriation does not contain changes from the FY 2012-13 Appropriation.

## Statewide Bridge Enterprise

The Statewide Bridge Enterprise was created by S.B. 09-108 and is funded through a bridge safety surcharge on vehicle registrations. The enterprise's purpose is to facilitate the repair or replacement of bridges rated as in poor condition and as structurally deficient or functionally obsolete. The enterprise has the authority to issue revenue bonds and to borrow funds from the Transportation Commission to be repaid from bridge safety surcharge revenues. The section can maintain enterprise status as long as it retains the authority to issue revenue bonds and receives less than 10.0 percent of its total revenues from grants from state and local governments. The amounts shown are revenue estimates and are included in the Long Bill for information purposes only.

Statewide Bridge Enterprise						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2012-13 Appropriation:</b>						
HB 12-1335	\$93,026,477	\$0	\$93,026,477	\$0	\$0	0.0
<b>TOTAL</b>	<b>\$93,026,477</b>	<b>\$0</b>	<b>\$93,026,477</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
<b>FY 2013-14 Appropriation:</b>						
FY 2012-13 Appropriation	\$93,026,477	\$0	\$93,026,477	\$0	\$0	0.0
Transfer of federal funds to Statewide Bridge Enterprise	15,000,000	0	0	15,000,000	0	0.0
Updated revenue projections	7,455,423	0	7,455,423	0	0	0.0
Annualize prior year funding	0	0	0	0	0	2.0
<b>SB 13-230</b>	<b>\$115,481,900</b>	<b>\$0</b>	<b>\$100,481,900</b>	<b>\$15,000,000</b>	<b>\$0</b>	<b>2.0</b>
<b>TOTAL</b>	<b>\$115,481,900</b>	<b>\$0</b>	<b>\$100,481,900</b>	<b>\$15,000,000</b>	<b>\$0</b>	<b>2.0</b>
<b>Increase/(Decrease)</b>	\$22,455,423	\$0	\$7,455,423	\$15,000,000	\$0	2.0
Percentage Change	24.1%	n/a	8.0%	n/a	n/a	n/a

### FY 2013-14 Appropriation – S.B. 13-230 (Long Bill) Issue Descriptions

**Transfer of federal funds to Statewide Bridge Enterprise:** The appropriation reflects a \$15.0 million transfer of Federal funds to the Statewide Bridge Enterprise.

**Updated revenue projections:** The appropriation includes a projected increase in funding from the State Highway Fund.

**Annualize prior year funding:** The appropriation includes adjustments related to prior year legislation and budget actions.

## Recent Legislation

### 2012 Session Bills

**H.B. 12-1012:** Increases from \$10,000 to \$50,000 the amount of expenses CDOT can pay to reestablish a farm, nonprofit organization, or small business that has been displaced by a highway program or project funded through the Federal Highway Administration. Increases state expenditures from the State Highway Fund by \$200,000 in FY 2012-13 and future years. Funds are continuously appropriated to the Department.

**H.B. 12-1108:** Allows CDOT to post directional signs for tourist attractions and advertising signs for food, fuel, and lodging in urban areas on the interstate highways in urbanized areas. Increases State Highway Fund

revenues by \$200,000 per year through fees paid to CDOT for each additional sign. Funds are continuously appropriated to the Department.

**H.B. 12-1222:** Recreates the CDOT Renovation Fund and specifies that it consists of moneys remaining in the original account when it was repealed on July 1, 2007. Provides continuous spending authority to CDOT to pay for the renovation of real property and to make payments under any lease-purchase agreement authorized pursuant to H.B. 04-1456.

**H.B. 12-1335:** General appropriations act for FY 2012-13.

**H.B. 12-1343:** Requires the transfer of any unexpended and unencumbered moneys remaining in the State Rail Bank Fund to the General Fund on June 30, 2012.

## **2013 Session Bills**

**S.B. 13-105:** Supplemental appropriations act to modify FY 2012-13 appropriations.

**S.B. 13-230:** General appropriations act for FY 2013-14.

**H.B. 13-1132:** Conforms Colorado law with federal standards for vehicle weight limits for vehicles traveling on state highways and bridges. Passage avoids potential reductions in federal funding for transportation.

# Department Details

## DEPARTMENT OF THE TREASURY

### FY 2012-13 and FY 2013-14 Appropriations by Division and Bill

Department of the Treasury						
	Total Funds	General Fund <sup>1/2</sup>	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2012-13 Total Appropriation:</b>	<b>\$478,909,305</b>	<b>\$109,314,351</b>	<b>\$369,594,954</b>	<b>\$0</b>	<b>\$0</b>	<b>31.5</b>
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Administration	2,008,339	814,351	1,193,988	0	0	16.0
Unclaimed Property Program	1,969,115	0	1,969,115	0	0	15.5
Special Purpose	474,931,851	108,500,000	366,431,851	0	0	0.0
<u>Breakdown of Total Appropriation by Bill</u>						
HB 12-1335	478,908,151	109,331,708	369,576,443	0	0	31.5
HB 12-1246	794	794	0	0	0	0.0
SB 13-106	360	(18,151)	18,511	0	0	0.0
<b>FY 2013-14 Total Appropriation:</b>	<b>\$433,702,981</b>	<b>\$106,171,325</b>	<b>\$327,531,656</b>	<b>\$0</b>	<b>\$0</b>	<b>31.9</b>
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Administration	2,214,026	971,325	1,242,701	0	0	16.4
Unclaimed Property Program	1,970,848	0	1,970,848	0	0	15.5
Special Purpose	429,518,107	105,200,000	324,318,107	0	0	0.0
<u>Breakdown of Total Appropriation by Bill</u>						
SB 13-230	495,535,754	131,492,404	364,043,350	0	0	31.9
SB 13-234	(25,321,079)	(25,321,079)	0	0	0	0.0
HB 13-1115	(36,511,694)	0	(36,511,694)	0	0	0.0
<b>Increase/(Decrease)</b>	<b>(\$45,206,324)</b>	<b>(\$3,143,026)</b>	<b>(\$42,063,298)</b>	<b>\$0</b>	<b>\$0</b>	<b>0.4</b>
Percentage Change	(9.4%)	(2.9%)	(11.4%)	n/a	n/a	1.3%

<sup>1</sup> Includes General Fund amounts (\$98,500,000 for FY 2012-13 and \$105,200,000 for FY 2013-14) for reimbursements for the Senior Citizen and Disabled Veteran Property Tax Exemption that are exempt from the statutory limit on state General Fund appropriations pursuant to Section 24-75-201.1 (1) (a) (III) (A), C.R.S. See Special Purpose Division detail for more information.

<sup>2</sup> Includes General Fund Exempt amounts (\$10,000,000 for FY 2012-13) for payments to the Fire and Police Pension Association old-hire pension plans. See Special Purpose Division detail for more information.

**Informational Funds:** The FY 2013-14 Long Bill and other legislation indicates when an amount is shown solely for informational purposes through an "(I)" notation. The following amounts in the Department of Treasury are annotated with the "(I)". For additional information, see Appendix J.

	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>
FY 2013-14 Appropriations containing an (I) notation	\$430,323,107	\$105,200,000	\$325,123,107	\$0	\$0

## Detail of Appropriation by Administrative Section

### Administration

This Division is responsible for the operation and oversight of the Department and provides accounting, cash management, and investment services for the State. The Division's cash funds derive from the Treasury transaction fee imposed pursuant to Section 24-36-120, C.R.S., and from the Unclaimed Property Trust Fund.

	<b>Administration</b>					
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2012-13 Appropriation:</b>						
HB 12-1335	\$2,007,185	\$831,708	\$1,175,477	\$0	\$0	16.0
HB 12-1246	794	794	0	0	0	0.0
SB 13-106	<u>360</u>	<u>(18,151)</u>	<u>18,511</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$2,008,339</b>	<b>\$814,351</b>	<b>\$1,193,988</b>	<b>\$0</b>	<b>\$0</b>	<b>16.0</b>
<b>FY 2013-14 Appropriation:</b>						
FY 2012-13 Appropriation	\$2,008,339	\$814,351	\$1,193,988	\$0	\$0	16.0
Centrally appropriated line items	151,212	83,988	67,224	0	0	0.0
Statewide IT common policy adjustments	54,035	54,035	0	0	0	0.0
Annualize prior year funding	440	18,951	(18,511)	0	0	0.4
<b>SB 13-230</b>	<b><u>\$2,214,026</u></b>	<b><u>\$971,325</u></b>	<b><u>\$1,242,701</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>16.4</u></b>
<b>TOTAL</b>	<b>\$2,214,026</b>	<b>\$971,325</b>	<b>\$1,242,701</b>	<b>\$0</b>	<b>\$0</b>	<b>16.4</b>
<b>Increase/(Decrease)</b>	\$205,687	\$156,974	\$48,713	\$0	\$0	0.4
Percentage Change	10.2%	19.3%	4.1%	n/a	n/a	2.5%

### FY 2012-13 Appropriation - Mid-year Adjustments

Senate Bill 13-106 modifies FY 2012-13 appropriations as follows:

- Decreases \$18,511 General Fund offset by a like increase in cash funds from Cash Management Transaction Fees; and

- Increases \$360 General Fund for the Department's share of the Liability Premiums common policy supplemental.

#### **FY 2013-14 Appropriation – S.B. 13-230 (Long Bill) Issue Descriptions**

**Centrally appropriated line items:** The appropriation includes adjustments to centrally appropriated line items for the following: state contributions for health, life, and dental benefits; merit pay; salary survey; short-term disability; supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund; workers' compensation and payment to risk management and property funds; legal services; and Capitol complex leased space.

**Statewide IT common policy adjustments:** The appropriation includes adjustments to line items appropriated for: purchase of services from the computer center; Colorado state network; and information technology security.

**Annualize prior year funding:** The appropriation includes adjustments related to prior year legislation and budget actions.

#### **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 and the costs of operating the program as well as maintain a reserve against future claims. The Department anticipates paying approximately 20,000 claims valued at \$25.0 million in FY 2013-14. Prior to FY 2013-14, additional principal and interest earnings also supported 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 on this fund to promote economic development, agri-tourism, and the State Fair. The cash funds source for appropriations in this division is the Unclaimed Property Trust Fund.

<b>Unclaimed Property Program</b>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2012-13 Appropriation:</b>						
HB 12-1335	<u>\$1,969,115</u>	<u>\$0</u>	<u>\$1,969,115</u>	<u>\$0</u>	<u>\$0</u>	<u>15.5</u>
<b>TOTAL</b>	<b>\$1,969,115</b>	<b>\$0</b>	<b>\$1,969,115</b>	<b>\$0</b>	<b>\$0</b>	<b>15.5</b>
<b>FY 2013-14 Appropriation:</b>						
FY 2012-13 Appropriation	\$1,969,115	\$0	\$1,969,115	\$0	\$0	15.5
Annualize prior year funding	1,733	0	1,733	0	0	0.0
<b>SB 13-230</b>	<b><u>\$1,970,848</u></b>	<b><u>\$0</u></b>	<b><u>\$1,970,848</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>15.5</u></b>
<b>TOTAL</b>	<b>\$1,970,848</b>	<b>\$0</b>	<b>\$1,970,848</b>	<b>\$0</b>	<b>\$0</b>	<b>15.5</b>

	<b>Unclaimed Property Program</b>					
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>Increase/(Decrease)</b>	\$1,733	\$0	\$1,733	\$0	\$0	0.0
Percentage Change	0.1%	n/a	0.1%	n/a	n/a	0.0%

### **FY 2013-14 Appropriation – S.B. 13-230 (Long Bill) Issue Descriptions**

**Annualize prior year funding:** The appropriation includes adjustments related to prior year legislation and budget actions.

### **Special Purpose**

This section of the Long Bill reflects various disbursements and transfers the Treasurer is required to make, including the following: (1) reimbursements to local governments for property tax revenues foregone due to the senior citizen and disabled veteran property tax exemption; (2) transmittals from the Unclaimed Property Trust Fund to CoverColorado (eliminated as of May 1, 2013, per H.B. 13-115); (3) transfers to the Fire and Police Pension Association (FPPA) for *old hire* plans (with the balance of the State's obligation paid as of May 31, 2013, per S.B. 13-234); 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 property tax exemption and FPPA are not subject to the statutory restrictions on General Fund appropriations. The sources of cash funds are the Highway Users Tax Fund and the Unclaimed Property Trust Fund.

	<b>Special Purpose</b>					
	<b>Total Funds</b>	<b>General Fund<sup>1/2</sup></b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2012-13 Appropriation:</b>						
HB 12-1335	<u>\$474,931,851</u>	<u>\$108,500,000</u>	<u>\$366,431,851</u>	<u>\$0</u>	<u>\$0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$474,931,851</b>	<b>\$108,500,000</b>	<b>\$366,431,851</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
<b>FY 2013-14 Appropriation:</b>						
FY 2012-13 Appropriation	\$474,931,851	\$108,500,000	\$366,431,851	\$0	\$0	0.0
FPPA old-hire pension plan payments	15,321,079	15,321,079	0	0	0	0.0
Senior citizen and disabled veteran property tax exemption	6,700,000	6,700,000	0	0	0	0.0
HUTF disbursements	3,886,256	0	3,886,256	0	0	0.0
Transfer to CoverColorado	<u>(9,488,306)</u>	<u>0</u>	<u>(9,488,306)</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>SB 13-230</b>	<b>\$491,350,880</b>	<b>\$130,521,079</b>	<b>\$360,829,801</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
SB 13-234	(25,321,079)	(25,321,079)	0	0	0	0.0
HB 13-1115	<u>(36,511,694)</u>	<u>0</u>	<u>(36,511,694)</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$429,518,107</b>	<b>\$105,200,000</b>	<b>\$324,318,107</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>



	<b>Special Purpose</b>					
	<b>Total Funds</b>	<b>General Fund<sup>/1/2</sup></b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>Increase/(Decrease)</b>	(\$45,413,744)	(\$3,300,000)	(\$42,113,744)	\$0	\$0	0.0
Percentage Change	(9.6%)	(3.0%)	(11.5%)	n/a	n/a	0.0%

<sup>/1</sup> Includes General Fund amounts (\$98,500,000 for FY 2012-13 and \$105,200,000 for FY 2013-14) for reimbursements for the Senior Citizen and Disabled Veteran Property Tax Exemption that are exempt from the statutory limit on state General Fund appropriations pursuant to Section 24-75-201.1 (1) (a) (III) (A), C.R.S. See Special Purpose Division detail for more information.

<sup>/2</sup> Includes General Fund Exempt amounts (\$10,000,000 for FY 2012-13) for payments to the Fire and Police Pension Association old-hire pension plans.

<b>General Fund Summary</b>	<b>Total General Fund</b>	<b>General Fund</b>	<b>General Fund Exempt</b>
<b>FY 2012-13 Adjusted Appropriation</b>	\$108,500,000	\$98,500,000	\$10,000,000
Senior citizen property tax exemption	6,700,000	6,700,000	0
FPPA old-hire pension plan payments	15,321,079	10,000,000	5,321,079
SB 13-234	<u>(25,321,079)</u>	<u>(10,000,000)</u>	<u>(15,321,079)</u>
<b>Total FY 2013-14 Appropriation</b>	\$105,200,000	\$105,200,000	\$0

### General Fund Exempt

In November 2005, 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. For FY 2011-12 and subsequent fiscal years, Referendum C allows the State to retain all revenues that are in excess of the TABOR limit, but less than the excess state revenues cap, for that fiscal year. This revenue must be placed in the General Fund Exempt Account. The above table shows the amount of General Fund that is 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), C.R.S.

### FY 2013-14 Appropriation – S.B. 13-230 (Long Bill) Issue Descriptions

**FPPA old-hire pension plan payments:** The appropriation reflects a \$15,321,079 increase in payments to the Fire and Police Pension Association (FPPA) pursuant to S.B. 11-221.

**Senior citizen and disabled veteran property tax exemption:** The appropriation reflects an increase in payments to local governments to offset the local property tax revenues that will be foregone for tax year 2013.

**HUTF disbursements:** The appropriation reflects an increase in the projected disbursements of Highway Users Tax Fund (HUTF) revenues to counties and municipalities.

**Transfer to CoverColorado:** The appropriation reflects a decrease in the amount that is anticipated to be transferred from the Unclaimed Property Trust Fund to CoverColorado. The appropriation in the bill is based on projections of program costs and other sources of revenue available to CoverColorado.

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

## Recent Legislation

### 2012 Session Bills

**S.B. 12-150:** Centralizes management of certain state public financing transactions. Requires the state treasurer to act as the issuing manager for certain approved issuances or incurrences of financial obligations by the state acting by and through any state agency. The bill further:

Specifies that the state treasurer has the sole discretion to manage the issuance or incurrence of such financial obligations, except for certain financial obligations of state institutions of higher education, subject to the criteria established in a state public financing policy to be promulgated as required;

- With respect to any state financial obligation, requires the state treasurer to, at minimum, determine the financing structure and term, decide the market timing, and select or hire, as applicable, the state financing team;
- Requires a state agency to provide written notice to the state treasurer of any anticipated issuance or incurrence of a financial obligation;
- Requires a state agency to provide the state treasurer with the information that the state treasurer considers necessary to act as the issuing manager for the issuance or incurrence of financial obligations and to comply with federal and state securities laws and contractual covenants;
- Requires the state treasurer, in performing his or her duties as the issuing manager, to consider any relevant factors that he or she considers necessary to protect the financial integrity of the state;
- Clarifies that the state treasurer is the elected representative and signatory for all forms required by the internal revenue code to be filed in connection with issuances or incurrences of financial obligations by the state acting by and through a state agency;
- Requires the state treasurer to collaborate with the state controller, the office of state planning and budgeting, bond counsel, the attorney general, and the capital development committee in developing and then promulgating by rule a state public financing policy and provides a list of items that must minimally be included in the policy;
- Requires all state institutions of higher education to report specific information to the state treasurer related to financial obligations, the principal amount of which is one million dollars or more, that the treasurer does not manage on an institution's behalf;
- Requires the Department of Transportation to report specific information to the state treasurer related to financial contracts or instruments;
- On and after July 1, 2012, requires the issuance or incurrence of every financial obligation that the state treasurer manages to include a specified amount to be paid to the state treasurer and credited to the state public financing cash fund, to be used to reimburse the state treasurer for verifiable costs incurred in performing or overseeing the state's primary issuance compliance and post-issuance compliance responsibilities over the term of a financial obligation;
- Requires the state treasurer to create and maintain a correct and current inventory of all state-owned real property that is used as leased property or as collateral in any type of financial obligation. The state treasurer must annually provide a copy of the inventory to the capital development committee; and
- Requires a certain group of state agencies to notify the state treasurer when they enter into agreements for an exchange of interest rates, cash flows, or payments as provided in law. The bill also requires a qualified charter school to provide the state treasurer with certain information when the state treasurer authorizes expenditures from the state charter school debt reserve fund or the state charter school interest savings account of the fund.

Reduces the General Fund appropriation for FY 2012-13 to the Department of Personnel, Division of Accounts and Control, Office of the State Controller by \$42,961 and 0.5 FTE. Moneys from the State Public Financing Cash Fund are continuously appropriated to the Department of the Treasury, but it is anticipated that the Treasury will expend \$28,761 and 0.4 FTE from the Fund.

**H.B. 12-1246:** Reverses the payday shift for state employees who are paid on a bi-weekly basis, starting with FY 2012-13. Appropriates \$794 to the Department of the Treasury for this purpose.

**H.B. 12-1335:** General appropriations act for FY 2012-13.

## **2013 Session Bills**

**S.B. 13-106:** Supplemental appropriation for the Department of the Treasury for FY 2012-13.

**S.B. 13-230:** General appropriations act for FY 2013-14.

**S.B. 13-234:** Modifies the state's contribution toward the unfunded liability of old hire pension plans affiliated with the Fire and Police Pension Association (FPPA) by satisfying all outstanding state liabilities with a lump sum payment in FY 2012-13. Provides a transfer of \$132,409,339 General Fund to the Old Hire Plan Members' Benefit Trust Fund on May 31, 2013. Provides that the transfers that would have gone to the FPPA will be paid to the State Education Fund (SEF) in consideration for General Fund that would have otherwise been credited to the SEF in FY 2012-13. Transfers to SEF include \$45,321,079 General Fund on April 30, 2014, \$25,321,079 on April 30<sup>th</sup> of 2015 through 2018, and \$24,991,739 on April 30, 2019.

**H.B. 13-1102:** Specifies that the "Unclaimed Property Act" does not apply to unclaimed gift cards where the holder or issuer is a business association with annual gross receipts from the sales or issuance of all gift cards totaling \$200,000 or less.

**H.B. 13-1115:** Provides for the repeal of CoverColorado, effective March 31, 2015. Before the repeal, the act requires the board of directors of CoverColorado to develop an orderly plan for cessation of the program including:

- Cessation of enrollment of new participants for coverage after December 1, 2013;
- Termination of health care coverage for existing participants, effective April 1, 2014;
- Payment or settlement of claims for covered services and all other outstanding liabilities by December 31, 2014; and
- By March 31, 2015, final disposition of all remaining funds in any account of the program, with the payment of 25.0 percent of the remaining funds to the Colorado Health Benefit Exchange and any remaining funds to a Colorado nonprofit foundation with specific instructions for the statewide distribution of the funds to promote access to health care and improve health outcomes for populations in Colorado with high health care needs.

Specifies that effective May 1, 2013, the State Treasurer will end the transmission of moneys from the Unclaimed Property Trust Fund to CoverColorado; requires CoverColorado to transmit \$15.0 million dollars to the State Treasurer for deposit into the Unclaimed Property Trust Fund on July 1, 2013; ends tax credits available to insurance companies making contributions to CoverColorado after the 2012 tax year; and reduces by \$36,511,694 the cash funds figure shown for informational purposes in the appropriations made to the department of the treasury in the FY 2013-14 Long Bill.

**H.B. 13-1205:** Provides the State Treasurer with additional flexibility in investing state moneys and disposing of public school fund investments that are losing money as follows:

- Allows the state treasurer to exchange or sell an investment at a loss of principal to the public school fund so long as the loss is offset by a gain on an exchange or sale in the fund within 12 months;
- In accordance with a recommendation of the state auditor, updates statutory language that currently allows the State Treasurer to invest state moneys in domestic securities to allow investment in securities denominated in United States dollars; and
- Allows the state treasurer to invest state moneys in municipal bonds and covered bonds that rated in one of the two highest rating categories by a nationally recognized rating organization.

# Department Details

## CAPITAL CONSTRUCTION

### FY 2012-13 and FY 2013-14 Appropriations by Division and Bill

#### Appropriations for Projects

The following table summarizes appropriations for capital construction and controlled maintenance projects. It does not include appropriations and transfers to the Capital Construction Fund (Fund). Appropriations and transfers intended to increase the balance in the Fund (to support more expenditures for projects) are summarized in the table titled Appropriations and Transfers to the Capital Construction Fund.

<b>Appropriations for Capital Construction and Controlled Maintenance Projects</b> (Does not include appropriations and transfers to the Capital Construction Fund or Controlled Maintenance Trust Fund)					
	<b>Total Funds</b>	<b>Capital Construction Funds</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>
<b>FY 2012-13 Total Appropriation:</b>	<b>\$170,898,218</b>	<b>\$63,100,367</b>	<b>\$87,257,625</b>	<b>\$8,626,790</b>	<b>\$11,913,436</b>
<u>Breakdown of Total Appropriation by Department</u>					
Agriculture	709,680	709,680	0	0	0
Corrections	23,178,000	20,798,083	1,573,000	0	806,917
5-Year Sentencing Bills	572,005	572,005	0	0	0
Education	900,575	900,575	0	0	0
Governor - Lieutenant Governor - State Planning and Budgeting	10,526,790	1,900,000	0	8,626,790	0
Higher Education	37,838,385	20,952,481	16,885,904	0	0
Human Services	4,500,214	2,766,814	606,690	0	1,126,710
Judicial	15,916,329	0	15,916,329	0	0
Military and Veterans Affairs	10,289,461	2,948,638	0	0	7,340,823
Natural Resources	29,636,279	0	26,997,293	0	2,638,986
Personnel	10,158,653	6,158,653	4,000,000	0	0
Public Health and Environment	850,000	0	850,000	0	0
Public Safety	2,263,218	0	2,263,218	0	0
Revenue	4,473,254	4,473,254	0	0	0
Transportation	500,000	500,000	0	0	0
Treasury	18,585,375	420,184	18,165,191	0	0
<u>Breakdown of Total Appropriation by Bill</u>					
HB 12-1335	170,326,213	62,108,178	87,677,809	8,626,790	11,913,436

## Appropriations for Capital Construction and Controlled Maintenance Projects

(Does not include appropriations and transfers to the Capital Construction Fund or Controlled Maintenance Trust Fund)

	Total Funds	Capital Construction Funds	Cash Funds	Reappropriated Funds	Federal Funds
SB 08-239	375,495	375,495	0	0	0
HB 08-1115	112,649	112,649	0	0	0
SB 10-128	83,861	83,861	0	0	0
HB 12-1019	0	0	0	0	0
SB 13-107	0	420,184	(420,184)	0	0
<b>FY 2013-14 Total Appropriation:</b>	<b>\$283,668,966</b>	<b>\$188,069,493</b>	<b>\$86,218,813</b>	<b>\$7,113,670</b>	<b>\$2,266,990</b>
<u>Breakdown of Total Appropriation by Department</u>					
Agriculture	3,788,738	988,738	2,800,000	0	0
Corrections	27,885,308	27,225,308	660,000	0	0
5-Year Sentencing Bills	0	0	0	0	0
Education	519,058	519,058	0	0	0
Governor - Lieutenant Governor - State Planning and Budgeting	13,384,915	6,271,245	0	7,113,670	0
Higher Education	137,098,137	112,542,840	24,555,297	0	0
Human Services	4,522,711	4,522,711	0	0	0
Judicial	21,634,566	0	21,634,566	0	0
Military and Veterans Affairs	1,148,050	388,310	0	0	759,740
Natural Resources	34,909,200	0	33,401,950	0	1,507,250
Personnel	15,228,538	14,978,538	250,000	0	0
Public Health and Environment	1,417,000	0	1,417,000	0	0
Public Safety	2,292,700	792,700	1,500,000	0	0
Revenue	752,070	752,070	0	0	0
Transportation	500,000	500,000	0	0	0
Treasury	18,587,975	18,587,975	0	0	0
<u>Breakdown of Total Appropriation by Bill</u>					
SB 13-230	\$283,668,966	\$188,069,493	\$86,218,813	\$7,113,670	\$2,266,990
<b>Increase/(Decrease)</b>	<b>\$112,770,748</b>	<b>\$124,969,126</b>	<b>(\$1,038,812)</b>	<b>(\$1,513,120)</b>	<b>(\$9,646,446)</b>
Percentage Change	66.0%	198.0%	(1.2)%	(17.5)%	(81.0)%

**Informational Funds:** The FY 2013-14 Long Bill and other legislation indicates when an amount is shown solely for informational purposes through an "(I)" notation. The following amounts in the Capital Construction section are annotated with the "(I)". For additional information, see Appendix J.

	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>
FY 2013-14 Appropriations containing an (I) notation	\$13,368,940	\$0	\$11,101,950	\$0	\$2,266,990

## Appropriations and Transfers to the Capital Construction Fund and Controlled Maintenance Trust Fund

### *Transfers to the Capital Construction Fund*

The following table summarizes appropriations and transfers to or from the Capital Construction Fund that increase or decrease the balance in the Fund to adjust the amount of money available for projects. Appropriations to the Capital Construction Fund are subject to the statutory restriction on the growth of General Fund appropriations, but transfers to the Capital Construction Fund are not.

<b>Appropriations and Transfers to the Capital Construction Fund</b>					
	<b>Total Funds</b>	<b>General Fund/<sup>1</sup></b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>
<b>FY 2012-13 Total Appropriations and Transfers:</b>	<b>\$61,411,498</b>	<b>\$61,411,498</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<i>Appropriations to Capital Construction Fund</i>	0	0	0	0	0
<i>General Fund transfers to Capital Construction Fund</i>					
HB 12-1344	60,419,309	60,419,309	0	0	0
SB 13-236	<u>420,184</u>	<u>420,184</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Subtotal – Appropriations and Transfers</i>	60,839,493	60,839,493	0	0	0
<i>5-year sentencing bill transfers to Capital Construction Fund</i>					
SB 08-239	375,495	375,495	0	0	0
HB 08-1115	112,649	112,649	0	0	0
SB 10-128	<u>83,861</u>	<u>83,861</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Subtotal - 5-year sentencing bill transfers</i>	572,005	572,005	0	0	0
<b>FY 2013-14 Total Appropriations and Transfers:</b>	<b>\$186,715,413</b>	<b>\$186,715,413</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<i>Appropriations to Capital Construction Fund</i>	0	0	0	0	0
<i>General Fund transfers to Capital Construction Fund</i>	<u>186,715,413</u>	<u>186,715,413</u>	<u>0</u>	<u>0</u>	<u>0</u>
SB 13-236	186,715,413	186,715,413	0	0	0
<i>5-year sentencing bill transfers to Capital Construction Fund</i>	0	0	0	0	0

Appropriations and Transfers to the Capital Construction Fund					
	Total Funds	General Fund/ <sup>1</sup>	Cash Funds	Reappropriated Funds	Federal Funds
Increase/(Decrease)	\$125,303,915	\$125,303,915	\$0	\$0	\$0
Percentage Change	204.0%	204.0%	n/a	n/a	n/a

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

General Fund Summary	Total General Fund	General Fund	General Fund Exempt
<b>FY 2012-13 Capital Construction Transfer</b>	\$60,991,314	\$60,491,314	\$500,000
Capital Construction Transfer adjustment (S.B. 13-236)	<u>420,184</u>	<u>420,184</u>	<u>0</u>
<b>FY 2012-13 Adjusted Transfer</b>	\$61,411,498	\$60,911,498	\$500,000
Annualize FY 2012-13 Transfer	(61,411,498)	(60,911,498)	(500,000)
S.B. 13-236 Capital Construction Transfer	<u>186,715,413</u>	<u>186,215,413</u>	<u>500,000</u>
<b>Total FY 2013-14 Transfer</b>	\$186,715,413	\$186,215,413	\$500,000

### General Fund Exempt

Referendum C, passed by Colorado voters in November 2005, allows the State to retain and spend all revenue that is collected in excess of the TABOR limit for FY 2005-06 through FY 2009-10. For FY 2010-11 and subsequent fiscal years, Referendum C allows the State to retain all revenues that are in excess of the TABOR limit, but less than the excess state revenues cap, for that fiscal year. This revenue must be placed in the General Fund Exempt Account. The above table shows the amount of General Fund Exempt that is appropriated for FY 2012-13 and FY 2013-14 from the General Fund Exempt Account for strategic transportation projects pursuant to Sections 24-77-103.6 (2) (b) and 24-77-104.5 (1) (b) (III), C.R.S.

### ***FY 2012-13 and FY 2013-14 Appropriations to the Controlled Maintenance Trust Fund***

Interest earnings on the Controlled Maintenance Trust Fund may be used to support controlled maintenance projects.

- Section 19 of H.B. 12-1335 includes a \$13,000,000 General Fund appropriation to the Controlled Maintenance Trust Fund in FY 2012-13. This appropriation was amended in S.B. 13-230 to add an additional \$10,000,000 General Fund, for a total appropriation of \$23,000,000 General Fund to the Fund for FY 2012-13.
- Section 21 of S.B. 13-230 includes a \$48.0 million appropriation to the Controlled Maintenance Trust Fund for FY 2013-14, including \$23.0 million General Fund and \$25.0 million federal funds.

These appropriations were designated in the headnotes to the Long Bill as a portion of the TABOR reserve.



## Recent legislation

### 2012 Session Bills

**H.B. 12-1019:** Transfers the authority for Colorado Ports of Entry from the Department of Revenue to the Department of Public Safety. Transfers \$2,263,218 cash funds of capital construction appropriations from the Department of Revenue to the Department of Public Safety. For additional information, see the "Recent Legislation" section for the Department of Public Safety in FY 2012-13.

**H.B. 12-1318:** Codifies existing practice regarding determining eligibility for state controlled maintenance funding, expenditures for emergency controlled maintenance, and the reporting of such expenditures. Creates the Emergency Controlled Maintenance Account within the Capital Construction Fund, and allows the Office of the State Architect (OSA), within the Department of Personnel, to use the fund for emergency controlled maintenance. Requires the OSA to provide an annual status report to the Capital Development Committee showing spending for emergency controlled maintenance projects from that account.

**H.B. 12-1335:** General appropriations act for FY 2012-13.

**H.B. 12-1344:** For FY 2011-12, reduces the transfer from the General Fund to the Capital Construction Fund (CCF) by \$500,000, and transfers \$500,000 from the General Fund Exempt account to the CCF, which results in a net change of \$0 to the CCF. For FY 2012-13, transfers \$60,419,309 to the CCF for capital construction and controlled maintenance projects, including \$59,919,309 from the General Fund and \$500,000 from the General Fund Exempt account.

**H.B. 12-1357:** Makes provisions for the use of unspent moneys for capital construction projects financed in whole or in part through a 2008 issuance of certificates of participation. Transfers a proportion of the unspent moneys to two institutions of higher education (the Auraria Higher Education Center and Colorado Northwestern Community College) and allows the Capital Development Committee to determine how the remaining unspent moneys should be spent, so long as the moneys are spent for a capital construction or eligible controlled maintenance project or projects at a state-supported institution of higher education.

### 2013 Session Bills

**S.B. 13-107:** Supplemental appropriation to modify capital construction appropriations for FY 2012-13 and prior years.

**S.B. 13-190:** Authorizes the State to enter into one or more lease-purchase agreements for the implementation costs of the Colorado Financial Reporting System modernization project. Requires the Office of Information Technology to ensure that the system includes any functionality that the legislative branch deems to be of particular importance, or explains why such functionality cannot be incorporated. Also requires reporting to the Joint Budget Committee (JBC) and to the Capital Development Committee regarding progress on the project.

**S.B. 13-230:** General appropriations act for FY 2013-14.

**S.B. 13-236:** For FY 2012-13, increases the transfer from the General Fund to the Capital Construction Fund by \$420,184, from \$60,491,314 to \$60,911,498. For FY 13-14, transfers \$186,215,493 from the general fund to the Capital Construction Fund and \$500,000 from the General Fund Exempt account of the General Fund to the

Capital Construction Fund. Also: (1) repeals a statutory section that provides for a transfer of up to \$5 million from the state historical fund in the 2013-14 fiscal year for the capitol dome restoration; and (2) requires transfer to the Colorado Water Conservation Board Construction Fund any excess General Fund reserve for the fiscal year 2013-14 that is equal to the lesser of thirty million dollars or the total General Fund surplus.

**S.B. 13-263:** Requires the Department of Personnel enter into competitive negotiations for the development of a comprehensive master plan for the capitol complex, with final approval from the Office of State Planning and Budgeting (OSPB) and the Capital Development Committee (CDC), and requires that all real estate-related capital requests by executive branch departments or the legislative branch for the capitol complex be evaluated by the OSPB and the CDC against the capitol complex master plan.

**H.B. 13-1234:** Authorizes the State to enter into one or more lease-purchase agreements for the Department of Agriculture's office consolidation, and authorizes the use of moneys from the Agricultural Management Fund for expenses related to such consolidation.

# APPENDICES



# APPENDIX A. GLOSSARY OF TERMS

## **Capital Construction Fund**

A fund that receives transfers from the General Fund and Lottery Fund for capital construction purposes. This fund is used to build, renovate, and repair state buildings, to purchase major equipment, and to acquire land. Appropriations from this fund are exempt from the fiscal year spending limit imposed by Article X, Section 20 of the Colorado Constitution (also known as the Taxpayer's Bill of Rights or TABOR), because they authorize expenditures from a reserve.

## **Cash Funds**

Specific funds created to receive earmarked revenues, such as fees and fines. These funds typically pay for the programs for which the revenues are collected. Examples are the Wildlife Cash Fund and the Disabled Telephone Users Fund.

## **Common Policies**

Policies adopted by the General Assembly that are applicable to all departments, unless specifically exempted. Examples of common policies are the rates paid by agencies to the Department of Personnel for vehicle leases and capitol complex leased space and to the Governor's Office of Information Technology for information technology related services.

## **C.R.S.**

Colorado Revised Statutes, the compilation of Colorado laws.

## **Federal Funds**

Funds from the federal government. Some federal funds are grants for limited purposes, while other federal funds support ongoing state-federal programs and may require matching state funds. Examples of programs requiring a state match are Medicaid and highway construction. Federal funds are exempt from the fiscal year spending limit imposed by TABOR.

## **FTE**

One full-time equivalent (FTE) equals one staff position filled for approximately 2,080 hours during a fiscal year. For example, two employees in two different positions whose combined hours equal 2,080 for a fiscal year equal one FTE.

## **General Fund**

A fund into which general tax revenues, such as state sales and income taxes, are deposited. The General Fund is used to pay for state programs which benefit the majority of state citizens, such as education and corrections.

## **General Fund Exempt**

TABOR places restrictions on the amount of General Fund and cash fund revenues that can be collected, and consequently spent, by the State. Certain General Fund revenues are exempt from these provisions: (1) tobacco tax revenues received pursuant to Article X, Section 21 of the Colorado Constitution; and (2) General Fund revenues that exceed the TABOR limit but are less than the revenue cap established by Referendum C (see Referendum C). The latter source of funds must be deposited in the General Fund Exempt Account and can be appropriated only for health care, education, retirement plans for firefighters and police officers, and strategic transportation projects.

### **General Fund moneys exempt from the statutory restriction on General Fund appropriations**

Beginning in FY 2009-10 and each fiscal year thereafter, total State General Fund appropriations are restricted to an amount equal to 5.0 percent of Colorado personal income. There are three specific exemptions to the statutory limitation on General Fund appropriations:

- appropriations due to federal law requiring a new program or service or an increase in the level of service for an existing program;
- appropriations due to a state or federal court order requiring a new program or service or an increase in the level of service for an existing program; and
- appropriations funded from an increase in taxes or fees approved by voters.

For more information, see Appendix H.

### **Informational Funds**

Beginning in FY 2012-13, the Long Bill and other legislation indicate when an amount is shown for informational purposes. As defined in the Long Bill headnotes, these amounts do not reflect appropriations made by the general assembly, or an expenditure limit on such moneys. For more information see Appendix J.

### **Indirect Costs**

Indirect costs are administrative overhead costs that are not billed directly for administrative support services to programs, offices, or divisions. Indirect costs assessed to federal-funded and cash-funded programs reduce General Fund expenditures for administrative overhead costs attributable for services provided to those non-General Fund programs, offices, or divisions. Indirect cost recoveries from federal-funded and cash-funded programs are calculated for statewide overhead costs and departmental overhead costs.

### **Long Bill**

Colorado's annual general appropriations act, which provides most of the funding to support state government operations.

### **Reappropriated Funds**

Reappropriated funds are amounts of General Fund, cash funds, or federal funds that are appropriated more than one time in the same fiscal year. For example, funding may be initially appropriated to a department as federal funds, then transferred, or appropriated, to another agency for the payment of services (see Common Policies). In the recipient agency's Long Bill appropriation, this is shown as reappropriated funds with an associated letternote indicating the origin of the funds.

### **Referendum C**

Colorado voters adopted a measure, popularly known as Referendum C, in the general election of 2005. This measure allowed the State to retain all General Fund revenues in excess of the fiscal year spending limit imposed by TABOR between July 1, 2005 and July 1, 2010. For FY 2010-11 and subsequent fiscal years, Referendum C allows the State to retain all revenues that are in excess of the TABOR fiscal year spending limit, but less than the excess state revenues cap. The "excess state revenues cap" is equal to the highest annual total state revenues between FY 2005-06 and FY 2009-10, adjusted for each subsequent fiscal year for inflation, the percentage change in state population, enterprises, and debt service changes. These revenues must be deposited in the General Fund Exempt Account and shall be appropriated by the General Assembly for the following purposes only: (a) health care; (b) education, including capital construction projects related thereto; (c) retirement plans for firefighters and police officers, if the General Assembly determines funding is needed; and (d) strategic transportation projects.

**Supplemental Appropriation**

Legislation authorizing changes in appropriated funds or FTE for the current fiscal year or previous fiscal years.

**Taxpayer's Bill of Rights (TABOR)**

Colorado voters adopted a citizen-initiated amendment to the Colorado Constitution known as the Taxpayer's Bill of Rights or TABOR (Article X, Section 20) in 1992. The amendment restricts State and local governments' ability to collect and spend revenues without voter approval. Under TABOR, a vote of the people is required for State or local governments to: (a) increase tax rates; (b) increase retained revenues by more than the sum of inflation and the percentage population growth; (c) incur multi-year debt; or (d) weaken other limits on revenue. The amendment requires that collected revenue in excess of the inflation plus population growth limit be refunded in the following fiscal year. In November 2005 voters passed Referendum C, which allows the State to retain certain revenues in excess of the TABOR fiscal year spending limit.

## B. COMMON POLICIES

A number of line item appropriations are determined by general policies (called common policies) that are applied consistently to State agencies. For many line items affected by common policy, amounts are initially appropriated in individual departments and then transferred to another department such as the Department of Personnel, the Governor's Office of Information Technology, or the Department of Law, where they appear a second time as reappropriated funds. A brief explanation for each of these line items and the associated policies is provided below.

### **Administrative Law Judge Services**

Funds for Administrative Law Judge (ALJ) services are appropriated to the 14 departments that use these services and then transferred to the Department of Personnel. State agency allocations are calculated by identifying the prior fiscal year's actual costs, then distributing these costs for the upcoming fiscal year according to the prior percentage use. For FY 2013-14, statewide allocations for ALJ services total \$4.5 million, which includes \$3.5 million in Division line item appropriations, \$1.0 million in centrally-appropriated amounts in the Executive Director's Office, and a \$138,000 adjustment to increase the fund balance reserve for the Administrative Courts Cash Fund created in Section 24-30-1001 (3), C.R.S.

### **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 Governor's Office of Information Technology.

### **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, located in Golden. This line item appears in each department's Executive Director's Office, with some exceptions, and is transferred to the Department of Personnel. The funding amount per square foot varies according to each building's location and intended use. For FY 2013-14, statewide agency allocations total approximately \$14.1 million in comparison to \$11.1 million for FY 2012-13, and include \$12.9 million in Facilities Maintenance – Capitol Complex Subdivision line item appropriations, \$0.7 million in centrally-appropriated amounts in the Executive Director's Office, and the balance in depreciation and a \$75,000 adjustment to increase the fund balance reserve for the Capitol Complex Facilities Account within the Department of Personnel Revolving Fund created in Section 24-30-1108 (1), C.R.S.

### **Colorado State Network**

This line item appears in each department's Executive Director's Office, with some exceptions, and represents each department's share of the State's data, voice, video, text, and graphics communications needs. Costs for the network include the Governor's Office of Information Technology's (OIT) overhead, internet access, and contractual obligations that provide the State with a reserved amount of bandwidth at each network access point. For FY 2013-14, the appropriation includes recoverable costs totaling \$20.9 million in comparison to \$19.5 million for FY 2012-13.



### **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. Billings are sufficient to fund personal services, operating expenses, and indirect costs for the Communication Services program in the Governor's Office of Information Technology (OIT). For FY 2013-14, the appropriation includes recoverable costs totaling \$5.4 million in comparison to \$5.3 million for FY 2012-13.

### **Community Provider Rates**

Community provider rate adjustments are applied to programs and services which, if not provided by contracted provider organizations or county staff, would need to be provided by state staff. The appropriation includes a common policy 2.0 percent provider rate increase for most community providers who contract with the Departments of Corrections, Health Care Policy and Financing, Human Services, and Public Safety (Division of Criminal Justice), but provides higher provider rates for some provider classes. Exceptions are described below.

#### *Department of Health Care Policy and Financing:*

- 3.6 percent increase for home health, private duty nursing, home and community based services.
- 4.5 percent for dental services.
- The greater of current rates or 105 percent of Medicare rates for family planning services.
- 1.0 percent for county administration of Medicaid programs.
- In addition, the bill includes an *FY 2012-13* increase of 4.5 percent for home health, private duty nursing, and home and community-based services.

#### *Department of Human Services:*

- 4.0 percent increase for developmental disabilities programs, including Medicaid waiver programs, early intervention services, and family support services.
- 2.5 percent for county administration.

#### *Department of Public Safety, Division of Criminal Justice:*

- 3.0 percent for most community providers.
- 52.4 percent for intensive residential treatment.
- 18.1 percent for therapeutic communities.

### **Health, Life, and Dental**

This line item appears in each department's Executive Director's Office, with some exceptions. For FY 2013-14, the total statewide health, life, and dental appropriations total \$176.8 million, including \$100.5 million General Fund, compared to \$164.9 million with \$94.7 million General Fund in FY 2012-13. The appropriations are based on the assumptions about monthly rates contained in the tables below. These monthly rates are subject to change as the Department of Personnel finalizes negotiations with the providers.

<b>FY 2013-14 Health</b>	Employer	Employee Share - Projected			
	Contribution	UHC <sup>1</sup> – HDHP <sup>2</sup>	Kaiser - HDHP	UHC - CoPay	Kaiser - HMO
Employee Only	\$434.10	\$28.96	\$19.28	\$72.04	\$92.18
Employee + Children	795.66	56.30	55.12	165.26	207.14
Employee + Spouse	762.60	176.76	161.94	289.12	335.54
Employee + Family	1,080.90	262.50	250.52	435.74	495.74

<b>Change from FY 2012-13</b>	Employer	Employee Share			
	Contribution	UHC - HDHP	Kaiser - HDHP	UHC - CoPay	Kaiser - HMO
Employee Only	\$36.30	(\$4.98)	(\$5.42)	(\$3.30)	(\$0.48)
Employee + Children	45.54	(5.10)	(17.92)	(16.68)	(11.62)
Employee + Spouse	109.82	(10.92)	(2.12)	(8.58)	(0.62)
Employee + Family	111.22	(22.64)	(3.88)	(9.56)	(4.52)

<sup>1</sup> United Health Care

<sup>2</sup> high deductible health plan

<b>FY 2013-14 Dental Rates</b>	State	Employee Share - Projected	
	Contribution	Basic	Basic-Plus
Employee Only	\$25.92	\$4.28	\$18.37
Employee + Children	46.44	15.76	43.92
Employee + Spouse	42.62	14.75	44.32
Employee + Family	62.22	27.14	70.79

<b>Change from FY 2012-13</b>	State	Employee Share - Projected	
	Contribution	Basic	Basic-Plus
Employee Only	\$2.18	\$(0.74)	\$(0.07)
Employee + Children	7.10	(3.18)	(3.18)
Employee + Spouse	4.32	(2.55)	0.22
Employee + Family	11.04	(6.79)	(4.71)

<b>Life</b>	State	Employee Share
	Contribution	
FY 2013-14	\$8.76	None
Change	(0.42)	0.00
FY 2012-13	9.18	None

## **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 the costs of providing central services for cash-funded and federally-funded programs that otherwise would be supported by General Fund. For FY 2013-14, the statewide indirect cost recovery plan is estimated to recover \$16.3 million in comparison to \$15.6 million for FY 2012-13.

Departmental indirect cost recoveries are specific to the general administrative functions of each department, typically including the functions of the Executive Director's Office. Generally, indirect cost assessments are

appropriated as cash funds, reappropriated funds, or federal funds in the division in which they are earned, and those indirect cost recoveries are appropriated as reappropriated funds in the Executive Director's Office to offset General Fund.

#### **Lease Purchase**

The appropriation 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. No funds may be expended for lease purchase except those specifically appropriated for that purpose.

#### **Leased Space**

This line item is for leased space outside of the Capitol Complex facilities, and it appears in each department's Executive Director's Office, with some exceptions. Each Executive Director is responsible for reviewing and managing a department's use of leased space.

#### **Legal Services**

This line item appears in the Executive Director's Office, with some exceptions, allowing departments to purchase legal services from the Department of Law, much as they would purchase legal services from a private-sector law firm. For FY 2013-14, agencies will pay a blended legal rate of \$91.08 per hour for legal services, which are provided by both attorneys and legal assistants. This compares to a rate of \$77.25 for FY 2012-13. The payments that client agencies make to the Department of Law are sufficient to pay all the direct and indirect costs of supplying the services. The Department of Law expects to provide 381,587 hours of legal services to client agencies.

#### **Management and Administration of OIT**

This line item appears in each department's Executive Director's Office, with some exceptions, and represents each department's share of the division-level management of the Governor's Office of Information Technology (OIT) and "back office" functions as authorized by S.B. 08-155. For FY 2013-14, appropriations includes recoverable costs totaling \$3.7 million in comparison to \$3.4 million for FY 2012-13.

#### **Payment to Risk Management and Property Funds**

This line item appears in each department's Executive Director's Office. The State is self-insured for liability and purchases a commercial policy for property. Appropriations represent each department's share of the statewide cost of property and liability insurance coverage, based on a three-year average loss history as verified by an independent actuarial firm. The Department of Personnel has continuous spending authority for the property and liability programs claims, premiums, and legal expenses, but not for administrative costs. For FY 2013-14, the bill's appropriation for the risk management and property program line item is \$15.4 million, comprised of \$6.9 million for property and \$8.5 million for liability. This compares to \$17.5 million for FY 2012-13, comprised of \$9.1 million for property and \$8.4 million for liability.

#### **Personal Services**

For FY 2013-14, appropriations fund personal services at a continuation level of funding. Personal services line item appropriations do not include a base adjustment for FY 2013-14. However, appropriations for pay increases are appropriated for FY 2013-14 through the Salary Survey and Merit Pay Awards line items described below.

#### **Purchase of Services from Computer Center**

This line item appears in each department's Executive Director's Office, with some exceptions, and represents each department's share of the State's data center and computing infrastructure that is operated by the

Governor's Office of Information Technology. For FY 2013-14, the appropriation includes recoverable costs totaling \$72.0 million, in comparison to \$68.4 million for FY 2012-13.

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

Pursuant to S.B. 04-257, the State contributes additional funds to assist in the amortization of the Public Employees' Retirement Association's (PERA) unfunded liability. The appropriation amount is based on employees' base salaries, including shift differential pay. The contribution amount will increase by 0.4 percent each calendar year until it reaches the maximum contribution rate of 5.0 percent in calendar year 2017. The contribution rate is 3.4 percent for calendar year 2013, and 3.8 percent for calendar year 2014. The appropriations for FY 2013-14 total \$52.5 million, including \$27.8 million General Fund, compared to \$43.8 million with \$22.9 million General Fund in FY 2012-13.

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

In addition to the AED contribution amounts, S.B. 06-235 provides a second supplemental PERA contribution. The intended fund source is money that would otherwise be available for use but not yet awarded as salary increases. The appropriation amount is based on employees' base salaries, including shift differential pay. The contribution amount will increase by 0.5 percent each calendar year until it reaches its maximum contribution rate of 5.0 percent in 2017. The contribution rate is 3.0 percent for calendar year 2013, and 3.5 percent for calendar year 2014. The appropriations for FY 2013-14 total \$47.1 million, including \$24.9 million General Fund, compared to \$37.4 million with \$19.6 million General Fund in FY 2012-13.

**Salary Survey and Merit Pay Awards**

Salary Survey line items total \$48.1 million statewide, including \$23.7 million General Fund, and provide for a 2.0 percent across-the-board pay increase plus adjustments to bring staff to the pay range minimum of revised pay ranges for selected job classifications. In addition, the salary survey line items increase the salaries for attorneys who are employed by the Department of Law and the Office of the State Public Defender's Office to a level competitive with Colorado public sector attorney compensation practices.

The Merit Pay line items total \$21.4 million statewide, including \$11.4 million General Fund, and provide funding for raises according to a formula that rewards performance, but also gives greater percentage increases to employees at the lower end of the pay range. The executive branch describes the weighted average merit increase for employees as 1.6 percent, but because the largest percentage increases are applied to salaries at the lowest end of the pay range, the total dollar increase on the base salary assumptions is 1.5 percent state-wide.

Merit Pay Matrix				
Performance Rating	Income quartile of class range			
	Q1	Q2	Q3	Q4
3	2.4%	2.1%	2.1%	2.1%
2	1.8%	1.6%	1.1%	0.6%
1	0.0%	0.0%	0.0%	0.0%

### **Shift Differential**

Shift differential payments provide higher wages for evening, night, and weekend shifts. The FY 2013-14 appropriations are calculated based on actual shift differential expenditures for FY 2011-12. The bill's appropriations for FY 2013-14 total \$12.5 million, including \$10.2 million General Fund, primarily for the Departments of Corrections and Human Services, compared to \$10.9 million, including \$8.9 million General Fund, in FY 2012-13.

### **Short-term Disability**

All state employees are eligible for employer-paid, short-term disability insurance. The appropriations are calculated based on 0.19 percent employees' base salaries, including shift differential pay. This line item appears in each department's Executive Director's Office and cannot be expended for any other purpose. The statewide short-term disability appropriation for FY 2013-14 is approximately \$2.7 million, including \$1.4 million General Fund.

### **Utilities**

In general, departments pay for utility costs from either operating expenses appropriations or from separate utilities line items which support the utility costs of operating a state-owned facility. Utilities costs for offices are also built into Capitol Complex leased space and other leased space rates. The appropriation for FY 2013-14 is dependent upon the specific circumstances regarding utilities in each department.

### **Vehicle Lease Payments**

This line item appears in each department's Executive Director's Office, with some exceptions. Motor vehicles can only be purchased through the Fleet Management Program in the Department of Personnel pursuant to Section 24-30-1117, C.R.S. The appropriation 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. For FY 2013-14, the appropriation includes funding to replace 635 vehicles and acquire 20 additional vehicles. The appropriation for Fleet's Vehicle Replacement Lease/Purchase line item for FY 2013-14 is \$18.0 million in comparison to \$15.7 million for FY 2012-13. The appropriation to the state agency Vehicle Lease Payments line item for FY 2013-14 totals \$19.1 million in comparison to \$19.6 million for FY 2012-13.

### **Workers' Compensation**

This line item appears in each department's Executive Director's Office, with some exceptions. The appropriation represents each department's share of the statewide cost of workers' compensation coverage, based on a three-year average loss history as verified by an independent actuarial firm. This self-insured program covers employees in all departments (except the University of Colorado and Colorado State University, which operate separate, self-insured programs). The Department of Personnel's appropriation totals \$41.6 million for workers' compensation premiums for FY 2013-14 in comparison to \$40.9 million for FY 2012-13.

# C. 2013 SESSION SUPPLEMENTAL ADJUSTMENTS TO APPROPRIATIONS FOR FY 2011-12 AND PRIOR YEARS

2013 Session Supplemental Adjustments							
Department/Division	Total	General Fund	General Fund Exempt	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>Operating Budget - Adjustments to FY 2011-12 Appropriations in S.B. 13-230</b>							
<b>Department of Education (Section 4)</b>							
Public School Finance	\$0	(\$133,409,788)	\$133,409,788	\$0	\$0	\$0	0.0
<b>Subtotal - Education</b>	<b>\$0</b>	<b>(\$133,409,788)</b>	<b>\$133,409,788</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
<b>Department of Health Care Policy and Financing (Sections 5 and 16)</b>							
<i>Section 5</i>							
Medical Services Premiums	\$0	(\$133,409,788)	\$133,409,788	\$0	\$0	\$0	0.0
<i>Section 16</i>							
Medical Services Premiums	1,974,111	0	0	1,974,111	0	0	0.0
Mental Health Capitation Payments	<u>20,159</u>	<u>0</u>	<u>0</u>	<u>20,159</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>Subtotal - Health Care Policy and Financing</b>	<b>\$1,994,270</b>	<b>(\$133,409,788)</b>	<b>\$133,409,788</b>	<b>\$1,994,270</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
<b>Department of Higher Education (Section 6)</b>							
College Opportunity Fund Program	\$0	(\$133,409,788)	\$133,409,788	\$0	\$0	\$0	0.0
<b>Subtotal - Higher Education</b>	<b>\$0</b>	<b>(\$133,409,788)</b>	<b>\$133,409,788</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
<b>Total Changes to FY 2011-12 Operating Budget</b>	<b>\$1,994,270</b>	<b>(\$400,229,364)</b>	<b>\$400,229,364</b>	<b>\$1,994,270</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>

## D. STATE EDUCATION FUND APPROPRIATIONS

This appendix describes appropriations from the State Education Fund.

### State Education Fund Revenues and Appropriations

In November 2000, Colorado voters approved Amendment 23, which added Section 17 to Article IX of the Colorado Constitution. This provision links funding for kindergarten through twelfth grade education to the rate of inflation. This provision also creates the State Education Fund (SEF), consisting of all state revenues collected from a tax of one-third of one percent on federal taxable income of every individual, estate, trust, and corporation<sup>1</sup>, as well as any interest earned on the fund balance. Revenues to the SEF are not subject to the constitutional Taxpayer's Bill of Rights (TABOR) limitation on fiscal year spending, and SEF appropriations are not subject to the statutory limitation on state General Fund appropriations. The General Assembly may annually appropriate moneys from the SEF for the following education-related purposes:

- Compliance with the requirement to annually increase base per pupil funding for public school finance;
- Compliance with the requirement to annually increase funding for categorical programs;
- Accountable education reform;
- Class size reduction;
- Expanding technology education;
- Improving student safety;
- Expanding the availability of preschool and kindergarten programs;
- Performance incentives for teachers;
- Accountability reporting; or
- Public school building capital construction.

Table 1 provides a summary of appropriations from the SEF for FY 2001-02 through FY 2010-11, and it details appropriations from the SEF for FY 2011-12 through FY 2013-14. To date, nearly \$4.4 billion has been appropriated from the SEF for public school finance, representing 80.8 percent of all SEF appropriations. To date, appropriations for categorical programs (\$732 million) and capital construction programs (\$109 million to date) comprise another 15.5 percent of SEF appropriations.

Appropriations from the SEF for FY 2013-14 are significantly higher than for FY 2012-13, increasing 44.5 percent from \$510.9 million to \$738.1 million, reflecting significant anticipated transfers from the General Fund to the SEF at the end of FY 2012-13 pursuant to H.B. 12-1338.

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<sup>1</sup> Given the current state income tax rate of 4.63 percent, this equates to 7.20 percent of state income tax revenues (0.0033/0.0463). However, due to certain state tax credits which reduce income tax revenue, deposits to the State Education Fund actually represent a slightly higher percentage of state income tax revenues (e.g., 7.41 percent in FY 2011-12).

**TABLE 1**  
**History of Appropriations from the State Education Fund**

Description	Cumulative:			
	FY 2001-02 thru FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14
<b>Public School Finance:</b>				
Funding for the State Share of Districts' Total Program Funding (including Colorado Preschool Program and full-day kindergarten funding)	\$2,880,492,266	\$515,485,287	\$324,236,331	\$523,620,586
Facility school funding (H.B. 08-1388)	53,054,333	14,222,000	14,508,000	16,990,054
Hold-harmless full-day kindergarten funding (H.B. 08-1388)	22,318,853	6,913,913	6,919,157	7,109,172
District Per Pupil Reimbursements for Juveniles Held in Jail (S.B. 10-054)	0	0	100,000	25,000
Public School Finance Administration	0	0	20,418	20,418
Declining enrollment study (H.B. 08-1388)	200,000	0	0	0
Mid-year appropriation adjustments	<u>(7,708,993)</u>	<u>(4,425,519)</u>	<u>21,253,672</u>	<u>0</u>
<b>Subtotal: School Finance</b>	<b>\$2,948,356,459</b>	<b>\$532,195,681</b>	<b>\$367,037,578</b>	<b>\$547,765,230</b>
<i>Percent of Total Appropriations</i>	<i>82.7%</i>	<i>81.4%</i>	<i>71.8%</i>	<i>74.2%</i>
<b>Categorical Programs</b>	<b>\$409,187,698</b>	<b>\$93,740,082</b>	<b>\$102,453,788</b>	<b>\$127,093,954</b>
<i>Percent of Total Appropriations</i>	<i>11.5%</i>	<i>14.3%</i>	<i>20.1%</i>	<i>17.2%</i>
<b>School Capital Construction:</b>				
Charter school capital construction	\$57,219,995	\$5,000,000	\$6,000,000	\$7,000,000
School Capital Construction Expenditures Reserve	25,471,112	0	0	0
School Construction and Renovation Fund	7,500,000	0	0	0
Charter School Debt Reserve Fund	1,000,000	0	0	0
Full-day Kindergarten Capital Construction Grant Program (H.B. 08-1388)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Subtotal: Capital Construction</b>	<b>\$91,191,107</b>	<b>\$5,000,000</b>	<b>\$6,000,000</b>	<b>\$7,000,000</b>
<i>Percent of Total Appropriations</i>	<i>2.6%</i>	<i>0.8%</i>	<i>1.2%</i>	<i>0.9%</i>
<b>Professional Development and Instructional Support:</b>				
Quality Teacher Recruitment Program (S.B. 13-260)	\$0	\$0	\$0	\$3,000,000
Stipends for nationally board certified teachers (H.B. 08-1384)	0	0	604,800	1,617,600
Content specialists	1,305,759	434,102	441,808	441,808
Closing the Achievement Gap	5,301,000	0	0	0
Teacher Pay Incentive Program	12,630,000	0	0	0
Science and Technology Education Center Grant Program	1,400,000	0	0	0
Civic education	602,305	0	0	0
National credential fee assistance	493,000	0	0	0
Financial literacy	201,757	0	0	0
School Leadership Academy Program (H.B. 08-1386)	162,983	0	0	0
Teaching and learning conditions survey (H.B. 08-1384)	85,000	0	0	0
Colorado History Day	60,000	0	0	0
Alternative Teacher Compensation Plan Grants (H.B. 08-1388)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Subtotal: Professional Development and Instructional Support</b>	<b>\$22,241,804</b>	<b>\$434,102</b>	<b>\$1,046,608</b>	<b>\$5,059,408</b>
<i>Percent of Total Appropriations</i>	<i>0.6%</i>	<i>0.1%</i>	<i>0.2%</i>	<i>0.7%</i>



**TABLE 1**  
**History of Appropriations from the State Education Fund**

Description	Cumulative:			
	FY 2001-02 thru FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14
<b>Other Grants, Distributions, and Assistance:</b>				
Transfer to Early Literacy Fund (S.B. 13-260)	\$0	\$0	\$0	\$16,000,000
School Counselor Corps Grant Program (H.B. 08-1370)	14,996,654	5,000,000	5,000,000	5,000,000
Assistance to BOCES (H.B. 12-1345)	0	0	1,300,000	1,300,000
Child Nutrition School Lunch Protection Program (S.B. 08-123)	2,550,000	850,000	850,000	850,000
Interstate compact on educational opportunities for military children (H.B. 08-1317)	92,555	22,832	24,061	23,015
Funding for new textbooks	14,144,066	0	0	0
Summer School Grant Program	2,988,563	0	0	0
Regional service cooperatives (S.B. 08-038)	1,224,877	0	0	0
Facility Summer School Grant Program	1,000,000	0	0	0
Aid for declining enrollment districts with new charter schools	1,000,000	0	0	0
Hold-harmless facility school student funding (H.B. 08-1388)	587,504	0	0	0
Family Literacy Education Grant Program	400,000	0	0	0
First responder school mapping (H.B. 08-1267)	150,000	0	0	0
STEM After-school Education Pilot Grant Program (H.B. 07-1243)	0	0	0	0
<b>Subtotal: Other Grants, Distributions, and Assistance</b>	<b>\$39,134,219</b>	<b>\$5,872,832</b>	<b>\$7,174,061</b>	<b>\$23,173,015</b>
<i>Percent of Total Appropriations</i>	<i>1.1%</i>	<i>0.9%</i>	<i>1.4%</i>	<i>3.1%</i>
<b>Accountability/ Reform:</b>				
Colorado Student Assessment Program	\$47,193,391	\$15,879,370	\$15,885,363	\$26,448,378
Preschool to postsecondary alignment (S.B. 08-212)	2,114,474	563,176	567,685	567,685
Division of On-line Learning (S.B. 07-215)	468,169	334,134	337,334	337,334
Basic Skills Placement or Assessment Tests (H.B. 12-1345)	0	0	1,000,000	320,917
Transfer to Great Teachers and Leaders Fund (S.B. 13-260)	0	0	0	200,000
Educator Effectiveness Unit Administration (H.B. 13-1257)	0	0	0	120,093
Educator Effectiveness Implementation (S.B. 10-191)	0	0	6,426,830	0
Early Literacy Assessment Tool (H.B. 12-1345)	0	0	3,000,000	0
School Improvement Grant Program	5,350,000	0	0	0
Facility Schools Unit and Facility Schools Board (H.B. 08-1204)	523,568	0	0	0
Review and update of non-English assessments	411,953	0	0	0
Longitudinal assessment data analyses	388,000	0	0	0
Modifications to accountability reports	75,000	0	0	0
Study non-English assessments	50,000	0	0	0
Study administration of ACT	50,000	0	0	0
<b>Subtotal: Accountability/ Reform</b>	<b>\$56,624,555</b>	<b>\$16,776,680</b>	<b>\$27,217,212</b>	<b>\$27,994,407</b>
<i>Percent of Total Appropriations</i>	<i>1.6%</i>	<i>2.6%</i>	<i>5.3%</i>	<i>3.8%</i>
<b>TOTAL</b>	<b>\$3,566,735,842</b>	<b>\$654,019,377</b>	<b>\$510,929,247</b>	<b>\$738,086,014</b>
<i>Annual Dollar Change</i>		<i>\$227,011,700</i>	<i>(\$143,090,130)</i>	<i>\$227,156,767</i>
<i>Percent Annual Change</i>		<i>53.2%</i>	<i>-21.9%</i>	<i>44.5%</i>

<b>TABLE 2</b> <b>Comparison of State Education Fund Revenues and Expenditures/Appropriations (\$ millions)</b>			
<b>Description</b>	<b>FY 11-12</b>	<b>FY 12-13</b>	<b>FY 13-14</b>
Beginning Fund Balance	\$363.4	\$192.8	\$1,007.9
Actual/ Projected Revenues /1	412.9	443.6	460.1
Appropriations/ Transfers to the SEF /2	68.6	882.5	45.3
Actual Expenditures/ Appropriation /3	(652.1)	(510.9)	(738.1)
Transfers to Other Cash Funds /4	<u>0.0</u>	<u>0.0</u>	<u>(16.2)</u>
Ending Fund Balance /5	\$192.8	\$1,007.9	\$775.2

/1 Projected State Education Fund revenues for FY 2012-13 and FY 2013-14 are based on the amount of General Fund revenues anticipated to be directed or transferred to the Fund pursuant to the *March 2013* Office of State Planning and Budgeting Revenue Forecast, as well as projections of interest earnings based on the State Education Fund model utilized by Legislative Council and Joint Budget Committee staff.

/2 Projected transfers from the General Fund to the State Education Fund for FY 2012-13 and FY 2013-14 are based on H.B. 12-1338, S.B. 13-260, S.B. 13-234, and the *March 2013* Office of State Planning and Budgeting Revenue Forecast.

/3 Actual expenditures are reflected for FY 2011-12; appropriations are reflected for FY 2012-13 and FY 2013-14.

/4 For FY 2013-14, includes the following transfers pursuant to S.B. 13-260: \$16.0 million to the Early Literacy Fund and \$200,000 to the Great Teachers and Leaders Fund.

/5 Totals may not sum due to rounding.

## E. HIGHWAY USERS TAX FUND "OFF-THE-TOP" APPROPRIATION

The Highway Users Tax Fund (HUTF) includes revenues from gas and special-fuel taxes, fines, license plate fees, driver's license fees, motor vehicle title and registration fees, and passenger-mile taxes. Article X, Section 18 of the Colorado Constitution limits expenditures from gas taxes and license and registration fees exclusively to the construction, maintenance, and supervision of state highways. HUTF "off-the-top" refers to the portion of the HUTF that is spent for highway supervision. The appropriations are taken "off-the-top" before the formula allocation of HUTF to the State Highway Fund, counties, and cities.

Pursuant to the various provisions of Sections 43-4-201 through 216, C.R.S., HUTF off-the-top appropriations are currently limited to the Colorado State Patrol in the Department of Public Safety and related capital projects. The General Assembly had previously approved legislation to allow the use of HUTF off-the-top appropriations in the Department of Revenue for the Division of Motor Vehicles for FY 2008-09 through FY 2011-12.

Section 43-4-201 (3) (a) (I) (C), C.R.S., limits the annual growth of HUTF off-the-top appropriations for highway supervision to no more than 6.0 percent, regardless of any increase or decrease in overall highway-related revenues. This limit is calculated based on the appropriation from the HUTF for the Colorado State Patrol for the prior fiscal year. In addition, statute limits the total share of HUTF off-the-top appropriations to no more than 23.0 percent of the net HUTF revenue for the prior fiscal year. The following table shows the off-the-top appropriations from the HUTF for FY 2013-14 compared to FY 2012-13, and the limit for FY 2013-14.

<b>HUTF "Off-the-Top" Appropriations Comparison</b> <b>Section 43-4-201 (3) (a) (I) (C), C.R.S.</b>		
	<b>Appropriations Comparison</b>	<b>Annual Percent Change</b>
FY 2012-13 HUTF "Off-the-Top" Appropriations Base	\$118,344,609	
Multiplied by the 6.0 Percent Allowable Growth	<u>1.06</u>	
FY 2013-14 HUTF "Off-the-Top" Appropriations Limit	\$125,445,286	
FY 2013-14 HUTF "Off-the-Top" Appropriations:		
Department of Public Safety, Colorado State Patrol (Long Bill Operating Budget)	\$119,991,019	
Department of Public Safety, Colorado State Patrol (Long Bill Capital Budget)	<u>1,500,000</u>	
<b>Total FY 2013-14 HUTF "Off-the-Top" Appropriations</b>	<b>\$121,491,019</b>	2.7%
Over / (Under) FY 2013-14 HUTF "Off-the-Top" Appropriations Limit	(\$3,954,267)	

# F. SEVERANCE TAX TRUST FUND OPERATIONAL FUND OVERVIEW

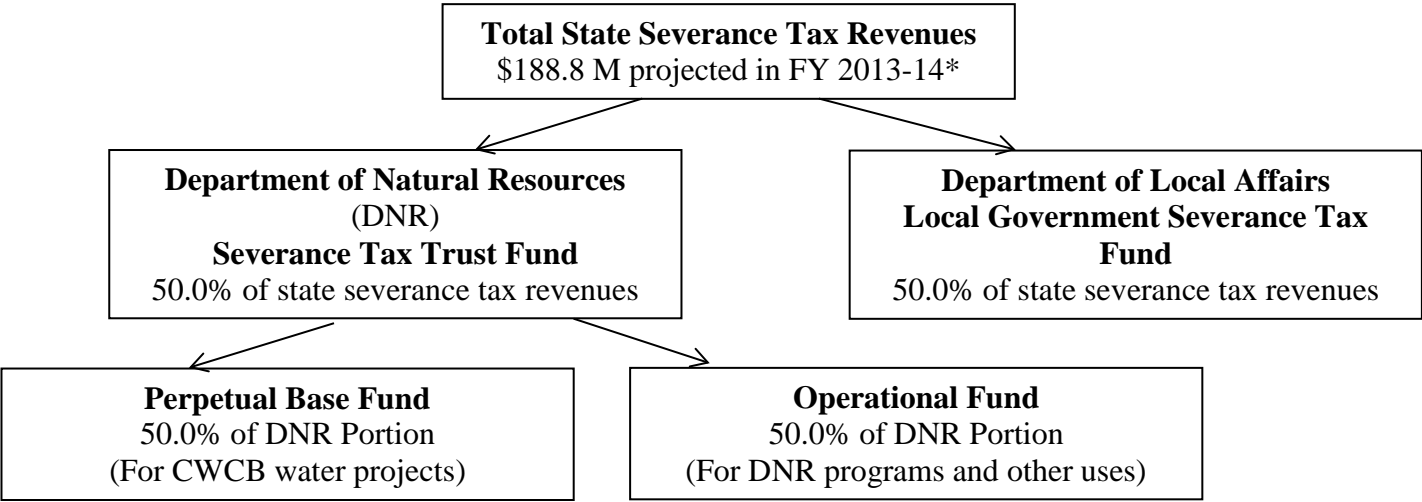
This appendix describes the allocation of state severance tax revenues and anticipated expenditures from the Severance Tax Operational Fund.<sup>1</sup>

## Severance Tax Revenue Allocation

Pursuant to Section 39-29-108 (2), C.R.S., 50.0 percent of severance tax revenues are credited to the Severance Tax Trust Fund, primarily for programs in the Department of Natural Resources, and the remaining 50.0 percent are credited to the Local Government Severance Tax Fund to be used by the Department of Local Affairs for grants and distributions to local governments affected by mining activities. With respect to the Severance Tax Trust Fund:

- Section 39-29-109 (2) (a) (II), C.R.S., provides that 50.0 percent of revenues deposited into the Severance Tax Trust Fund (25.0 percent of total severance tax revenues) shall be allocated to the Severance Tax Perpetual Base Fund and used by the Colorado Water Conservation Board (CWCB) for water construction projects.
- Section 39-29-109 (2) (b), C.R.S., provides that the remaining 50.0 percent of Severance Tax Trust Fund revenues (or 25.0 percent of total severance tax revenues) shall be allocated to the Severance Tax Operational Fund (Operational Fund) to fund programs that "promote and encourage sound natural resource planning, management, and development related to minerals, energy, geology, and water" and "programs to reduce the burden of increasing home energy costs on low-income households" (see Section 39-29-109 (1), C.R.S.).

The following diagram illustrates the State’s distribution of severance tax revenues.



\* Based on March 2013 Legislative Council Staff Revenue Forecast.

<sup>1</sup> Previously known as the Operational Account of the Severance Tax Trust Fund. Senate Bill 13-181 renamed both of the funds associated with the Severance Tax Trust Fund.

The Operational Fund consists of two tiers of programs. The tier 1 programs support the day-to-day operations of the Department of Natural Resources, including funding salaries for employees. The tier 2 programs support grants, loans, research, and construction. The required reserve for tier 1 programs is equal to the annual appropriation for tier 1, while the required reserve for tier 2 programs is equal to 15.0 percent of the annual authorized expenditures for those programs.

The distribution of funding for tier 2 programs is staggered with 40.0 percent released July 1, 30.0 percent released January 4, and the remaining 30.0 percent released April 1. Prior to FY 2012-13, three programs associated with low-income energy assistance received distributions on a different schedule. However, the enactment of H.B. 13-1185 puts all of the Tier 2 programs on the same distribution schedule.

Tier 2 programs are subject to proportional reductions if revenue projections indicate that there are insufficient funds to support appropriations and authorized expenditures within a given fiscal year. For example, based on the relevant revenue forecasts, Tier 2 programs absorbed a total of \$10.1 million in proportional reductions in FY 2012-13, a reduction of 28.4 percent from the authorized level of expenditures. Revenues anticipated under the March 2013 Legislative Council Staff Revenue Forecast would require \$2.2 million in proportional reductions to Tier 2 programs in FY 2013-14.

The table on the next page provides an overview of projected revenues and expenditures from the Operational Fund based on the March 2013 Legislative Council Staff Revenue Forecast.

<b>Severance Tax Operational Fund</b>							
	<b>Statutory Cite</b>	<b>Actual FY 11-12</b>		<b>Estimated FY 12-13</b>		<b>Estimated FY 13-14</b>	
Beginning balance		\$18,439,558		\$25,665,237		\$12,846,821	
Revenue		<u>50,090,625</u>		<u>\$28,002,502</u> (est.)		<u>47,331,830</u> (est.)	
<b>TOTAL Available for Expenditure</b>		<b>\$68,530,183</b>		<b>\$53,667,739</b> 100.0%		<b>60,178,651</b> 100.0%	
Roll-forwards		\$0		\$988,364		TBD	
<b>Off-the-Top Expenditures</b>							
Colorado Energy Office (H.B. 12-1315)		\$0		\$375,000		\$375,000	
Public School Energy Fund	39-29-109.5	48,720		TBD		TBD	
<b><u>Tier 1</u></b>	<b><u>39-29-109.3 (1)</u></b>						
Colorado Geological Survey	(b)	\$2,363,423	3.4%	\$2,459,265	4.6%	\$1,295,601	2.2%
Avalanche Information Center	(b.5)	0	0.0%	0	0.0%	326,985	0.5%
Oil and Gas Conservation Commission	(a)	3,238,925	4.7%	3,212,561	6.0%	3,212,032	5.3%
Division of Reclamation, Mining, and Safety	(c)	4,161,520	6.1%	4,358,723	8.1%	4,611,191	7.7%
Colorado Water Conservation Board	(d)	1,302,846	1.9%	1,319,250	2.5%	1,319,250	2.2%
Division of Parks and Outdoor Recreation	(f)	2,498,440	3.6%	2,497,022	4.7%	2,370,397	3.9%
Division of Wildlife	(e)	<u>0</u>	<u>0.0%</u>	<u>0</u>	<u>0.0%</u>	<u>0</u>	<u>0.0%</u>
<b>SUBTOTAL Tier 1</b>		\$13,565,154 19.7%		\$13,846,821 25.9%		\$13,135,456 21.8%	
<b><u>Tier 2</u></b>	<b><u>39-29-109.3 (2)</u></b>						
Water infrastructure development	(a)	\$7,000,000		\$7,157,724		\$9,379,506	
Soil Conservation Districts matching grants	(b)	450,000		322,098		422,078	
Water efficiency grants	(c)	0		393,675		515,873	
Species Conservation Trust Fund	(d) & (e)	3,600,000		2,863,089		3,751,802	
Low income energy assistance	(f)	6,500,000		9,326,144		12,193,358	

Severance Tax Operational Fund				
	Statutory Cite	Actual FY 11-12	Estimated FY 12-13	Estimated FY 13-14
Renewable energy - Higher ed consortium	(g)	0	0	0
Renewable energy - Agriculture	(h)	500,000	357,886	468,975
Interbasin water compacts	(i)	745,067	533,298	698,836
CO Water Research Institute - CSU	(j)	0	0	0
Forest restoration grants/ bark beetle	(k) and (n)	2,500,000	1,789,431	2,344,876
Tamarisk control	(l)	0	0	0
Aquatic Nuisance Species Fund	(m)	<u>4,006,005</u>	<u>\$2,867,388</u>	<u>3,757,435</u>
<b>SUBTOTAL Tier 2</b>		\$25,301,072 36.9%	\$25,610,733 47.7%	\$33,532,739 55.7%
<b>TOTAL Expenditures</b>		<b>\$38,914,946</b>	<b>\$40,820,918</b>	<b>\$47,043,195</b>
Transfer to General Fund	39-29-109.3 (6)	\$3,950,000	\$0	\$0
<b>Ending Balance</b>		\$25,665,237	\$12,846,821	\$13,135,456
Tier 1 Reserve	39-29-109.3 (3)	13,565,154	12,846,821	13,135,456
Tier 2 Reserve	39-29-109.3 (3)	3,795,161	5,362,661	5,362,661
Low income energy assistance reserve		<u>0</u>	<u>0</u>	<u>0</u>
<b>TOTAL Reserve Requirement</b>		\$17,360,315 25.3%	\$18,209,482 33.9%	\$18,498,117 30.7%
<b>UNOBLIGATED BALANCE</b>		<b>\$8,304,923 12.1%</b>	<b>(\$5,362,661) -10.0%</b>	<b>(\$5,362,661) -8.9%</b>
(est.) = estimate. Revenue estimates are based on the Legislative Council Staff's March 2013 Revenue Forecast and include \$168,460 in estimated interest in FY 2012-13 and \$164,055 in FY 2013-14. Anticipated Tier 2 distributions include \$10.1 million in proportional reductions in FY 2012-13 and \$2.2 million FY 2013-14.				
TBD = To be determined				

## G. TOBACCO REVENUE ALLOCATIONS

This appendix describes the allocation of the revenues that Colorado receives from the tobacco Master Settlement Agreement and from the tobacco taxes imposed by Amendment 35 to the Colorado Constitution.

### **Tobacco Master Settlement Agreement Revenue Allocation**

The payments that Colorado receives from the tobacco manufacturers who participate in the 1998 Master Settlement Agreement (MSA) consist of a perpetual stream of "base" payments, which began in 2000, and a ten-year stream of "Strategic Contribution Fund" payments, which began in 2008. The vast majority of these annual payments arrive in April. Since 2006, the payments have been reduced by an ongoing dispute concerning Colorado's enforcement of its laws governing tobacco manufacturers who do not participate in the MSA. This disagreement has led most participating manufacturers to annually withhold a portion of their payments.

The core tobacco-settlement-program funding rules are contained in Section 24-75-1104.5, C.R.S. In brief:

- The total amount of tobacco settlement funds distributed to programs equals 98.5 percent of the total settlement payments received by the State during the prior fiscal year. Annual distributions are based on Colorado's base Settlement Agreement and Strategic Contribution Fund payments but do not include disputed amounts that have been withheld by tobacco companies.
- Dollars distributed each year are a combination of moneys received during the prior fiscal year and the current fiscal year.
- Settlement programs are divided into two tiers. Programs in each tier may receive a percentage of the allocation, a percentage subject to certain conditions such as a minimum or maximum, or a fixed amount. Funding is first distributed to tier 1 programs (receiving approximately two-thirds of total revenues), with most of the remaining balance distributed to tier 2 programs.
- Most programs cannot spend their distribution without an appropriation. In most cases, the appropriation equals or approximates the annual allocation.

Allocation formula procedures are described in more detail below.

#### **Amount to be Distributed**

Colorado's annual revenue from the Tobacco MSA is comprised of a base Settlement Agreement Payment (received in perpetuity) and a Strategic Contribution Payment (additional funds of approximately \$15 million per year received for ten years between April 2008 and April 2017). Funding has also been affected by ongoing legal disputes with tobacco companies, resulting in both reduced annual receipts (based on amounts withheld by tobacco companies) and one-time funding increases.

The table below reflects the payment history. Amounts received in the prior year (e.g. FY 2012-13) drive total funding allocations for the current year (e.g., FY 2013-14). However, pursuant to current law, special ("disputed") payments received as legal issues are resolved are deposited into the General Fund instead of being allocated to programs.

The table below reflects the payment history. Amounts received in the prior year (e.g. FY 2012-13) drive total funding allocations for the current year (e.g., FY 2013-14). However, pursuant to current, special ("disputed") payments received as legal issues are resolved are deposited into the General Fund instead of being allocated to programs.

<b>Payment History FY 2003-04 to FY 2012-13</b>						
<b>Fiscal Year Payment Is Received</b>	<b>This Payment Determines Allocations in FY:</b>	<b>Full Payment</b>	<b>Amount Withheld (Disputed)</b>	<b>Amount Received Excluding Special Payments</b>	<b>Percent Change Excluding Special Payments</b>	<b>Special Payments (Disputed Amounts)</b>
<b>Actual Payments (in millions of \$s):</b>						
2003-04	2004-05	\$86.1	\$0.0	\$86.1	n/a	\$0.0
2004-05	2005-06	87.4	0.0	87.4	1.5%	0
2005-06	2006-07	91.1	(10.9)	80.2	(8.2)%	0
2006-07	2007-08	92.7	(8.8)	83.9	4.6%	0
2007-08	2008-09	111.4	(7.7)	103.7	23.6%	0
2008-09*	2009-10	112.5	(7.1)	105.4	1.6%	7.4
2009-10	2010-11	103.3	(8.7)	94.6	(10.3)%	0
2010-11	2011-12	102.7	(13.6)	89.1	(5.8)%	0
2011-12	2012-13	102.4	(11.6)	90.8	1.9%	0
2012-13	2013-14	103.1	(12.3)	90.8	0.0%	0

\*Total receipts in FY 2008-09 were \$112.8 million, if additional special payments are included.

Based on amounts received in FY 2012-13, a total of \$90.8 million, will be distributed in FY 2013-14 consistent with Colorado's tobacco MSA funding allocation formula. Virtually all of this sum will be allocated to programs for use in FY 2013-14, with a small percentage retained in the Tobacco Litigation Settlement Cash Fund.

### **Use of Current and Prior-year Revenue to Support Allocations - Accelerated Payments**

Since FY 2008-09, distributions during a given year have been a combination of current-year and prior-year revenue. Prior to FY 2007-08, all distributions were based on revenue received in the prior year. Pursuant to H.B. 07-1359, for FY 2008-09, the General Assembly began to rely on current year receipts of Strategic Contribution Fund payments to support current year allocations, which allowed it to redirect one-time funds of \$15.4 million to other purposes without reducing support for tobacco MSA programs. Pursuant to S.B. 09-269, for FY 2010-11, the General Assembly expanded the use of current year revenue, using this mechanism to access \$65.0 million in one-time funding without reducing support for tobacco MSA programs. Because of these bills, tobacco MSA programs operate for ten months of each fiscal year before the majority of their tobacco settlement revenue arrives. To do so, the programs receive advances from the Treasury, which are repaid in April.

House Bill 12-1247 began to gradually reduce the use of such advances from the Treasury by reducing the use of current year revenue and increasing the use of prior year revenue for tobacco MSA allocations. Pursuant to the bill, the spending from current year revenue (\$80.4 million as of FY 2011-12) is reduced each year by any



unallocated Tobacco Settlement funds and other residual funds in the Tobacco Litigation Settlement Cash Fund (approximately \$1.4 million per year total, but varies by year). Allocations from reserves in the Tobacco Litigation Settlement Cash Fund compensate for the decline in spending from current year revenue, so that programs supported by Tobacco MSA revenue receive no less than they would have under the previous formula.

<b>Fiscal Year</b>	<b>Total Distributed to Settlement-supported Programs and Funds</b>
2007-08 and earlier	Payments received during the prior fiscal year
2008-09	Payments received during the prior fiscal year (FY 2007-08) – \$15.4 million of Strategic Contribution Fund (SCF) payments received during FY 2007-08 or minus the actual SCF payment if less + \$15.4 million of the SCF payments received during FY 2008-09 or plus the actual SCF payment if less
2009-10	\$100.0 million of the payments received during the prior fiscal year (FY 2008-09) – \$15.4 million of SCF payments received during FY 2007-08 or minus the actual SCF payment if less + \$15.4 million of the SCF payments received during FY 2009-10 or plus the actual SCF payment if less (Payments received during FY 2008-09 in excess of \$100.0 million were transferred to the General Fund (GF) to augment FY 2008-09 GF revenues.)
2010-11 to 2011-12	Payments received during the prior fiscal year – \$80.4 million of SCF and base payments received during the prior year or minus the actual SCF payment if less + \$80.4 million of SCF and base payments received during the current year or plus the actual SCF payment if less
2012-13	Payments received during the prior fiscal year ( <b>=Total to be disbursed</b> ) – Payments received during the prior year that were spent in the prior year = \$80.4 million received and expended in FY 2011-12 ( <b>A</b> ) + Reserves in Tobacco Litigation Settlement Cash Fund at end of FY 2011-12 = \$1.9 million ( <b>B</b> ) + Payments received in the current year that are spent in the current year. This is the balance required to reach the total to be disbursed and is the same as ( <b>A</b> ) – ( <b>B</b> ): \$80.4 million - \$1.9 million = \$78.5 million
2013-14 and later	Payments received during the prior fiscal year ( <b>=Total to be disbursed except in FY 2017-18</b> ) – Payments received during the prior year that were spent in the prior year. Estimated \$78.5 million in FY 2013-14; amount will reduce each year by approximately \$1.4 million ( <b>A</b> ) + Reserves in the Tobacco Litigation Settlement Cash Fund at end of prior fiscal year (estimated \$1.4 million each year) ( <b>B</b> ) + Payments received in the current year that are spent in the current year. This is the balance required to reach the total to be disbursed and is equal to ( <b>A</b> ) – ( <b>B</b> ). For FY 2013-14, \$78.5 million – est. \$1.4 million=\$77.1 million. This will reduce by an estimated \$1.4 million per year. <b>FY 2017-18 ONLY:</b> Total to be disbursed = Payments received during the prior fiscal year less \$15.0 million (due to end of Strategic Contribution Payments)

## Distributions to Programs

Section 24-75-1104.5, C.R.S., divides tobacco-settlement programs into two tiers. Settlement moneys are first allocated among the tier 1 programs, which will use approximately two thirds of the total. The remainder is allocated among the tier 2 programs. The tables below list the tier 1 and tier 2 settlement programs and provide an overview of each program's statutory funding rule. Note that the Children's Basic Health Plan receives allocations from both tier 1 and tier 2.

Tier 1 Programs	
Recipient	Portion of the Total Amount Distributed
Children's Basic Health Plan	27.0%, not to exceed \$33.0 million and not less than \$17.5 million
Nurse Home Visitor (NHV) Program and the General Fund (GF)	\$12.7 million in FY 2012-13, 17.0% less \$1.0 million in FY 2013-14, 18.0% less \$1.0 million in FY 2014-15, 19.0% less \$1.0 million in FY 2015-16, and 19.0% in FY 2016-17 and thereafter, not to exceed \$19.0 million in any year
Fitzsimons lease purchase	8.0%, not to exceed \$8.0 million or the actual lease purchase payment
Early Literacy Program (H.B. 12-1238)	5.0%, not to exceed \$8.0 million
Tony Gramscas Youth Services Program	4.0%, not to exceed \$5.0 million
HIV/AIDS Drug Assistance Program	3.5%, not to exceed \$5.0 million
HIV and AIDS Prevention Grant Program	2.0%, not to exceed \$2.0 million
State Veterans Trust Fund	1.0%, not to exceed \$1.0 million (10.0% of the state veterans allocation is retained in the State Veterans Trust Fund and the remaining 90.0%, plus interest earned by the trust, is expended)
Litigation Settlement Defense Account	\$1.8 million in FY 2012-13, \$1.0 million in FY 2013-14, \$1.0 million in FY 2014-15, and \$1.0 million in FY 2015-16
Autism Treatment Fund	\$1,000,000 annually (fixed)
Child Mental Health Treatment Act	\$300,000 annually (fixed)
Dental Loan Repayment Program	\$200,000 annually (fixed)

Tier 2 Programs	
Recipient	Portion of the Residual Distributed after Tier 1 Program Allocations
University of Colorado Health Sciences Center	49.0%
Children's Basic Health Plan	14.5%
Mental health services for juvenile and adult offenders	12.0%
Local public health services	7.0%
Supplemental state contribution for state employee group benefit plans	4.5%
Colorado Immunization Program	4.0%
Alcohol and drug abuse and treatment programs	3.0%
Health Services Corps (Health Care Professional Loan Forgiveness Program)	\$250,000 (fixed)

Tier 2 Programs	
Recipient	Portion of the Residual Distributed after Tier 1 Program Allocations
State Auditor's Office	\$89,000 (fixed)
Retained in Tobacco Litigation Settlement Cash Fund	6.0% less fixed Tier 2 allocations
Total	100.0%

Various statutory changes have modified the allocation formulas over the years. For further information on the history of allocations, see prior-year appropriations reports. Most recently, H.B. 13-1180 modified formulas to restore funds to the Nurse Home Visitor Program that had been diverted to the General Fund, less specified amounts through FY 2015-16 that are directed to the Defense Account of the Tobacco Litigation Settlement Cash Fund. Other recent statutory changes are detailed in the Recent Legislation section below.

The table below summarizes the combined total allocations to programs from tier 1 and tier 2 for FY 2012-13 and FY 2013-14.

Tobacco Settlement Allocations - FY 2012-13 and FY 2013-14 <sup>/1</sup>		
	FY 2012-13	FY 2013-14
<b>EDUCATION</b>		
Early Literacy Grant Program	\$4,540,498	\$4,538,500
<b>HEALTH CARE POLICY AND FINANCING</b>		
Children's Basic Health Plan Trust	28,712,284	28,567,935
Children with Autism	<u>1,000,000</u>	<u>1,000,000</u>
<b>Subtotal – Health Care Policy and Financing</b>	29,712,284	29,567,935
<b>HIGHER EDUCATION</b>		
University of Colorado Health Sciences Center	14,171,456	13,720,122
<b>HUMAN SERVICES</b>		
Nurse Home Visitor Program (Transferred from DPHE in FY 13-14)	0	14,430,900
Tony Gramscas Youth Services Program (transferred from DPHE in FY 2013-14)	0	3,630,800
Residential Mental Health Treatment for Youth	300,000	300,000
Treatment, Detoxification, and Prevention Contracts	867,640	840,007
Offender Mental Health Services	<u>3,470,561</u>	<u>3,360,030</u>
<b>Subtotal – Human Services</b>	4,638,201	22,561,737
<b>LAW</b>		
Defense Account of the Tobacco Litigation Settlement Cash Fund	1,792,244	1,000,000
<b>LEGISLATURE</b>		
Office of the State Auditor	89,000	89,000

<b>Tobacco Settlement Allocations - FY 2012-13 and FY 2013-14 <sup>1/</sup></b>		
	<b>FY 2012-13</b>	<b>FY 2013-14</b>
<b>MILITARY AND VETERANS AFFAIRS</b>		
State Veterans Trust Fund	908,100	907,700
<b>PERSONNEL</b>		
Supplemental State Contribution Fund	1,301,460	1,260,011
<b>PUBLIC HEALTH AND ENVIRONMENT</b>		
Local, District and Regional Health Agency Distributions	2,024,494	1,960,017
Immunizations	1,156,854	1,120,010
AIDS and HIV Prevention Grants (CHAPP)	1,816,199	1,815,400
Health Services Corps Fund	250,000	250,000
Dental Loan Repayment Program	200,000	200,000
Nurse Home Visitor Program (transferred to DHS in FY 2013-14)	12,737,350	0
Tony Gramscas Youth Services Program (transferred to DHS FY 2013-14)	3,632,399	0
AIDS Drug Assistance Program (ADAP; Ryan White)	<u>3,178,349</u>	<u>3,176,950</u>
<b>Subtotal – Public Health and Environment</b>	<b>24,995,645</b>	<b>8,522,377</b>
<b>CAPITAL CONSTRUCTION</b>		
Department of Higher Education - Fitzsimons Lease Purchase Payments	7,264,797	7,261,600
<b>OTHER</b>		
Amount not allocated (used to reduce accelerated payments)	1,396,279	1,341,015
<b>TOTAL ALLOCATION TO TOBACCO-SUPPORTED PROGRAMS</b>	<b>\$90,809,964</b>	<b>\$90,769,997</b>

<sup>1/</sup> Amounts shown represent actual and anticipated allocations to program cash funds supported with tobacco settlement revenue based on statutory formulas and settlement payments received in April 2012 and April 2013. Appropriations for individual programs from program cash funds typically differ from these amounts for various reasons, including because actual revenue is not known at the time appropriations are enacted. With some exceptions, programs are authorized to carry forward revenue that exceeds their appropriation into the next fiscal year.

## Amendment 35 Tobacco-tax Revenue Allocation

Amendment 35 was approved by the voters in 2004 and added the following two cigarette and tobacco taxes to Section 21 of Article X of the Colorado Constitution.

1. An additional \$0.64 tax on each pack of cigarettes sold in Colorado (a pack equals twenty cigarettes); and
2. A statewide tobacco products tax equal to 20.0 percent of the manufacturer's list price, on the sale, use, consumption, handling, or distribution of tobacco products by distributors.

Amendment 35 was added to statute in Section 24-22-117, C.R.S. by H.B. 05-1262. Section 24-22-117, C.R.S. outlines how revenue from Amendment 35 is distributed to various state agencies including: the Departments of Health Care Policy and Financing, Public Health and Environment, and Human Services. The following table summarizes the distribution of Amendment 35 funds for FY 2013-14 as reflected in H.B. 13-230.

<b>FY 2013-14 Distribution of Amendment 35 Moneys</b>			
<b>Dept.</b>	<b>Program and/or Fund</b>	<b>Percent</b>	<b>FY 2013-14 Amount</b>
HCPF	Health Care Expansion Fund, to provide funding to the Children's Basic Health Plan and Medicaid.	46.0%	\$67,206,000
HCPF	Primary Care Fund, to provide funding to clinics and hospitals that offer health care services to the uninsured or medically indigent.	19.0%	27,759,000
DPHE	Tobacco Education Programs Fund, to support grants for tobacco education, prevention and cessation.	16.0%	23,376,000
DPHE	Prevention, Early Detection and Treatment Fund	16.0%	23,376,000
	20.0% for CDPHE and HCPF for the Breast and Cervical Cancer Program (up to \$5.0 million)	3.2% of 16.0%	4,675,200
	15.0% to Health Disparities Program Fund	2.4% of 16.0%	3,506,400
	2.0 million to HCPF for disease management*	dollar amount	0
	Money to the Center for Health and Environmental Information	dollar amount	<u>283,884</u>
	<i>Remains in the Prevention, Early Detection and Treatment Fund for grants for cancer, cardiovascular and pulmonary disease.</i>		<i>14,910,516</i>
DHS	Old Age Pension Fund	1.5%	2,191,500
DOR	Local governments, to compensate for lost revenue from tobacco taxes	0.9%	1,314,900
DPHE	Immunizations performed by small local public health agencies.	0.3%	438,300
HCPF	Children's Basic Health Plan	0.3%	438,300
<b>Total Distributions</b>		<b>100.0%</b>	<b>\$146,100,000</b>
Health Care Policy and Financing (HCPF) Total Amendment 35 Moneys			\$95,403,300
Department of Public Health and Environment (DPHE) Total Amendment 35 Moneys			47,190,300
Department of Human Services (DHS) Total Amendment 35 Moneys			2,191,500
Department of Revenue (DOR) Total Amendment 35 Moneys			1,314,900

\*Current statute sunsets this transfer after FY 2012-13, S.B. 13-232 continues this transfer indefinitely.

## Recent Legislation

### 2012 Session Bills

**S.B. 12-114:** Extends in perpetuity a provision allowing any disputed tobacco litigation settlement payments received by the state to continue to be credited to the General Fund. Previously, this diversion was set to expire on June 30, 2011. No disputed payments are anticipated to be received in FY 2012-13. However, disputed payments may be received in future years depending upon the outcome of ongoing litigation. If Colorado prevails in arbitration proceedings for 2003 disputed payments, it could receive up to an estimated \$12 million in disputed payments in FY 2013-14.

**H.B. 12-1202:** Allows the General Assembly to annually appropriate moneys in the Tobacco Education Programs Fund to the Department of Health Care Policy and Financing (DHCPF) so that DHCPF can receive additional federal matching funds for the Colorado Quitline Program. For FY 2011-12 appropriates \$577,316 to the DHCPF for Medical Services Premiums, comprised of \$288,658 cash funds from the Tobacco Education Programs Fund and \$288,658 of federal funds. Decreases appropriations to the Department of Public Health and Environment by \$288,658, comprised of an increase of \$577,316 reappropriated funds from the DHCPF and a decrease of \$288,658 cash funds from the Tobacco Education Programs Fund. For more information see the corresponding bill descriptions for the Department of Public Health and Environment and the DHCPF.

**H.B. 12-1238:** Makes a number of changes to policies, programs, and procedures associated with early literacy skills. Creates the Early Literacy Grant Program in the Department of Education and replaces the Read-to-Achieve Grant Program with the new program. All tobacco settlement allocations previously allocated to the Read-to-Achieve Grant Program are transferred to the new program (5.0 percent of tobacco settlement moneys up to \$8.0 million each year). For additional information, see the bill description in the Department of Education.

**H.B. 12-1247:** Annually reduces the amount of Tobacco Master Settlement Agreement (MSA) funds that are allocated in the year in which they are received (accelerated payments). The funding for this comes from eliminating allocations to the Short-term Innovative Health Programs Grant Fund.

*Short-term Innovative Health Programs Grant Fund:* The bill eliminates the Short-term Innovative Health Programs Grant Fund in the Department of Public Health and Environment and the Tobacco MSA allocation to the Grant Fund and makes various conforming amendments. This program previously received 6 percent of tier 2 Tobacco Settlement allocations (about \$1.5 million per year). However, the program had not been active since FY 2009-10 due to previous legislative action to direct Grant Fund amounts to the General Fund. The bill also transfers the June 30, 2012 Short-term Innovative Health Programs Grant Fund balance to the Tobacco Litigation Settlement Cash Fund. Because this bill passed before the Long Bill, an FY 2012-13 appropriation of \$1,365,880 cash funds and 1.0 FTE for the Department of Public Health and Environment was not included in the Long Bill.

*Accelerated Payments:* Previously, statute specified that \$65.0 million in annual Tobacco MSA revenue plus \$15.4 million in Strategic Contribution Payment Tobacco MSA revenue (\$80.4 million total) would be allocated in the year received, with the balance derived from the prior year's Tobacco MSA revenue. As modified by the bill, the \$80.4 million figure is reduced each year by the amount that would, in the past, have been allocated to the Short-term Innovative Health Programs Grant Fund and any other residual funds in the Tobacco Litigation Settlement Cash Fund (approximately \$1.5 million per year total; actual amount will vary by year).

With the exception of the Short-term Innovative Health Programs Grant Fund, programs supported by Tobacco MSA revenue receive no less than they would have under the previous formula. The table below provides a simplified model of the impact on programs supported by Tobacco Settlement revenue.

Changes to Accelerated Payment Structure pursuant to H.B. 12-1247*				
	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15
Balance of Funds Received in Prior Year (Tobacco Litigation Settlement Cash Fund balance)	\$8.6	\$10.1	\$11.6	\$13.1

<b>Changes to Accelerated Payment Structure pursuant to H.B. 12-1247*</b>				
	<b>FY 2011-12</b>	<b>FY 2012-13</b>	<b>FY 2013-14</b>	<b>FY 2014-15</b>
Tobacco MSA funds distributed in the current year from April 15 revenue ("accelerated payments")	<u>80.4</u>	<u>78.9</u>	<u>77.4</u>	<u>75.9</u>
<b>Total Program Allocation</b>	<b>\$89.0</b>	<b>\$89.0</b>	<b>\$89.0</b>	<b>\$89.0</b>

\*For purposes of this model, assumes no change to total annual tobacco revenue or allocation formula and that end of year reserves will be \$1.5 million each year.

Also requires an annual report from the State Treasurer on Tobacco MSA accelerated payment amounts.

**H.B. 12-1249:** Changes the mechanism for allocating funding to the State Auditor's Office (SAO) for review of programs funded through the Tobacco Litigation Settlement Cash Fund. Previously, the SAO received one-tenth of one percent of the total funds received pursuant to the Tobacco Master Settlement Agreement (MSA) in the previous calendar year. This amount was proportionately reduced from some of the tier 1 Tobacco Settlement programs. This bill instead provides for a flat tier 2 allocation of \$89,000 per year for the SAO. Unspent amounts revert to the Tobacco Litigation Settlement Cash Fund.

## 2013 Session Bills

**H.B. 13-1117:** Consolidates several child development programs in the Department of Human Services, including, among others, the Nurse Home Visitor Program and the Tony Grampsas Youth Services Program, both of which receive funding from the Tobacco Master Settlement Agreement (MSA). Results in the transfer of Tobacco MSA appropriations for both of these programs from the Department of Public Health and Environment to the Department of Human Services. For additional information, see the Recent Legislation section for the Department of Human Services.

**H.B. 13-1180:** Pursuant to S.B. 11-224, a portion of the Tobacco Master Settlement Agreement (MSA) funding that was initially directed to the Nurse Home Visitor (NHV) Program was temporarily redirected to the General Fund. This bill restores these funds back to the NHV Program, less \$1.8 million in FY 2012-13 and \$1.0 million per year in FY 2013-14 through FY 2015-16 that is directed to the Defense Account of the Tobacco Settlement Cash Fund (Defense Account). The table below compares projected allocations before and after the enactment of this bill.

<b>Allocation of Tobacco MSA Revenue: Changes to Nurse Home Visitor Program, Defense Account of Tobacco Litigation Settlement Cash Fund, and General Fund</b>						
<b>Projected Tobacco MSA Allocation Prior to H.B. 13-1180*</b>				<b>Projected Tobacco MSA Allocation After H.B. 13-1180</b>		
<b>Fiscal Year</b>	<b>Nurse Home Visitor Program Fund (MSA Percent)</b>	<b>Transfer to General Fund (MSA Percent)</b>	<b>Transfer to General Fund (Amount)</b>	<b>Nurse Home Visitor Program Fund (MSA Percent)</b>	<b>Increase to Nurse Home Visitor Fund (Amount)</b>	<b>Transfer to Defense Account* (Amount)</b>
2012-13	\$12,737,350	16% less NHV allocation	\$1,792,244	\$12,737,350	\$0	\$1,792,244
2013-14	15%	2%	1,803,330	17% less \$1,000,000	803,330	1,000,000

<b>Allocation of Tobacco MSA Revenue: Changes to Nurse Home Visitor Program, Defense Account of Tobacco Litigation Settlement Cash Fund, and General Fund</b>						
<b>Projected Tobacco MSA Allocation Prior to H.B. 13-1180*</b>				<b>Projected Tobacco MSA Allocation After H.B. 13-1180</b>		
<b>Fiscal Year</b>	<b>Nurse Home Visitor Program Fund (MSA Percent)</b>	<b>Transfer to General Fund (MSA Percent)</b>	<b>Transfer to General Fund (Amount)</b>	<b>Nurse Home Visitor Program Fund (MSA Percent)</b>	<b>Increase to Nurse Home Visitor Fund (Amount)</b>	<b>Transfer to Defense Account* (Amount)</b>
2014-15	16%	2%	1,820,072	18% less \$1,000,000	820,072	1,000,000
2015-16	17%	2%	1,802,274	19% less \$1,000,000	802,274	1,000,000
2016-17	18%	1%	909,221	19%	909,221	0
2017-18	19%	0%	0	19%	0	0

\* There were no allocations to the Defense Account prior to H.B. 13-1180

Provides an FY 2013-14 appropriation of \$803,330 cash funds to the Department of Human Services for the NHV program (based on the enactment of H.B. 13-1117, which transfers NHV from the Department of Public Health and Environment to the Department of Human Services). Provides an FY 2013-14 appropriation of \$1,433,351 cash funds from the Defense Account to the Department of Law and reduces the General Fund appropriation to the Department of Law by the same amount.

**H.B. 13-1181:** Enables various programs that receive Tobacco Master Settlement Agreement (MSA) funds to carry forward funds to the next fiscal year in program-specific cash funds in amounts not to exceed 5.0 percent of the prior year's program appropriation. Previously, the programs affected by the bill had no capacity to carry forward funds between fiscal years, and unspent amounts reverted at the end of the year to either the General Fund or the Tobacco Litigation Settlement Cash Fund. Modifies provisions related to existing cash funds and creates new program cash funds for two programs that did not previously have them: Tony Gramscas Youth Services and AIDS Drug Assistance. Specifies that if an end-of-year fund balance exceeds the 5.0 percent limit, the excess reverts to the Tobacco Litigation Settlement Cash Fund.

Due to the bill, Tobacco Settlement revenues that were allocated to programs in FY 2012-13 based on statutory formulas but that were in excess of the January 2012 tobacco settlement projections and thus FY 2012-13 Long Bill appropriations could be carried forward in program cash funds and appropriated in the FY 2013-14 Long Bill. The moneys carried forward to FY 2013-14 due to the bill are reflected in the table below.

	<b>Tobacco Allocation reflected in FY 2012-13 Long Bill (based on January 2012 Projection)</b>	<b>FY 2012-13 Final Tobacco Settlement Allocation</b>	<b>Excess Cash Funds Allowed to be Carried to FY 2013-14 per H.B. 13-1181 that would otherwise have reverted</b>
<b>PUBLIC HEALTH AND ENVIRONMENT</b>			
Local, District and Regional Health Department Distributions	\$1,989,030	\$2,024,494	\$35,464
Immunizations	1,136,590	1,156,854	20,264
Nurse Home Visitor Program*	12,737,350	12,737,350	0



	<b>Tobacco Allocation reflected in FY 2012-13 Long Bill (based on January 2012 Projection)</b>	<b>FY 2012-13 Final Tobacco Settlement Allocation</b>	<b>Excess Cash Funds Allowed to be Carried to FY 2013-14 per H.B. 13-1181 that would otherwise have reverted</b>
Tony Grampsas Youth Services Program*	3,571,900	3,632,399	60,499
AIDS Drug Assistance Program ( Ryan White)	3,125,420	3,178,349	<u>52,929</u>
<b>SUBTOTAL - PUBLIC HEALTH AND ENVIRONMENT</b>			\$169,156
<b>HIGHER EDUCATION</b>			
University of Colorado Health Sciences Center	13,923,200	14,171,456	\$248,256
<b>HUMAN SERVICES*</b>			
Treatment, Detoxification, and Prevention Contracts	852,440	867,640	15,200
Offender Mental Health Services	3,409,760	3,470,561	<u>60,801</u>
<b>SUBTOTAL - HUMAN SERVICES</b>			\$76,001
<b>TOTAL</b>			<b>\$493,413</b>

\*The Nurse Home Visitor Program and Tony Grampsas Youth Services Program are moved to the Department of Human Services in FY 2013-14 pursuant to H.B. 13-1117.

**H.B. 13-1305:** Requires the Attorney General to immediately notify various elected officials if an arbitration panel makes any findings regarding the failure of the State to diligently enforce state laws that require that tobacco manufacturers either participate in the Tobacco Master Settlement Agreement or place specified revenues into escrow. If such notification is provided, the Governor may instruct the State Treasurer to transfer a specific amount up to \$40.0 million from the General Fund to the Tobacco Litigation Settlement Cash Fund and from the Tobacco Litigation Settlement Cash Fund to the appropriate programs and program cash funds if the General Assembly is not in regular session and certain other conditions are met. The amount to be transferred is to be based on: (1) the amount required to cover working-capital advanced from the General Fund for programs funded with the Tobacco Litigation Settlement Cash Fund prior to the arbitration panel finding; and (2) any additional amount required to enable programs to meet critical state obligations and to reduce program expenditures in an orderly manner through the end of the next January.

## **H. AMOUNTS DEEMED EXEMPT FROM THE RESTRICTION OF GENERAL FUND APPROPRIATIONS SET FORTH IN SECTION 24-75-201.1, C.R.S.**

From FY 1991-92 through FY 2008-09, Section 24-75-201.1, C.R.S., restricted annual state General Fund appropriations to the lesser of: (1) an amount equal to 5.0 percent of Colorado personal income, or (2) 6.0 percent over the total General Fund appropriations for the previous fiscal year. During this time period, the lesser amount was 6.0 percent over the previous year's General Fund appropriations, so this restriction was commonly called the "6.0 percent limit". The restriction was also referred to as the "Arveschoug/Bird limit" after the prime sponsors of the legislation that established this limit, Representative Arveschoug and Senator Bird.

Senate Bill 09-228 amended Section 24-75-201.1, C.R.S., to simply restrict annual state General Fund appropriations to an amount equal to 5.0 percent of Colorado personal income. Therefore, beginning in FY 2009-10, the 6.0 percent limit is no longer applicable.

Section 24-75-201.1 (1) (a) (III), C.R.S., specifies that the statutory limitation on General Fund appropriations shall not apply to:

- A. Any General Fund appropriation which, as a result of any requirement of *federal law*, is made for any new program or service or for any increase in the level of service for an existing program beyond the existing level of service;
- B. Any General Fund appropriation which, as a result of any requirement of a final state or federal *court order*, is made for any new program or service or for any increase in the level of service for an existing program beyond the existing level of service; or
- C. Any General Fund appropriation of any moneys which are derived from any increase in the rate or amount of any *tax or fee* which is approved by a majority of the registered electors of the state voting at any general election.

In addition, some other General Fund transfers and appropriations are not subject to the statutory limitation for reasons other than the exceptions listed in Section 24-75-201.1 (1) (a) (III), C.R.S. For example, pursuant to Section 24-75-302 (2), C.R.S., General Fund transfers to the Capital Construction Fund are not subject to the statutory limitation; and the General Fund appropriation related to the senior citizen and disabled veteran property tax exemption is not subject to the statutory limitation because enactment of Article X, Section 3.5 (3) of the Colorado Constitution constitutes voter approval of a weakening of the limitation. These other exceptions are noted in each relevant department sections of this report.

The tables included in this appendix list the General Fund amounts that were exempt from or were not subject to the statutory limitation on General Fund appropriations in FY 2012-13 and FY 2013-14. These amounts are organized into three sections, described below. Note that while these amounts are used to determine the limit on General Fund appropriations, some of these amounts do not appear in the Long Bill or other appropriations

bills. Further, of the amounts that do appear in appropriations bills, some are shown solely for informational purposes to reflect estimated expenditures. Notations to the table below provide additional detail.

## Section 1 - Rebates and Expenditures

The quarterly revenue forecasts prepared by the Legislative Council Staff and the Office of State Planning and Budgeting often include dollar amounts referred to as "rebates and expenditures". These amounts reflect various annual expenditures that are exempt from or not subject to the statutory limitation on General Fund appropriations pursuant to statutory or constitutional provisions. These statutory and constitutional obligations include the following:

- the Old Age Pension program [Article XXIV of the Colorado Constitution];
- cigarette tax rebates to local governments [Section 39-22-623 (1) (a) (II) (A), C.R.S.];
- fire and police pension payments for local governments [Sections 31-30-1112 (2) (i) and 31-30.5-307 (3), C.R.S.];
- Old Age Heat and Fuel and Property Tax Assistance Grants [Section 39-31-102 (1), C.R.S.];
- loans to school districts [Sections 22-54-110 and 29-15-112, C.R.S.]; and
- General Fund appropriations related to certain tobacco tax revenues [Article X, Section 21 of the Colorado Constitution, often referred to as "Amendment 35"].

## Section 2 - Senior and Disabled Veteran Property Tax Homestead Exemption

In the 2000 general election, Colorado voters approved a constitutional amendment (Article X, Section 3.5) that reduces property taxes for qualifying senior citizens and disabled veterans. The property tax reduction, or "homestead exemption", is available to senior citizens 65 years of age or older who have owned and lived in their homes for at least ten years. In the 2006 general election, Colorado voters approved a constitutional amendment extending the homestead exemption to veterans who are 100 percent disabled as a result of a service-connected disability. The cost of the exemption is borne by the State rather than by local governments or other property owners.

## Section 3 - Amounts Deemed Exempt

These amounts are appropriated for purposes that are exempt from the statutory limitation on General Fund appropriations as reflected in Section 24-75-201.1, C.R.S.

General Fund Appropriations Deemed Exempt from Statutory Restriction			
	Department	Amount	Reason
<b>FY 2012-13</b>			
<b><u>Section 1 - Rebates and Expenditures</u></b>			
Old Age Pensions <sup>/1</sup>	Human Services	\$114,100,000	Voter Approved
Volunteer Firefighter Benefit Plans <sup>/2</sup>	Local Affairs	4,294,753	Other
Cigarette Tax Rebate <sup>/2</sup>	Revenue	10,300,000	Other
Old Age Heat and Fuel and Property Tax Assistance Grant <sup>/2</sup>	Revenue	7,400,000	Other

General Fund Appropriations Deemed Exempt from Statutory Restriction			
	Department	Amount	Reason
Fire and Police Pension Association (FPPA) - Old Hire Plans <sup>/2</sup>	Treasury	10,000,000	Other
Interest on Loans to School Districts <sup>/1</sup>	Treasury	600,000	Other
Children's Basic Health Plan Medical and Dental Costs (Amendment 35) <sup>/2</sup>	Health Care Policy and Financing	441,600	Voter Approved
Immunizations (Amendment 35) <sup>/2</sup>	Public Health and Environment	<u>441,600</u>	Voter Approved
<b>Total Rebates and Expenditures</b>		<b>\$147,577,953</b>	
<b><u>Section 2 - Homestead Exemption</u></b>			
Senior Citizen and Disabled Veteran Property Tax Exemption <sup>/2</sup>	Treasury	\$98,500,000	Voter Approved
Revenue Forecast Adjustment <sup>/3</sup>		<u>1,600,000</u>	
<b>Total Homestead Exemption</b>		<b>\$100,100,000</b>	
<b><u>Section 3 - Amounts Deemed Exempt</u></b>			
Total Amounts Deemed Exempt		<b>\$0</b>	
<b>FY 2012-13 TOTAL</b>		<b>\$247,677,953</b>	
<b>FY 2013-14</b>			
<b><u>Section 1 - Rebates and Expenditures</u></b>			
Old Age Pensions <sup>/1</sup>	Human Services	\$106,900,000	Voter Approved
Volunteer Firefighter Benefit Plans <sup>/4</sup>	Local Affairs	4,294,753	Other
Cigarette Tax Rebate <sup>/4</sup>	Revenue	9,300,000	Other
Old Age Heat and Fuel and Property Tax Assistance Grant <sup>/4</sup>	Revenue	7,100,000	Other
Fire and Police Pension Association (FPPA) - Old Hire Plans <sup>/5</sup>	Treasury	0	Other
Interest on Loans to School Districts <sup>/1</sup>	Treasury	700,000	Other
Children's Basic Health Plan Medical and Dental Costs (Amendment 35) <sup>/4</sup>	Health Care Policy and Financing	438,300	Voter Approved
Immunizations (Amendment 35) <sup>/4</sup>	Public Health and Environment	<u>438,300</u>	Voter Approved
<b>Total Rebates and Expenditures</b>		<b>\$129,171,353</b>	
<b><u>Section 2 - Homestead Exemption</u></b>			
Senior Citizen and Disabled Veteran Property Tax Exemption <sup>/4</sup>	Treasury	\$105,200,000	Voter Approved
Revenue Forecast Adjustment		<u>0</u>	
<b>Total Homestead Exemption</b>		<b>\$105,200,000</b>	

General Fund Appropriations Deemed Exempt from Statutory Restriction		
Department	Amount	Reason
<b><u>Section 3 - Amounts Deemed Exempt</u></b>		
Total Amounts Deemed Exempt	\$0	
<b>FY 2012-13 TOTAL</b>	<b>\$234,371,353</b>	

/1 These amounts are constitutionally or statutorily diverted prior to being deposited in the General Fund; therefore, they are not appropriated from the General Fund in any bill. The amounts shown are taken from the March 2013 revenue forecast prepared by the Governor's Office of State Planning and Budgeting, which was used to set the FY 2013-14 budget.

/2 These amounts are included in H.B. 12-1335, the General Appropriations Act for FY 2012-13.

/3 This amount is the difference between the amount included in H.B. 12-1335 and the March 2013 revenue forecast prepared by the Governor's Office of State Planning and Budgeting.

/4 These amounts are included in S.B. 13-230, the General Appropriations Act for FY 2013-14.

/5 This amount is the sum of the appropriation in S.B. 13-230 and the reduction included in S.B. 13-234. Senate Bill 13-234 eliminates the annual \$25.3 million appropriation in the Long Bill (S.B. 13-230) and replaces it with a transfer of \$132.4 million from the General Fund to the Fire and Police Pension Association, which discharges the State's obligation to the old-hire pension plans.

# **I. LETTERS REQUESTING INFORMATION FROM STATE DEPARTMENTS**

Historically, the annual Long Bill included a number of footnotes that described the General Assembly's intent regarding an appropriation; placed a condition or limitation on an appropriation; explained any assumptions used in determining the specific amount of an appropriation; or requested information. However, pursuant to H.B. 08-1321 (Section 24-75-112 (2), C.R.S.), the Long Bill no longer contains footnotes that request information. In their place, the Joint Budget Committee submits requests for information to executive departments and the judicial branch via letters to the Governor, the Chief Justice, and other elected officials. Each request is associated with one or more specific Long Bill line items, and the requests have been prioritized by the Joint Budget Committee as required by Section 2-3-203 (3), C.R.S.

Copies of these letters are included in the following pages. The first of these attached letters is to the Governor and addresses all affected departments in alphabetical order except those under the purview of the Chief Justice or other elected officials. Letters to the Chief Justice (Judicial Department) and the Attorney General (Department of Law) follow in that order. For FY 2013-14 there were no requests submitted to the Secretary of State (Department of State) or the Treasurer (Department of Treasury).

Responses to these requests for information are typically summarized in Joint Budget Committee staff briefing documents (available at [http://www.state.co.us/gov\\_dir/leg\\_dir/jbc/jbchome.htm](http://www.state.co.us/gov_dir/leg_dir/jbc/jbchome.htm)). Department submissions may also be requested in their entirety from the Legislative Library (email [lcs.ga@state.co.us](mailto:lcs.ga@state.co.us) or telephone (303) 866-4011).

# STATE OF COLORADO

**SENATORS**

Pat Steadman, Chair  
Mary Hodge  
Kent Lambert

**REPRESENTATIVES**

Claire Levy, Vice-Chair  
Crisanta Duran  
Cheri Gerou

**STAFF DIRECTOR**

John Ziegler

**JOINT BUDGET COMMITTEE**

200 East 14th Avenue, 3rd Floor  
LEGISLATIVE SERVICES BUILDING  
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[www.state.co.us/gov\\_dir/leg\\_dir/jbc/jbchome.htm](http://www.state.co.us/gov_dir/leg_dir/jbc/jbchome.htm)

April 19, 2013

Hon. John Hickenlooper, Governor  
136 State Capitol  
Denver, CO 80203-1792

Dear Governor Hickenlooper:

The General Assembly recently finalized the FY 2013-14 Long Bill. Pursuant to Section 24-75-112 (2), C.R.S., the Long Bill footnotes no longer include requests for information. In lieu of such footnotes, the Joint Budget Committee respectfully submits the following requests for information. These requests are associated with specific Long Bill line items, and each has its own details and deadlines. Consistent with the provisions of Section 2-3-203 (3), C.R.S., information requests have been prioritized within each department in the attached lists.

To assist our staff in organizing and tracking submissions, we would appreciate if departments would follow the protocol outlined in an attachment to this letter with respect to submitting hard copies and electronic responses. The Committee requests that the state departments comply with these requests for information to the fullest extent possible.

Please notify us by May 6<sup>th</sup> if the Executive Branch does not intend to comply with any requests.

Sincerely,

Senator Pat Steadman  
Chair

cc:

Executive Agency Directors  
Henry Sobanet, Office of State Planning and Budgeting  
John Ziegler, Joint Budget Committee Staff

**Attachment**  
**Requested Format for Responses to Legislative Requests for Information**

Please submit both hard (paper) copies and electronic copies of request for information (RFI) responses as follows:

- ✓ Hard copies: Three (3) hard copies should be delivered by the requested due-date to the Joint Budget Committee (JBC) offices at 200 East 14th Ave., Denver, 3rd Floor.
- ✓ Electronic copies: An electronic copy of all paper submissions should also be submitted. This should be sent by email to:
  - The JBC analyst responsible for the specified budget area
  - Jessi Neuberg ([jessi.neuberg@state.co.us](mailto:jessi.neuberg@state.co.us)) at the JBC offices
  - Legislative Council Staff at the following address: [lcs.ga@state.co.us](mailto:lcs.ga@state.co.us)

The Legislative Council Staff ([lcs.ga@state.co.us](mailto:lcs.ga@state.co.us)) will include the report in an electronic database (part of the Legislative Council Library) and will also ensure the report is distributed to other legislative committees, as specified in some of the RFIs.

- ✓ All submissions should include the following information:
  - Name of Department
  - Long Bill fiscal year to which the RFI is attached (FY 2013-14 for the RFIs listed in this letter)
  - Correct RFI number, as listed in this letter

Please include this information in the subject line for electronic submissions, as well as in the body of both electronic and hard copy submissions.

- ✓ Please use the following naming convention for your electronic attachments:

**"[Department] [fiscal year] [RFI Number]"**

For example, the attachment providing the response to RFI #7 in the Department of Health Care Policy and Financing would be entitled: **Health Care Policy and Financing FY 2013-14 RFI #7**



# **LEGISLATIVE REQUESTS FOR INFORMATION FROM THE EXECUTIVE BRANCH FOR FY 2013-14**

## **REQUESTS AFFECTING MULTIPLE DEPARTMENTS**

1. Department of Education, Assistance to Public Schools, Categorical Programs; and Department of Higher Education, Division of Occupational Education, Distribution of State Assistance for Career and Technical Education pursuant to Section 23-8-102, C.R.S. -- The Department of Education is requested to work with the Department of Higher Education and to provide to the Joint Budget Committee information concerning the distribution of state funds available for each categorical program, excluding grant programs. The information for special education programs for children with disabilities, English language proficiency programs, public school transportation, career and technical education, and small attendance center aid is requested to include the following: (a) a comparison of the state funding distributed to each district or administrative unit for each program in fiscal year 2012-13 and the maximum allowable distribution pursuant to state law and/or State Board of Education rule; and (b) a comparison of the state and federal funding distributed to each district or administrative unit for each program in fiscal year 2011-12 and actual district expenditures for each program in fiscal year 2011-12. The information for special education programs for gifted and talented children is requested to include a comparison of the state funding distributed to each district or administrative unit for each program in fiscal year 2011-12 and actual district expenditures in fiscal year 2011-12.
2. Department of Corrections, Management, Executive Director's Office Subprogram; Department of Human Services, Behavioral Health Services, Alcohol and Drug Abuse Division; and Division of Youth Corrections; Judicial Department, Probation and Related Services; and Department of Public Safety, Division of Criminal Justice; and Colorado Bureau of Investigation – State agencies involved in multi-agency programs requiring separate appropriations to each agency are requested to designate one lead agency to be responsible for submitting a comprehensive annual budget request for such programs to the Joint Budget Committee, including prior year, request year, and three year forecasts for revenues into the fund and expenditures from the fund by agency. The requests should be sustainable for the length of the forecast based on anticipated revenues. Each agency is still requested to submit its portion of such request with its own budget document. This applies to requests for appropriation from: the Offender Identification Fund, the Sex Offender Surcharge Fund, the Persistent Drunk Driver Cash Fund, and the Alcohol and Drug Driving Safety Program Fund, among other programs.
3. Governor – Lieutenant Governor – State Planning and Budgeting, Office of State Planning and Budgeting; and Department of Public Safety, Division of Homeland Security and Emergency Management, Office of Emergency Management, Disaster Response and Recovery -- The Office of Emergency Management is requested to work with the Office of State Planning and Budgeting to provide a report to the Joint Budget Committee by November 1, 2013, concerning revenues credited to and expenditures made from the Disaster Emergency Fund in fiscal years 2012-13 and 2013-14 year-to date. The report is requested to include the following: (a) amounts authorized to be transferred to the Disaster Emergency

Fund, by Executive Order and fund source; (b) amounts actually transferred to the Fund, by date and fund source; and (c) actual expenditures from the Fund, by date and declared disaster emergency.

4. Governor – Lieutenant Governor – State Planning and Budgeting, Office of Information Technology (OIT); and Department of Revenue, Executive Director's Office -- The Governor – Lieutenant Governor – State Planning and Budgeting and the Department of Revenue are requested to submit to the Joint Budget Committee a report detailing: (1) the progress made to-date on the implementation of the Department of Revenue's Request #2 – DOR IT Infrastructure Enhancements, including a comparison of the reliability of the new system components with the old system components; (2) data justifying the continuing budgetary support of the 22.0 FTE in OIT dedicated to serving the Department of Revenue during the implementation of Request #2; and (3) each of the specific anticipated outcomes cited in the budget submission as justifications for the project. The report is requested be provided for FY 2013-14 with the FY 2014-15 budget submission, and another report is requested to be provided for FY 2014-15 with the FY 2015-16 budget submission.

## **DEPARTMENT OF CORRECTIONS**

1. Department of Corrections, Institutions, Mental Health Subprogram -- It is requested that the Department of Corrections submit a report to the House Judiciary Committee and the Senate Judiciary Committee by January 31, 2014, detailing the progress related to the mental health unit at Colorado State Penitentiary.
2. Department of Corrections, Community Services, Community Supervision Subprogram, Community Supervision, Psychotropic Medication -- The Department is requested to submit a report to the Joint Budget Committee on or before February 1, 2014, summarizing the outcomes of offenders who were provided psychotropic medication from this line item. The report is requested to include the number of mentally ill offenders who receive medication from this line item, the regression rate of the offenders, and the number of offenders who commit new crimes. The report is requested to compare these outcomes with the population of mentally ill offenders in community corrections programs in FY 2005-06.

## **DEPARTMENT OF EDUCATION**

1. Department of Education, Assistance to Public Schools, Public School Finance, State Share of Districts' Total Program Funding – The Department is requested to provide to the Joint Budget Committee, on or before November 1, 2013, information concerning the Colorado Preschool Program. The information provided is requested to include the following for fiscal year 2012-13: (a) data reflecting the ratio of the total funded pupil count for the Program to the total funded pupil count for kindergarten; (b) data indicating the number of three-year-old children who participated in the Program; (c) data indicating the number of children who participated in the Program for a full-day rather than a half-day; and (d) the state and local shares of total program funding that are attributable to the Program.
2. Department of Education, Assistance to Public Schools, Grant Programs, Distributions, and Other Assistance – The Department is requested to provide information to the Joint Budget

Committee by November 1, 2013, concerning the allocation of funding to eligible boards of cooperative services (BOCES) pursuant to Section 22-2-122 (3), C.R.S. Specifically, the Department is requested to detail the sources of funds and the allocations made to each BOCES in fiscal years 2011-12 and 2012-13.

## **GOVERNOR-LIEUTENANT GOVERNOR-STATE PLANNING AND BUDGETING**

1. Governor - Lieutenant Governor - State Planning and Budgeting, Office of the Governor, Colorado Energy Office -- The Colorado Energy Office is requested to submit a report to the Joint Budget Committee on September 3, 2013 and February 3, 2014. At a minimum, the report shall specify the following information with regard to the programs administered by the Office in FY 2013-14: (1) the amount of moneys expended (or encumbered) in FY 2013-14 from the Clean and Renewable Energy Fund, Innovative Energy Fund, Colorado Low-income Energy Assistance Fund, and Public School Energy Efficiency Fund; (2) the goals and objectives that the moneys in section (1) were intended to achieve; (3) the performance measures used by the Office to monitor the status of moneys outlined in section (1) against said measures; and (4) the status of the performance measures outlined in section (3). Additionally, the Office shall make itself available for quarterly meetings with the Joint Budget Committee on an as needed basis (as determined by the Joint Budget Committee) to respond to inquiries related to the quarterly reports.

## **DEPARTMENT OF HEALTH CARE POLICY AND FINANCING**

1. Department of Health Care Policy and Financing, Executive Director's Office -- The Department is requested to submit monthly Medicaid expenditure and caseload reports on the Medical Services Premiums and mental health capitation line items to the Joint Budget Committee, by the fifteenth or first business day following the fifteenth of each month. The Department is requested to include in the report the managed care organization caseload by aid category. The Department is also requested to provide caseload and expenditure data for the Children's Basic Health Plan, the Medicare Modernization Act State Contribution Payment, and the Old Age Pension State Medical Program within the monthly report.
2. Department of Health Care Policy and Financing, Medical Services Premiums -- The Department is requested to submit a report by November 1, 2013, to the Joint Budget Committee, providing information on the implementation of the Accountable Care Collaborative Organization project. In the report, the Department is requested to inform the Committee on how many Medicaid clients are enrolled in the pilot program, the current administrative fees and costs for the program, and performance results with an emphasis on the fiscal impact.
3. Department of Health Care Policy and Financing, Medical Services Premiums -- The Department is requested to submit to the Joint Budget Committee by November 1, 2013, a report on the specific projects funded with dollars in the Colorado Choice Transitions Program rebalancing funds. The report is requested to include the following information:

description of the project, estimated timeline of the project and any deliverables, and anticipated improvements the project will contribute to Colorado's long-term care system.

4. Department of Health Care Policy and Financing, Medical Service Premiums – The Department is requested to report to the Joint Budget committee by November 1, 2013 on the costs and savings associated with providing comprehensive medication management services in conjunction with the Regional Care Collaborative Organizations to recipients in managed care or fee-for-service Medicaid who are taking at least five prescription drugs to treat two or more chronic medical conditions. The analysis should address both the costs and savings for the state as a whole and specifically for the Regional Care Collaborative Organizations. The report may include information concerning information technology infrastructure, connectivity, electronic records, and any other issues relating to implementation of comprehensive medication management services. In preparing the report the Department is requested to consult representatives from regional care collaboration organizations, chain pharmacies, independent pharmacies, physician organizations, and the schools of pharmacy of the University of Colorado and Regis University.
5. Department of Health Care Policy and Financing, Indigent Care Program, Safety Net Provider Payments -- The Department is requested to submit a report by February 1 of each year, to the Joint Budget Committee, estimating the disbursement to each hospital from the Safety Net Provider Payments line item.
6. Department of Health Care Policy and Financing, Other Medical Services, Public School Health Services -- The Department is requested to submit a report by November 1 of each year to the Joint Budget Committee on the services that receive reimbursement from the federal government under the S.B. 97-101 public school health services program. The report is requested to include information on the type of services, how those services meet the definition of medical necessity, and the total amount of federal dollars that were distributed to each school under the program. The report should also include information on how many children were served by the program.

## **DEPARTMENT OF HIGHER EDUCATION**

1. Department of Higher Education, Colorado Commission on Higher Education, Administration -- The Department should continue its efforts to provide data on the efficiency and effectiveness of state financial aid in expanding access to higher education for Colorado residents. The Department is requested to provide to the Joint Budget Committee by January 1 of each year an evaluation of financial aid programs, which should include, but not be limited to: 1) an estimate of the amount of federal, institutional, and private resources (including tax credits) devoted to financial aid; 2) the number of recipients from all sources; 3) information on typical awards; and 4) the typical debt loads of graduates. To the extent possible, the Department should differentiate the data based on available information about the demographic characteristics of the recipients. To the extent that this information is not currently available, the Department is requested to provide a reasonable estimate, or identify the additional costs that would be associated with collecting the data.

## DEPARTMENT OF HUMAN SERVICES

1. Department of Human Services, Services for People with Disabilities, Community Services for People with Developmental Disabilities, Program Costs -- The Department is request to submit a report to the Joint Budget Committee on December 1, 2013 regarding the status of the distribution of the full program equivalents for the developmental disabilities waivers. The report is requested to include any current or possible future issues which would prevent the distribution of the full number of full program equivalents noted in the FY 2013-14 Long Bill.
2. Department of Human Services, Services for People with Disabilities, Community Services for People with Developmental Disabilities, Early Intervention Services -- The Department is requested to notify the Joint Budget Committee before implementing any funding methodology changes and/or cost containment strategies. The notification should include discussion of alternative strategies, including but not limited to provider rate reductions and increasing payments from non-General Fund sources, and an estimate of the cost of serving the projected population without reducing eligibility.
3. Department of Human Services, Division of Child Welfare; and Totals -- The Department is requested to provide a report to the Joint Budget Committee by October 1 of each fiscal year concerning the amount of federal revenues earned by the State for the previous fiscal year, pursuant to Title IV-E of the Social Security Act, as amended; the amount of money that was expended for the previous state fiscal year, including information concerning the purposes of the expenditures; and the amount of money that was credited to the Excess Federal Title IV-E Reimbursements Cash Fund created in Section 26-1-111(2) (d) (II) (C), C.R.S.
4. Department of Human Services, Totals -- The Department is requested to submit annually, on or before November 1, a report to the Joint Budget Committee concerning federal Child Care Development Funds. The requested report should include the following information related to these funds for the actual, estimate, and request years: (a) the total amount of federal funds available, and anticipated to be available, to Colorado, including funds rolled forward from previous state fiscal years; (b) the amount of federal funds expended, estimated, or requested to be expended for these years by Long Bill line item; (c) the amount of funds expended, estimated, or requested to be expended for these years, by Long Bill line item where applicable, to be reported to the federal government as either maintenance of effort or matching funds associated with the expenditure of federal funds; and (d) the amount of funds expended, estimated, or requested to be expended for these years that are to be used to meet the four percent federal requirement related to quality activities and the federal requirement related to targeted funds. An update to the information on the amount of federal funds anticipated to be available and requested to be expended by Long Bill line item should be provided to the Joint Budget Committee annually on or before January 15.
5. Department of Human Services, Division of Child Welfare, Child Welfare Services -- The Department is requested to provide to the Joint Budget Committee, by November 1 of each year, information concerning the actual use of funds distributed through the child welfare allocation model, including data on expenses and children served by funding category. At a minimum, such data should include the following: (a) program services expenditures and the

average cost per open involvement per year; (b) out-of-home placement care expenditures and the average cost per child per day; and (c) subsidized adoption expenditures and the average payment per child per day.

6. Department of Human Services, Division of Child Welfare -- The Department is requested to provide to the Joint Budget Committee, by November 1 of each year, information concerning the gross amount of payments to child welfare service providers, including amounts that were paid using revenues other than county, state, or federal tax revenues. The Department is requested to identify amounts, by source, for the last two actual fiscal years.
7. Department of Human Services, Totals -- The Department is requested to submit a report concerning the status of federal Temporary Assistance for Needy Families (TANF) funds. The requested report should include the following: (a) an analysis of the TANF Long Term Reserve, including estimated TANF funds available for appropriation, estimated TANF appropriations by Long Bill line item, and the estimated closing Long Term Reserve balance, for the most recent actual fiscal year, the current fiscal year, and the request fiscal year; (b) an analysis of the TANF maintenance of effort (MOE) payments, showing the actual and forecasted MOE expenditures, by program, for the most recent actual fiscal year, the current fiscal year, and the request fiscal year; and (c) an analysis of the counties' TANF reserve balances that includes, for each county, for the most recent actual fiscal year, the starting TANF Reserve Account balances for the Works Program, Title XX, and Child Care Development Fund accounts, the annual TANF allocation, the total expenditures, the net transfers to child care and child welfare, any amounts remitted to the state, and the closing reserve balance for all county TANF accounts. The report should be provided to the Joint Budget Committee annually on or before November 1. An update to this information reflecting data at the close of the federal fiscal year should be provided to the Joint Budget Committee annually on or before January 1.
8. Department of Human Services, Office of Self Sufficiency, Special Purpose Welfare Programs, Refugee Assistance -- The Department is requested to submit a report by November 1 of each fiscal year on the size of the Colorado refugee population, the percent that is TANF-eligible, federal funding received from the Department of Health and Human Services, Office of Refugee Resettlement in the most recent actual fiscal year, and federal funding projected to be received in the current and next fiscal year from the Office of Refugee Resettlement.
9. Department of Human Services, Adult Assistance, Community Services for the Elderly -- The Department is requested to submit a report by November 1 of each year on Older Americans Act Funds received and anticipated to be received, and the match requirements for these funds. The report should also specify the amount of funds, if any, that were transferred between the State Funding for Senior Services line item and the Older Americans Act Programs line item in the prior actual fiscal year to comply with federal match requirements.
10. Department of Human Services, Division of Youth Corrections -- The Division is requested to provide a report to the Joint Budget Committee by November 1 of each year concerning its proposed and actual use of budgetary flexibility. The report should specify funds that have

been or are anticipated to be transferred and how the changes will affect services, including the numbers and types of institutional and community placements anticipated to be used for youth in commitment and detention placements.

11. Department of Human Services, Division of Youth Corrections, Administration -- The Division is requested to continue its efforts to provide outcome data on the effectiveness of its programs. The Division is requested to provide to the Joint Budget Committee, by January 1 of each year, a report evaluating Division placements, community placements, and nonresidential placements. The evaluation should include, but not be limited to, the number of juveniles served, length of stay, and recidivism data per placement.
12. Department of Human Services, Division of Youth Corrections, Community Programs, S.B. 91-94 Programs -- The Department is requested to submit to the Joint Budget Committee no later than November 1 of each year a report that includes the following information by judicial district and for the state as a whole: (1) comparisons of trends in detention and commitment incarceration rates; (2) profiles of youth served by S.B. 91-94; (3) progress in achieving the performance goals established by each judicial district; (4) the level of local funding for alternatives to detention; and (5) identification and discussion of potential policy issues with the types of youth incarcerated, length of stay, and available alternatives to incarceration.

## **DEPARTMENT OF LABOR AND EMPLOYMENT**

1. Department of Labor and Employment, Unemployment Insurance Division, Unemployment Insurance Automation Initiatives -- The Department is requested to submit a report by November 1, 2013, to the Joint Budget Committee outlining an annual technology plan related to Training and Technology Fund appropriations and the WyCAN Consortium. The report should contain specific details of technology projects supported with these funds including: measureable project goals, project deliverables and deadlines, a summary of federal funds associated with technology projects supported by Training and Technology Fund appropriations, and the Office of Information Technology's specific role in these projects.

## **DEPARTMENT OF NATURAL RESOURCES**

1. Department of Natural Resources, Executive Director's Office, Integrated Resource Services -- The Department of Natural Resources is requested to provide a report, by November 1, 2013, listing the number of projects funded through the Integrated Resource Services line item and the cost of each project. The report should provide information for the most recent year actual expenditures, the current year estimated expenditures, and the request year estimated expenditures.
2. Department of Natural Resources, Oil and Gas Conservation Commission, Emergency Response -- The Oil and Gas Conservation Commission is requested to include in its annual budget request a report detailing all expenditures made in the previous year from this line item.

3. Department of Natural Resources, Oil and Gas Conservation Commission, Special Environmental Protection and Mitigation Studies -- The Oil and Gas Conservation Commission is requested to include in its annual budget request a report detailing all expenditures made in the previous year from this line item.
4. Department of Natural Resources, Division of Parks and Wildlife, Parks and Outdoor Recreation, and Wildlife -- The Division of Parks and Wildlife is requested to provide the Joint Budget Committee with a report on Parks and Outdoor Recreation and Wildlife sources of revenue as well as the expenditures of revenues by revenue type. The report should provide an analysis of lottery funds Great Outdoors Colorado Board Grants used for operations and capital projects. The report is requested to be submitted by November 1, 2013.

## **DEPARTMENT OF PERSONNEL AND ADMINISTRATION**

1. Department of Personnel and Administration -- The Department is requested to work with the Public Employee's Retirement Association to provide information within existing resources on how the state's retirement benefits compare to prevailing practice by November 1, 2013. In addition, the Department is requested to provide recommendations regarding: (1) the level of detail and analysis and the costs required to perform a reliable comparison of the state's retirement benefits to prevailing practice; and (2) how frequently the state would need to analyze retirement benefits to ensure that state compensation matches prevailing compensation, given that retirement benefits may change less frequently than other components of compensation.

## **DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT**

1. Department of Public Health and Environment, Prevention Services Division, Tobacco Education Tobacco Education, Prevention, and Cessation Grants -- The Department is requested to submit a report on the types of grants award by the Tobacco Education, Prevention and Cessation Committee in FY 2012-13 and FY 2013-14. The request is requested to include the purpose of the grant, the amount of the grant, the recipient, and a report on how the funds were actually used. The Department is requested to submit this report to the Joint Budget Committee and Legislative Audit Committee by November 1, 2013.
2. Department of Public Health and Environment, Water Quality Control Division -- The Department is requested to submit a report on changes in workload and staffing needs of the Water Quality Control Division from the staffing needs reported to the Joint Budget Committee on November 1, 2012. The Department is requested to submit this report to the Joint Budget Committee by November 1, 2013.
3. Department of Public Health and Environment, Air Pollution Control Division -- The Department is requested to submit a report on changes in workload and staffing needs of the Air Pollution Control Division from the needs reported to the Joint Budget Committee on



November 1, 2012. The Department is requested to submit this report to the Joint Budget Committee by November 1, 2013.

## **DEPARTMENT OF PUBLIC SAFETY**

1. Department of Public Safety, Colorado State Patrol, Information Technology Asset Maintenance -- The Department is requested to submit to the Joint Budget Committee an annual expenditure report on November 1 of each year. At a minimum, each report should include on-going 5-year expenditure estimates for the line item, any new contracts awarded, and the names of the vendors.
2. Department of Public Safety, Division of Criminal Justice, Community Corrections, Community Corrections Placements – As part of its FY 2014-15 budget request, the Department is requested to report actual average daily community corrections populations and daily rates for the two most recently completed fiscal years in a format compatible with the community corrections table in the Long Bill footnote that outlines such rates.
3. Department of Public Safety, Division of Criminal Justice, Community Corrections, Subsistence Grace Period Pilot Project – The Department is requested to submit the evaluation report for the Subsistence Grace Period Pilot Project to the Joint Budget Committee as soon as feasible after the project is completed but no later than November 1, 2015. The Department is encouraged to submit the report in time for FY 2015-16 figure setting, if meaningful results are available at that time. The Department is requested to examine whether a subsistence grace period alters length of stay; rates of successful completion, technical violation, or escape; the amount owed to programs at termination; and the amount of savings at termination. The Department is requested to examine whether the effects depend upon the risk level of the offender. The Department is requested to estimate the magnitude of the effects and the precision of the estimates. The Department is also requested to conduct a cost-benefit analysis to determine whether the benefits, if any, observed during the period covered by this study, exceed the cost. The report need not be limited to these questions.
4. Department of Public Safety, Totals -- The Department is requested to submit to the Joint Budget Committee, on November 1 of each year, a detailed report on the Department's use of Highway Users Tax Fund (HUTF) by division and program. Each annual report should include the amount of HUTF spent and the Full-time Equivalent (FTE) employees for each program in the prior fiscal year, including on Colorado State Patrol FTE performing work for other divisions.

# STATE OF COLORADO

**SENATORS**

Pat Steadman, Chair  
Mary Hodge  
Kent Lambert

**REPRESENTATIVES**

Claire Levy, Vice-Chair  
Crisanta Duran  
Cheri Gerou

**STAFF DIRECTOR**

John Ziegler

**JOINT BUDGET COMMITTEE**

200 East 14th Avenue, 3rd Floor  
LEGISLATIVE SERVICES BUILDING  
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[www.state.co.us/gov\\_dir/leg\\_dir/jbc/jbchome.htm](http://www.state.co.us/gov_dir/leg_dir/jbc/jbchome.htm)

April 19, 2013

Hon. Michael L. Bender, Chief Justice of the Colorado Supreme Court  
2 East 14th Avenue  
Denver, CO 80203

Dear Chief Justice Bender:

The General Assembly recently finalized the FY 2013-14 Long Bill. Pursuant to Section 24-75-112 (2), C.R.S., the Long Bill footnotes no longer include requests for information. In lieu of such footnotes, the Joint Budget Committee respectfully submits the following requests for information. These requests are associated with specific Long Bill line items, and each has its own details and deadlines. Consistent with the provisions of Section 2-3-203 (3), C.R.S., information requests have been prioritized within each department in the attached lists.

To assist our staff in organizing and tracking submissions, we would appreciate if the department would follow the protocol outlined in an attachment to this letter with respect to submitting hard copies and electronic responses. The Committee requests that the department comply with these requests for information to the fullest extent possible.

Please notify us by May 6<sup>th</sup> if the department does not intend to comply with any requests.

Sincerely,

Senator Pat Steadman  
Chair

cc:

Gerald Marroney, State Court Administrator  
Thomas Raynes, Executive Director, Colorado District Attorneys' Council  
John Ziegler, Joint Budget Committee Staff

**Attachment**  
**Requested Format for Responses to Legislative Requests for Information**

Please submit both hard (paper) copies and electronic copies of request for information (RFI) responses as follows:

- ✓ Hard copies: Three (3) hard copies should be delivered by the requested due-date to the Joint Budget Committee (JBC) offices at 200 East 14th Ave., Denver, 3rd Floor.
- ✓ Electronic copies: An electronic copy of all paper submissions should also be submitted. This should be sent by email to:
  - The JBC analyst responsible for the specified budget area
  - Jessi Neuberg ([jessi.neuberg@state.co.us](mailto:jessi.neuberg@state.co.us)) at the JBC offices
  - Legislative Council Staff at the following address: [lcs.ga@state.co.us](mailto:lcs.ga@state.co.us)

The Legislative Council Staff ([lcs.ga@state.co.us](mailto:lcs.ga@state.co.us)) will include the report in an electronic database (part of the Legislative Council Library) and will also ensure the report is distributed to other legislative committees, as specified in some of the RFIs.

- ✓ All submissions should include the following information:
  - Name of Department
  - Long Bill fiscal year to which the RFI is attached (FY 2013-14 for the RFIs listed in this letter)
  - Correct RFI number, as listed in this letter

Please include this information in the subject line for electronic submissions, as well as in the body of both electronic and hard copy submissions.

- ✓ Please use the following naming convention for your electronic attachments:

**"[Department] [fiscal year] [RFI Number]"**

For example, the attachment providing the response to RFI #7 in the Department of Health Care Policy and Financing would be entitled: **Health Care Policy and Financing FY 2013-14 RFI #7**

# **LEGISLATIVE REQUESTS FOR INFORMATION FROM THE JUDICIAL BRANCH FOR FY 2013-14**

## **REQUESTS AFFECTING MULTIPLE DEPARTMENTS**

[Note: numbered requests other than #2 do not affect the Judicial Department]

2. Department of Corrections, Management, Executive Director's Office Subprogram; Department of Human Services, Behavioral Health Services, Alcohol and Drug Abuse Division; and Division of Youth Corrections; Judicial Department, Probation and Related Services; and Department of Public Safety, Division of Criminal Justice; and Colorado Bureau of Investigation – State agencies involved in multi-agency programs requiring separate appropriations to each agency are requested to designate one lead agency to be responsible for submitting a comprehensive annual budget request for such programs to the Joint Budget Committee, including prior year, request year, and three year forecasts for revenues into the fund and expenditures from the fund by agency. The requests should be sustainable for the length of the forecast based on anticipated revenues. Each agency is still requested to submit its portion of such request with its own budget document. This applies to requests for appropriation from: the Offender Identification Fund, the Sex Offender Surcharge Fund, the Persistent Drunk Driver Cash Fund, and the Alcohol and Drug Driving Safety Program Fund, among other programs.

## **JUDICIAL DEPARTMENT**

1. Judicial Department, Trial Courts, District Attorney Mandated Costs – District Attorneys in each judicial district shall be responsible for allocations made by the Colorado District Attorneys' Council's Mandated Cost Committee. Any increases in this line item shall be requested and justified in writing by the Colorado District Attorneys' Council, rather than the Judicial Department, through the regular appropriation and supplemental appropriation processes. The Colorado District Attorneys' Council is requested to submit an annual report by November 1 detailing how the District Attorney Mandated Costs appropriation is spent, how it is distributed, and the steps taken to control these costs.
2. Judicial Department, Office of the State Public Defender – The State Public Defender is requested to provide by November 1, 2013, a report concerning the Office's appellate case backlog for the last five fiscal years including the fiscal year ending June 30, 2013, and the potential resources that would be required to reduce the backlog to a reasonable level within the next five fiscal years.
3. Judicial Department, Probation and Related Services – The State Court Administrator's Office is requested to provide by November 1 of each year a report on pre-release rates of recidivism and unsuccessful terminations and post-release recidivism rates among offenders in all segments of the probation population, including the following: adult and juvenile intensive supervision; adult and juvenile minimum, medium, and maximum supervision; and the female offender program. The Office is requested to include information about the disposition of pre-release failures and post-release recidivists, including how many offenders

are incarcerated (in different kinds of facilities) and how many offenders return to probation as the result of violations.

4. Judicial Department, Probation and Related Services, Offender Treatment and Services – The State Court Administrator’s Office is requested to provide by November 1 of each year a detailed report on how this appropriation is used, including the amount spent on testing, treatment, and assessments for offenders.

# STATE OF COLORADO

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**JOINT BUDGET COMMITTEE**

200 East 14th Avenue, 3rd Floor  
LEGISLATIVE SERVICES BUILDING  
Denver, CO 80203  
Telephone 303-866-2061  
[www.state.co.us/gov\\_dir/leg\\_dir/jbc/jbchome.htm](http://www.state.co.us/gov_dir/leg_dir/jbc/jbchome.htm)

April 19, 2013

Hon. John Suthers, Attorney General  
Colorado Department of Law  
Ralph L. Carr Colorado Judicial Center  
1300 Broadway, 10th Floor  
Denver, CO 80203

Dear Attorney General Suthers:

The General Assembly recently finalized the FY 2013-14 Long Bill. Pursuant to Section 24-75-112 (2), C.R.S., the Long Bill footnotes no longer include requests for information. In lieu of such footnotes, the Joint Budget Committee respectfully submits the following requests for information. These requests are associated with specific Long Bill line items, and each has its own details and deadlines. Consistent with the provisions of Section 2-3-203 (3), C.R.S., information requests have been prioritized within each department in the attached lists.

To assist our staff in organizing and tracking submissions, we would appreciate if the department would follow the protocol outlined in an attachment to this letter with respect to submitting hard copies and electronic responses. The Committee requests that the department comply with these requests for information to the fullest extent possible.

Please notify us by May 6<sup>th</sup> if the department does not intend to comply with any requests.

Sincerely,

Senator Pat Steadman  
Chair

cc:

Hugh Wilson, Director of Administration, Colorado Department of Law  
Jon Reitan, Budget Director, Colorado Department of Law  
Cynthia Coffman, Deputy Attorney General, Colorado Department of Law  
John Ziegler, Joint Budget Committee Staff

**Attachment**  
**Requested Format for Responses to Legislative Requests for Information**

Please submit both hard (paper) copies and electronic copies of request for information (RFI) responses as follows:

- ✓ Hard copies: Three (3) hard copies should be delivered by the requested due-date to the Joint Budget Committee (JBC) offices at 200 East 14th Ave., Denver, 3rd Floor.
- ✓ Electronic copies: An electronic copy of all paper submissions should also be submitted. This should be sent by email to:
  - The JBC analyst responsible for the specified budget area
  - Jessi Neuberg ([jessi.neuberg@state.co.us](mailto:jessi.neuberg@state.co.us)) at the JBC offices
  - Legislative Council Staff at the following address: [lcs.ga@state.co.us](mailto:lcs.ga@state.co.us)

The Legislative Council Staff ([lcs.ga@state.co.us](mailto:lcs.ga@state.co.us)) will include the report in an electronic database (part of the Legislative Council Library) and will also ensure the report is distributed to other legislative committees, as specified in some of the RFIs.

- ✓ All submissions should include the following information:
  - Name of Department
  - Long Bill fiscal year to which the RFI is attached (FY 2013-14 for the RFIs listed in this letter)
  - Correct RFI number, as listed in this letter

Please include this information in the subject line for electronic submissions, as well as in the body of both electronic and hard copy submissions.

- ✓ Please use the following naming convention for your electronic attachments:

**"[Department] [fiscal year] [RFI Number]"**

For example, the attachment providing the response to RFI #7 in the Department of Health Care Policy and Financing would be entitled: **Health Care Policy and Financing FY 2013-14 RFI #7**

# **LEGISLATIVE REQUESTS FOR INFORMATION FROM THE DEPARTMENT OF LAW FOR FY 2013-14**

## **DEPARTMENT OF LAW**

1. Department of Law, Criminal Justice and Appellate, Appellate Unit -- The Department is requested to provide by November 1, 2013, a report concerning the Appellate Unit's progress in reducing its case backlog, including the following data for FY 2012-13: the number of opening briefs received; the number of answer briefs filed; the number of cases resolved through the expedited docket; the number of cases resolved through the experimental docket; and the case backlog as of June 30, 2013. In addition, the Department is requested to summarize the tasks completed by the inter-agency working group that was established to review the procedures, rules, and practices for handling post-conviction appeals, along with any recommended procedural, regulatory, or statutory changes.
2. Department of Law, Criminal Justice and Appellate, Medicaid Fraud Control Unit – Pursuant to Section 25.5-4-310, C.R.S., the Department of Law's Medicaid Fraud Control Unit is required to submit an annual report by January 15 concerning: actions filed under the "Colorado Medicaid False Claims Act", the amount recovered as a result of such actions, and the amount of related expenditures. The General Assembly requests that the Department also include in this annual report information about expenditures and recoveries related to the Unit's criminal investigations.



## J. INFORMATIONAL "(I)" NOTATIONS

Beginning in FY 2012-13, the Long Bill and other legislation indicate when an amount is shown for informational purposes through an "(I)" notation. As defined in the Long Bill headnotes (Section (2) (I) (I) of S.B. 13-230):

Where the letter "(I)" appears directly to the right of a [Long Bill amount], that amount is not an appropriation nor does it limit the expenditure of such moneys. It is included for informational purposes only. It provides a record of funds anticipated to be expended and, in some instances, may indicate assumptions used relative to those funds in developing appropriated amounts.

The table below summarizes, by department and bill, those appropriations annotated with the "(I)".

FY 2013-14 "(I)" NOTATIONS							
	Bill	General Fund <sup>/1</sup>	Cash Funds	Reappropriated Funds	Federal Funds	Total Funds	% of Total (I) Notes
<b>OPERATING BUDGET "(I)" NOTATIONS</b>							
Agriculture	SB 13-230	\$0	\$1,549,339	\$0	\$4,137,870	\$5,687,209	0.1%
Corrections	SB 13-230	0	14,742,963	0	1,010,514	15,753,477	0.3%
Education	SB 13-230	0	3,633,246	11,819,722	625,524,834	640,977,802	10.4%
Governor	SB 13-230	0	10,257,577	0	6,755,621	17,013,198	0.3%
Health Care Policy	SB 13-230	0	10,000,000	0	236,968,775	246,968,775	4.0%
Higher Education	SB 13-230	0	1,920,736,363	0	19,290,300	1,940,026,663	
	HB 13-1194	<u>0</u>	<u>68,790</u>	<u>0</u>	<u>0</u>	<u>68,790</u>	
Subtotal		0	1,920,805,153	0	19,290,300	1,940,095,453	31.6%
Human Services	SB 13-230	0	226,061,001	1,330,200	273,402,352	500,793,553	
	SB 13-047	0	0	0	6,766	6,766	
	HB 13-1117	<u>0</u>	<u>0</u>	<u>0</u>	<u>848,200</u>	<u>848,200</u>	
Subtotal		0	226,061,001	1,330,200	274,257,318	501,648,519	8.2%
Judicial	SB 13-230	0	37,659,983	0	4,425,000	42,084,983	0.7%
Labor	SB 13-230	0	8,196,986	0	97,192,944	105,389,930	1.7%
Law	SB 13-230	0	1,074,709	0	1,770,364	2,845,073	0.0%
Legislature	SB 13-230	0	0	0	0	0	0.0%
Local Affairs	SB 13-230	4,294,753	204,997,797	0	69,956,340	279,248,890	4.5%
Military Affairs	SB 13-230	0	0	0	214,439,842	214,439,842	3.5%
Natural Resources	SB 13-230	0	24,740,037	0	28,579,274	53,319,311	0.9%
Personnel	SB 13-230	0	1,273,980	15,924,315	0	17,198,295	0.3%
Public Health	SB 13-230	0	0	0	271,200,374	271,200,374	
	HB 13-1117	<u>0</u>	<u>0</u>	<u>0</u>	<u>(848,200)</u>	<u>(848,200)</u>	
Subtotal		0	0	0	270,352,174	270,352,174	4.4%

### FY 2013-14 "(I)" NOTATIONS

	Bill	General Fund <sup>1/</sup>	Cash Funds	Reappropriated Funds	Federal Funds	Total Funds	% of Total (I) Notes
Public Safety	SB 13-230	0	9,860,988	0	55,174,744	65,035,732	
	SB 13-083	<u>0</u>	<u>0</u>	<u>0</u>	<u>4,635</u>	<u>4,635</u>	
Subtotal		0	9,860,988	0	55,179,379	65,040,367	1.1%
Regulatory Agencies	SB 13-230	0	2,000,542	0	1,323,983	3,324,525	0.1%
Revenue	SB 13-230	16,400,000	36,014,275	0	824,388	53,238,663	0.9%
State	SB 13-230	0	349,222	0	0	349,222	0.0%
Transportation	SB 13-230	0	735,520,149	17,950,552	488,142,984	1,241,613,685	20.2%
Treasury	SB 13-230	130,521,079	361,634,801	0	0	492,155,880	
	SB 13-234	(25,321,079)	0	0	0	(25,321,079)	
	HB 13-1115	0	(36,511,694)	0	0	<u>(36,511,694)</u>	
Subtotal		105,200,000	325,123,107	0	0	430,323,107	7.0%
<b>Total "(I)" Notations</b>							
Operating Budget		\$125,894,753	\$3,573,861,054	\$47,024,789	\$2,400,131,904	\$6,146,912,500	100.00%
<b>FY 2013-14 CAPITAL CONSTRUCTION "(I)" NOTATIONS</b>							
Total "(I)" Notations							
Capital Budget	SB 13-230	\$0	\$11,101,950	\$0	\$2,266,990	\$13,368,940	n/a
<b>GRAND TOTAL "(I)" Notations</b>							
		\$125,894,753	\$3,584,963,004	\$47,024,789	\$2,402,398,894	\$6,160,281,440	n/a

1/ Includes General Fund Exempt.

The table below reflects operating budget appropriations with "(I)" notations as a percentage of the total state operating budget for FY 2013-14. As shown, informational funds represent 27.3 percent of all operating appropriations, consisting primarily of federal funds and cash funds.

FY 2013-14 Operating Budget Appropriations and Informational "(I)" Notations			
Operating Budget Appropriations			
	Operating Budget Appropriations	Informational "(I)" Notation Operating Budget Totals	Informational as Percent of Operating Appropriations
General Fund/General Fund Exempt	\$8,094,186,715	\$125,894,753	1.6%
Cash Funds	6,598,102,291	3,573,861,054	54.2%
Reappropriated Funds	1,666,771,488	47,024,789	2.8%
Federal Funds	<u>6,121,131,295</u>	<u>2,400,131,904</u>	39.2%
Total	\$22,480,191,789	\$6,146,912,500	27.3%

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