

STATE OF COLORADO

OFFICE OF THE GOVERNOR

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John W. Hickenlooper
Governor

January 3, 2012

The Honorable Cheri Gerou
Chair, Joint Budget Committee
Colorado General Assembly
200 E. 14th Avenue, Third Floor
Legislative Services Building
Denver, CO 80203

Dear Representative Gerou:

Today, we are pleased to submit a package of requests comprising supplemental changes to the FY 2011-12 budget, along with amendments to our November 1, 2011 request for FY 2012-13. This supplemental and budget amendment package is submitted pursuant to Section 24-37-304 (1) (b.5) and (c) and Section 24-11-110, C.R.S.

Primarily, our supplemental and budget amendment requests reflect growth in caseload counts in corrections and Medicaid, and increased pupil counts in K-12 education. However, with the upward revision in the December 2011 revenue forecast, we are requesting additional funds that reflect the priorities outlined in our initial budget request for FY 2012-13. Most notably, these requests continue our focus on protecting Colorado's most vulnerable citizens, rebuilding severance tax grants to local communities, mitigating the impacts of the Senior Homestead Exemption suspension, and continuing work to repurpose the Ft. Lyon Correctional Facility.

This supplemental and budget amendment package uses increased General Fund revenues as reflected in the OSPB December 2011 revenue forecast. In this forecast, we project that General Fund revenues for FY 2011-12 to be 3.2 percent higher than in our September forecast, and FY 2012-13 also shows revenue growth relative to September. While the additional revenue reflects a welcome improvement in the economy in recent months, growth overall is still modest, and our modified budget requests reflect a cautious optimism.

Specifically, although the new forecast is encouraging, we believe that it contains enough downside risk that that appropriating all of the new the new General Fund revenues would be unwise. With this in mind, our budget includes the following priorities for making use of the higher revenue projections:

- We are recommending that, after critical new supplemental expenditures, available revenue over the 4.0 percent reserve transfer from the General Fund to the State

Education Fund in FY 2011-12. This package of requests would transfer \$107.0 million in an effort to stabilize this important fund.

- For K-12 education, we will request a new General Fund expenditure of \$22.0 million in FY 2011-12 to address increased pupil counts. In FY 2012-13, we will propose General Fund expenditures of \$67.0 million above our November 1 budget request. Over two years, then, we will propose increasing expenditures on K-12 education by \$89.0 million. (The Department of Education is presently finalizing the details of these requests, and we will forward those to you as soon as they are completed.)
- We hereby withdraw the FY 2012-13 proposals to reduce Financial Aid programs in the Department of Higher Education contained in our November 1, 2011 budget submission. These initiatives included reductions of \$24.6 million General Fund in Need-Based Aid Grants, and a \$5.5 million General Fund reduction to Work-study Programs.
- While a balanced budget in FY 2012-13 still requires the ongoing suspension of the Senior Homestead Exemption, we propose an additional \$8.0 million General Fund for property tax, heat, and rent assistance for low-income seniors. Coupled with the proposal in our November 1 request, this will bring the total additional funding in this program to \$17.5 million in the upcoming fiscal year.
- We have included a placeholder estimate of \$17.0 million General Fund (\$37.0 million total funds) for the Colorado Benefits Management System (CBMS). (These amounts and fund splits may be adjusted as the details of the request and potential federal matching dollars are finalized later in January.) The completed request will represent an 18-month plan to address the most critical shortcomings within CBMS, aimed specifically at IT infrastructure support, implementing changes required by prior legislation, and eliminating redundant work at both the State and county levels. This request reflects a redoubling and coordination of efforts between the Department of Human Services, the Department of Health Care Policy and Financing, the Governor's Office of Information Technology, and our county partners across the State. We anticipate that the projects included in this request will mitigate the risks associated with court monitoring of the CBMS system, but our Administration's goal is to deliver Coloradoans a more timely and accurate system that serves families, children, and seniors.
- We have requested \$0.4 million in FY 2011-12, and \$0.9 million in FY 2012-13 to place adequate security personnel and make utilities and insurance payments at the Ft. Lyon Correctional Facility after its closure later this year. As we continue to explore options for repurposing the facility, this funding will ensure that the facility is properly secured and monitored, and will keep building systems operational to prevent damage from adverse weather conditions.
- Finally, we will increase our FY 2012-13 request for local grants from the Severance Tax Trust Fund by \$8.0 million, and will propose an additional \$2.0 million for water projects in the Colorado Water Conservation Board. For purposes of this letter, our General Fund overview assumes that the full \$10.0 million is taken from the General Fund transfer

requested in November for FY 2012-13. As we further evaluate the December 2011 severance tax forecast and its implications, we may amend this request as necessary. (The Departments of Natural Resources and Local Affairs are finalizing the details of these requests, and we will forward additional documentation to you as soon as it is available.)

General Fund Overview

The FY 2011-12 General Fund overview reflects \$0.6 million associated with a H.B. 98-1331 supplemental already approved by the Joint Budget Committee in September 2011, along with increases of \$73.1 million in General Fund from supplemental requests submitted today. The overview also reflects FY 2011-12 General Fund placeholders totaling \$24.0 million for late supplemental adjustments anticipated in February 2012.

The FY 2012-13 General Fund overview reflects a request of \$101.1 million General Fund for budget amendments, a placeholder for an additional \$2.0 million General Fund anticipated in February 2012 requests, and the additional \$8.0 million noted above for property tax, heat, and rent assistance for low-income seniors.

<u>General Fund Budget Request</u>				
	FY 2011-12 Budget	FY 2012-13 Budget	Change of FY 2012-13 over FY 2011-12	FY 2012-13 % Change
GF Available	\$7,548,213,985	\$7,794,321,227	\$246,107,242	3.3%
GF Expenditures	<u>7,261,427,271</u>	<u>7,502,263,930</u>	<u>240,836,659</u>	<u>3.3%</u>
Ending GF	286,786,714	292,057,297	5,270,583	N/A
GF Reserve Requirement	283,197,161	292,057,298	8,860,136	3.1%
GF Above (Below) Reserve Requirement	3,589,553	(0)	(3,589,553)	N/A

As this overview indicates, our plan leaves an excess of \$3.6 million beyond the 4.0 percent reserve requirement of \$283.2 million in FY 2011-12 while also providing for the \$107.0 million General Fund transfer to the State Education Fund; this excess reserve carries forward to enhance the FY 2012-13 beginning fund balance and available General Fund. This balance is necessary to provide for the FY 2012-13 General Fund expenditures and to leave a 4.0 percent General Fund reserve.

FY 2011-12 State Budget Summary

General Fund Available	\$7,548.2 million
General Fund Expenditures	\$7,261.4 million
General Fund Ending Reserve	\$ 286.8 million
General Fund Reserve Requirement	\$ 283.2 million

Moneys Above Reserve Requirement \$ 3.6 million <1>

<1> *General Fund available less expenditures and 4.0 percent General Fund reserve.*

As noted above, the General Fund overview assumptions use the estimates contained in the OSPB December 2011 revenue forecast. Based on this forecast and our State Education Fund transfer, the available General Fund is \$7,548.2 million. This available General Fund is inclusive of our transfer of \$107.0 million from the General Fund to the State Education Fund. Including the FY 2011-12 supplementals and associated placeholders, the anticipated General Fund spending is \$7,261.4 million General Fund. This leaves a balance of \$286.8 million, or \$3.6 million over the 4.0 percent reserve requirement of \$283.2 million. This \$3.6 million excess balance is necessary to maintain and carry-forward for FY 2012-13 budget and balancing assumptions.

FY 2012-13 State Budget Summary

General Fund Available	\$7,794.3 million
General Fund Expenditures	\$7,502.3 million
General Fund Ending Reserve	\$ 292.1 million
General Fund Reserve Requirement	\$ 292.1 million

In FY 2012-13, the total available General Fund for expenditures is \$7,794.3 million. This amount contains a \$10.0 million negative adjustment to allow for an additional \$8.0 million in local Severance Tax grants and an additional \$2.0 million for the Colorado Water Conservation Board (CWCB).

Including the FY 2012-13 budget amendments of \$101.1 million and a \$2.0 million set-aside for future budget amendments, the anticipated General Fund spending is \$7,502.3 million. As previously noted, we are increasing the FY 2012-13 General Fund budget request for allocation to K-12 education by \$67.0 million. We are also withdrawing \$30.1 million of reductions to Higher Education Financial Aid grants, and adding \$8.0 million General Fund for property tax, heat, and rent assistance to low-income seniors. The total General Fund spending plan leaves an ending reserve balance of \$292.1 million, equal to a 4.0 percent reserve.

Supplemental Adjustments to the FY 2011-12 Appropriation

The January 3, 2012 supplemental adjustments to the FY 2011-12 appropriation total \$94.0 million total funds (\$73.1 million General Fund) and a decrease of 0.1 FTE. This sum is comprised of the following department requests:

- **Agriculture.** Includes an increase of \$11,300 total funds (\$4,500 General Fund) associated with two common policy adjustments (Capitol Complex leased space and vehicle lease payments).
- **Corrections.** Includes an increase of \$25.4 million total funds (\$20.6 million General Fund), and a reduction of 1.8 FTE. These requests include \$15.1 million total funds

(\$13.7 million General Fund) for caseload increases, \$5.7 million total funds/General Fund for offender medical costs, \$3.2 million total funds (decrease of \$40,000 General Fund) for miscellaneous adjustments, \$1.5 million total funds (\$1.4 million General Fund) for a utilities increase, \$0.4 million total funds/General Fund for payments to District Attorneys, \$0.4 million total funds/General Fund for Fort Lyon Maintenance, and \$86,000 total funds/General Fund for common policy adjustments (Fleet, Administrative Law Judges, and Capitol Complex). Offsetting these increases are a decrease of \$0.9 million total funds/General Fund for Fort Lyon Correctional Facility personal services, and a decrease of \$0.2 million total funds/General Fund for Parole and Parole ISP caseload.

- **Education.** Includes \$21,400 total funds (\$3,666 General Fund) associated with common policy adjustments (Capitol Complex Leased Space, Vehicle Lease, and Administrative Law Judges).
- **Governor's Offices and the Office of Information Technology.** Includes an increase of \$1.5 million total funds (decrease of \$0.6 million General Fund). This is comprised of increases of \$1.5 million total funds/reappropriated funds associated with the HCPF hospital provider fee administrative true-up, funding for the statewide indirect cost assessment (\$49,836 total funds, \$2,024 General Fund) and slight adjustments for common policies, offset by a \$0.6 million General Fund (\$0 total funds) change associated with a leased space adjustment.
- **Health Care Policy and Financing.** Includes a net \$27.8 million total funds increase (\$36.9 million net General Fund).

Most significantly, the request contains \$62.4 million total funds (\$51.3 million General Fund) for Medical Services Premiums increases. Additional components are made up of \$4.3 million total funds (\$7.7 million General Fund) for Medicaid Mental Health, \$3.9 million total funds (\$0 General Fund) for the Hospital Provider Fee Administrative adjustment, \$2.4 million total funds/General Fund for the Medicare Modernization Act, \$1.7 million total funds (\$0 General Fund) for federally mandated CHP+ payments and payments to FQHCs, \$1.1 million total funds (\$0.6 million General Fund) for the Mental Health Institutes revenue adjustments, \$0.6 million total funds (\$0 General Fund) for the smoking cessation quit line for Medicaid patients, \$0.5 million total funds (decrease of \$42,000 General Fund) for a CBMS funds split adjustment, \$0.4 million total funds (\$0.2 million General Fund) for the Commission on Family Medicine per SB11-184, \$0.2 million federal funds for Medicaid Facility Survey and Certification, and adjustments for common policy adjustments at the Department of Health Care Policy and Financing and Medicaid for the Department of Human Services totaling \$24,611 net total funds (\$12,306 net General Fund).

These increases are offset by the following reductions: \$29.6 million total funds (\$0 General Fund) associated with CHP+ Medical and Dental, \$5.6 million General Fund (\$0 total funds) for the CHIPRA bonus true-up, \$9.6 million total funds (\$0.6 million General Fund) to use supplemental payments for General Fund relief, \$7.9 million total funds (\$19.6 million General Fund) for Medicaid budget reductions, reduction of \$1.9 million

(increase of \$0.9 million General Fund) associated with the suspension of ICF/ID provider fee, \$0.4 million (\$0.2 million General Fund) for a utilities funding request, and \$0.3 million (\$0.1 million General Fund) for cost sharing for CHP+.

- **Higher Education.** Reflects \$11.0 million reappropriated funds associated with a technical change to the FY 2011-12 appropriation for the Colorado School of Mines related to the passage of H.B. 11-1074. Also reflects a \$29 cash funds change associated with a common policy (Administrative Law Judge) adjustment.
- **Human Services.** Includes a net reduction of \$13.2 million total funds (\$0.1 million General Fund) and an increase of 3.2 FTE. The supplemental increases include the following requests: (1) \$3.0 million total funds/General Fund and 3.2 FTE to correct staffing, pharmaceutical and information technology issues at the Mental Health Institutes; (2) \$1.5 million total funds (\$0 General Fund) associated with a Department of Health Care Policy and Financing hospital provider fee true-up; (3) \$86,343 total funds (\$46,180) for common policy adjustments; and (4) \$26,000 total funds (\$0 General Fund) for the Colorado Child Care Assistance Program Provider Self-Service Portal.

Offsetting these increases are the following decreases: (1) \$16.0 million total funds (\$0 General Fund) associated with the Colorado Works, Adjustment to County TANF Reserves; (2) \$3.0 million General Fund (offset by other fund increases for a \$0 total funds impact) for the Colorado Mental Health Institutes revenue adjustment; (3) \$1.9 million total funds (\$0 General Fund) reduction for a one-year suspension of the Intermediate Care Facility for People with Intellectual Disabilities (ICF/ID) provider fee; (4) \$0.2 million total funds (including an increase of \$0.1 million General Fund offset by a decrease of \$0.4 million in other funds) for utility and fleet issues; and (5) a \$0.2 million General Fund reduction (\$0 total funds) associated with a Department of Health Care Policy and Financing CBMS technical adjustment.

- **Labor and Employment.** Includes an increase of \$0.3 million cash and federal funds associated with common policy adjustments (common policy allocation true-up, Administrative Law Judges, Capitol Complex Leased Space, and Vehicle Fleet management).
- **Law.** Includes an increase of \$39,600 (\$11,300 General Fund) associated with common policy adjustments (Capitol Complex Leased Space and Vehicle Fleet Management).
- **Local Affairs.** Includes an increase of \$9,400 (\$738 General Fund) associated with common policy adjustments (Capitol Complex Leased Space and Vehicle Fleet Management).
- **Military Affairs.** Includes an increase of \$10,300 (\$9,600 General Fund) associated with common policy adjustments (Capitol Complex Leased Space and Vehicle Fleet Management).
- **Natural Resources.** Includes an increase of \$81,300 total funds (\$14,300 General Fund). This increase includes \$62,400 total funds/cash funds and 4.0 FTE associated with Oil

and Gas Conservation Commission local government liaisons, and net increases of \$18,900 total funds (\$14,300 General Fund) for common policy adjustments in Capitol Complex and Vehicle Lease Payments. Also includes a \$0 total funds request comprised of a decrease in \$0.3 million cash funds and an increase of \$0.3 million federal funds to reverse the Coal Program refinancing in the FY 2011-12 appropriation.

- **Personnel and Administration.** Includes a net reduction of \$0.7 million total funds (\$1.0 million General Fund reduction). This includes an increase of \$0.3 million total funds/cash funds for a Capital Complex Utilities true-up, and a \$0 total funds request for an Integrated Document Solutions and Denver Spending Authority true-up. The request includes slight total funds adjustments for common policy increases. This increase is offset by a decrease of \$0.9 million total funds/reappropriated funds associated with a true up of the fleet program, and a decrease of \$0.1 million total funds (\$1.0 million General Fund) associated with appropriations adjustments.
- **Public Health and Environment.** Includes an increase of \$2.0 million total funds (decrease of \$4,792 General Fund). Includes \$1.2 million total funds/reappropriated funds for intoxilyzers for the evidential breath alcohol testing program, \$0.3 million net total funds (\$0 General Fund) for the Smoking Cessation Quit line for Medicaid clients, \$0.3 million total funds/cash funds for the Radiation Control Program, \$0.2 million total funds/reappropriated funds for Medicaid health care facility and provider certification, \$77,000 total funds/reappropriated funds for a Lease Escalator, and slight adjustments (\$0 General Fund) for common policy requests. Also includes a request for an OIT fund split adjustment \$0 total funds (and a decrease of \$4,792 General Fund).
- **Public Safety.** Includes an increase of \$2.2 million total funds (\$0.1 million General Fund). Includes \$1.2 million total funds/HUTF cash funds for intoxilyzers for the evidential breath alcohol testing program, \$0.9 million (\$28,000 General Fund) for operating expenses, \$0.4 million total funds/HUTF cash funds for emergency connectivity in mountainous and rural areas, \$0.4 million total funds/cash funds for State Victim Assistance and Law Enforcement Fund (VALE), \$0.1 million total funds/cash funds spending authority for dispatching contract, and \$40,000 total funds (\$52,000 General Fund) associated with Capitol Complex leased space adjustments. These funding increases are offset by a decrease of \$0.8 million total funds (increase of \$23,000 General Fund) associated with Vehicle Lease Payments.
- **Regulatory Agencies.** Includes increases of \$58,000 total funds (\$1,200 General Fund) associated with common policy changes for Administrative Law Judges, Vehicle Lease Payments, and Capitol Complex Leased Space.
- **Revenue.** Reflects an increase of \$0.4 million total funds (increase of \$34,000 General Fund) and a decrease of 2.0 FTE. Includes an increase of \$0.4 million total funds/cash funds for drivers' license office network upgrades, offset by \$0.1 million total funds/cash funds and -2.0 FTE for the Motor Vehicle Emissions Program FTE reduction. Also includes adjustments of \$125,841 total funds (\$34,230 net General Fund) for common policy adjustments.

- **State.** Reflects adjustments of \$1,733 total funds/cash funds, including \$1,841 total funds/cash funds for Administrative Law Judges, offset by a decrease of \$108 total funds/cash fund sfor Vehicle Lease Payments.
- **Colorado Benefits Management System.** The overall supplemental budget request includes a placeholder for \$37.0 million total funds (\$17.0 million General Fund) for improvements to the CBMS system. This request will affect the Department of Human Services, the Department of Health Care Policy and Financing, and the Governor's Office of Information Technology.

In addition, the FY 2011-12 General Fund budget balancing assumptions assume \$24.0 million General Fund for potential supplemental adjustments to be submitted in February.

Amendments to the November Budget Request for FY 2012-13

Our requested adjustments to the FY 2012-13 request submitted in November provide for a total funds increase of \$83.2 million total funds, a General Fund increase of \$101.1 million, and an increase of 24.9 FTE. This FY 2012-13 budget amendments package includes the following department requests:

- **Agriculture.** Includes an increase of \$47 cash funds associated with Communications Services Payments.
- **Corrections.** Includes an increase of \$2.5 million total funds (\$2.4 million General Fund) and 6.0 FTE. The Department requests \$1.6 million total funds (\$1.5 million General Fund) for utilities, \$0.9 million total funds/General Fund and 6.0 FTE for security and utilities at Fort Lyon, \$0.1 million total funds/General Fund for psychotropic medication, and a small adjustment (\$6,700) for communication services payments.

- **Education.** Includes an increase of \$67.0 million total funds/General Fund. As noted earlier, this increase reflects the availability of additional General Fund revenue in the OSPB December 2011 forecast.
- **Governor's Offices and the Office of Information Technology.** Includes a net decrease of \$0.3 million total funds (\$0.6 million General Fund) and a decrease of 4.0 FTE. This includes an increase of \$20,000 reappropriated funds for an OIT Communications Services increase offset by a decrease of \$0.3 million reappropriated funds and 4.0 FTE associated with an OIT staff transfer technical correction. Also reflects a leased space technical correction which reduces \$0.6 million General Fund (\$0 total funds).
- **Health Care Policy and Financing.** Includes a decrease of \$7.0 million total funds (increase of \$0.6 million General Fund). This is comprised of \$1.4 million total funds (\$0 General Fund) for Smoking Cessation Quit Line for Medicaid clients, \$1.1 million total funds (\$0.6 million General Fund) for the Colorado Mental Health Institute revenue adjustment, \$1.1 million total funds (\$0 General Fund) for MMIS technical adjustments, and \$0.3 million total funds (decrease of \$0.1 million General Fund) for CBMS technical adjustments for the financing attributable to HB09-1293. The request also includes a decrease of \$10.5 million total funds (increase of \$0.4 million General Fund) to utilize supplemental payments for General Fund relief, and a decrease of \$0.4 million total funds (\$0.2 million General Fund) for utilities adjustments.
- **Higher Education.** Contains an increase of \$30.1 million General Fund relative to the November 1 request. This increase reflects the withdrawal of the request for reductions for Need-based Aid Grants reduction of \$24.6 million total funds/General Fund and the request for reductions to Work-study Program of \$5.5 million total funds/General Fund.
- **Human Services.** Includes a decrease of \$11.1 million total funds (increase of \$1.4 million General Fund and 18.9 FTE). This comprises an increase of \$4.5 million total funds/General Fund and 18.9 FTE for staffing, pharmaceutical and information technology issues at the Mental Health Institutes and \$0.4 million total funds (\$0 General Fund) for the Colorado Child Care Assistance Program Self Service Portal and a small adjustment for a Communication Services Payments utilities increase. Offsetting these increases are the following decreases: (1) \$15.6 million total funds (\$0 General Fund) for an adjustment to TANF county reserves; (2) \$3.0 million General Fund (\$0 total funds) for a revenue adjustment at the Mental Health Institutes; (3) a decrease of \$0.2 million total funds/General Fund associated with a Department of Health Care Policy and Financing CBMS technical adjustment, and (4) \$175,000 total funds (including a \$175,000 General Fund increase offset by a decrease of \$350,000 reappropriated funds) to refinance appropriations for utilities.

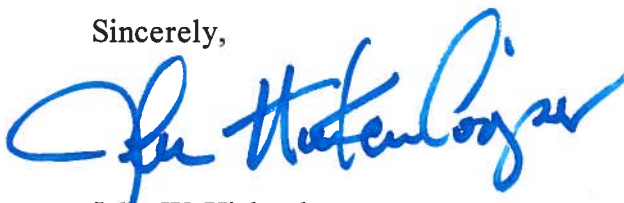
- **Law.** Includes an increase of \$40 total funds (\$14 General Fund) to reflect a common policy adjustment in Communication Services Payments.
- **Local Affairs.** Includes an increase of \$132 total funds (\$33 General Fund) to reflect a common policy adjustment in Communication Services Payments.
- **Military Affairs.** Includes an increase of \$100 total funds/General Fund to reflect a common policy adjustment in Communication Services Payments.
- **Natural Resources.** Includes one request for \$0.2 million total funds/cash funds and 4.0 FTE for local government liaisons for the Oil and Gas Conservation Commission and a small common policy adjustment for Communication Services Payments (\$3,937).
- **Personnel and Administration.** Includes \$0.3 million total funds (\$0 General Fund). This includes \$0.3 million total funds/cash funds for a Capital Complex utilities true-up, and \$0 total funds (cash fund increase/reappropriated funds decrease) for an Integrated Document Solutions and Denver Spending Authority true-up.
- **Public Health and Environment.** Includes an increase of \$1.1 million total funds (\$0 General Fund) and 2.0 FTE. Reflects \$0.7 million total funds (\$0 General Fund) for the Smoking Cessation Quit Line for Medicaid clients, \$0.4 million for the Radiation Control Program, \$46,800 cash funds for the Medical Marijuana Program, and an increase of 2.0 FTE associated with an OIT staff transfer.
- **Public Safety.** Includes an increase of \$0.4 million total funds (\$129 General Fund) associated with three requests. First is \$0.3 million total funds (\$0 General Fund) for the State Victim Assistance and Law Enforcement (VALE) Fund, \$0.1 million total funds/reappropriated funds to the CBI related to implementation of H.B. 10-1284 (Medical Marijuana), and \$2,470 total funds (\$129 General Fund) for common policies Communication Services Payments.
- **Revenue.** Includes a net decrease of \$56,200 total funds (\$62,580 General Fund increase) and 2.0 FTE. Includes \$62,580 total funds/General Fund for the Cigarette Tax Stamp, and a small adjustment for Communication Services Payments (\$296 total funds, \$49 General Fund), offset by a reduction of \$0.1 million total funds/cash funds and 2.0 FTE associated with a Motor Vehicle Emissions Program FTE reduction.

In addition, the FY 2012-13 General Fund overview reflects a \$2.0 million placeholder for the February 15, 2012 request.

Closing Comments

Thank you for your consideration of today's request. We look forward to working with you and the entire General Assembly in the upcoming session. As always, if you have questions about this request or the budget in general, please contact our Budget Director, Henry Sobanet at 303/866-3317.

Sincerely,



John W. Hickenlooper
Governor

Cc: Senator Mary Hodge, Joint Budget Committee Vice-chairman
Senator Pat Steadman, Joint Budget Committee Member
Senator Kent Lambert, Joint Budget Committee Member
Representative Jon Becker, Joint Budget Committee Member
Representative Claire Levy, Joint Budget Committee Member
Senate President Brandon Shaffer
Speaker of the House Frank McNulty
Mr. John Ziegler, Joint Budget Committee Staff Director
Lt. Governor Joe Garcia
Ms. Roxane White, Chief of Staff, Governor John W. Hickenlooper
Mr. Alan Salazar, Chief Strategic Officer
Mr. Kevin Patterson, Deputy Chief of Staff and Chief Administrative Officer, Governor John W. Hickenlooper
Ms. Christine Scanlan, Director of Legislative Affairs and Strategic Initiatives and Senior Education Policy Advisor, Governor John W. Hickenlooper
Mr. R.D. Sewald, Director of Government and Community Affairs/Legislative Liaison, Governor John W. Hickenlooper
Mr. Henry Sobanet, Director, Governor's Office of State Planning and Budgeting
Mr. Erick Scheminske, Deputy Director, Governor's Office of State Planning and Budgeting

FY 2011-12: All General Fund

Department	FY 2011-12 Appropriation	"1331" Early Supplemental Request	FY 2011-12 Supplemental Request	Total FY 2011-12 Including Supplemental Requests	% Change to FY 2011-12 Appropriation
Agriculture	\$ 5,164,362	\$ -	\$ 4,517	\$ 5,168,879	0.1%
Corrections	634,934,029	0	20,616,692	655,550,721	3.2%
Education	2,833,701,556	0	3,666	2,833,705,222	0.0%
Governor	11,175,194	0	(552,958)	10,622,236	-4.9%
Health Care Policy & Financing <2>	1,669,164,241	595,575	53,872,160	1,723,631,976	3.3%
Higher Education	623,962,700	0	0	623,962,700	0.0%
Human Services	614,650,877	0	(96,114)	614,554,763	0.0%
Judicial	340,243,578	0	0	340,243,578	0.0%
Labor and Employment	0	0	0	0	N/A
Law	9,393,105	0	11,320	9,404,425	0.1%
Legislature	34,684,832	0	0	34,684,832	0.0%
Local Affairs	10,383,966	0	738	10,384,704	0.0%
Military and Veterans Affairs	5,421,658	0	9,567	5,431,225	0.2%
Natural Resources	23,422,123	0	14,296	23,436,419	0.1%
Personnel and Administration	5,079,400	0	(961,128)	4,118,272	-18.9%
Public Health and Environment	27,478,228	0	(4,792)	27,473,436	0.0%
Public Safety	82,676,491	0	103,446	82,779,937	0.1%
Regulatory Agencies	1,599,183	0	1,161	1,600,344	0.1%
Revenue	72,746,170	0	34,230	72,780,400	0.0%
State	0	0	0	0	N/A
Transportation	0	0	0	0	N/A
Treasury	7,903,000	0	0	7,903,000	0.0%
Operating Subtotal	\$ 7,013,784,693	\$ 595,575	\$ 73,056,801	\$ 7,087,437,069	1.1%
GF Set-Asides for Supplemental	\$ -	\$ -	\$ 24,000,000	\$ 24,000,000	N/A
Other GF Obligations					
Cigarette Rebates <1>	(800,000)	0	400,000	(400,000)	N/A
Old Age Pension Fund	100,000,000	0	100,000	100,100,000	0.1%
Property Tax, Heat, and Rent Credit <1>	(400,000)	0	0	(400,000)	0.0%
Fire/Police Pensions <1>	(15,832)	0	0	(15,832)	0.0%
Amendment 35 GF <1>	7,800	0	0	7,800	0.0%
Interest on School Loans	1,400,000	0	0	1,400,000	0.0%
Homestead Exemption <1>	(100,000)	0	100,000	0	N/A
GF Transfers to Capital Construction	49,298,234	0	0	49,298,234	0.0%
Subtotal Other GF Obligations	\$ 149,390,202	\$ -	\$ 600,000	\$ 149,990,202	0.4%
Total General Fund	\$ 7,163,174,895	\$ 595,575	\$ 97,656,801	\$ 7,261,427,271	1.4%

<1> Represents forecasted adjustments to the base.

<2> NOTE: This figure includes a \$17.0 million General Fund (\$37.0 million total funds) *placeholder* for CBMS -- shown aggregated in HCPF at this time. When the request is submitted, it will be financed across all affected departments accordingly.

FY 2012-13: All General Fund

Department	FY 2012-13 Request (November 1)	Change: FY 2012-13 Budget Amendments	Total FY 2012-13 with Budget Amendments	% Change to FY 2012-13 Request
Agriculture	\$ 5,813,563	\$ -	\$ 5,813,563	0.0%
Corrections	658,157,093	2,447,192	660,604,285	0.4%
Education	2,842,594,598	67,000,000	2,909,594,598	2.4%
Governor	12,442,153	(563,490)	11,878,663	-4.5%
Economic Development Programs	6,000,000		6,000,000	0.0%
Health Care Policy & Financing	1,854,725,846	638,697	1,855,364,543	0.0%
Higher Education	563,691,605	30,102,525	593,794,130	5.3%
Human Services	633,450,270	1,394,956	634,845,226	0.2%
Judicial	347,951,949	0	347,951,949	0.0%
Labor and Employment	0	0	0	N/A
Law	10,248,316	14	10,248,330	0.0%
Legislature	35,675,709	0	35,675,709	0.0%
Local Affairs	9,036,183	33	9,036,216	0.0%
Military and Veterans Affairs	5,703,579	100	5,703,679	0.0%
Natural Resources	23,428,606	0	23,428,606	0.0%
Personnel and Administration	5,614,919	3	5,614,922	0.0%
Public Health and Environment	27,284,383	0	27,284,383	0.0%
Public Safety	84,599,953	129	84,600,082	0.0%
Regulatory Agencies	1,647,582	0	1,647,582	0.0%
Revenue	71,818,604	62,580	71,881,184	0.1%
State	0	0	0	N/A
Transportation	0	0	0	N/A
Treasury	12,514,123	0	12,514,123	0.0%
Operating Subtotal	\$ 7,212,399,034	\$ 101,082,739	\$ 7,313,481,773	1.4%
Anticipated Budget Amendments	\$ (1,025,955)	\$ 3,025,955	\$ 2,000,000	N/A
Other GF Obligations				
Cigarette Rebates <1>	0	0	0	N/A
Old Age Pension Fund	102,300,000	0	102,300,000	0.0%
Property Tax, Heat, and Rent Credit <1>	0	0	0	N/A
Fire/Police Pensions <1>	105,247	(100,000)	5,247	-95.0%
Amendment 35 GF <1>	(92,200)	0	(92,200)	0.0%
Interest on School Loans	1,600,000	0	1,600,000	0.0%
Homestead Exemption <1>	27,127	0	27,127	0.0%
GF Transfers to Capital Construction	63,823,411	0	63,823,411	0.0%
Subtotal Other GF Obligations	\$ 167,763,585	\$ (100,000)	\$ 167,663,585	-0.1%
Statewide Adjustments				
Bi-weekly Paydate Change	1,618,572	0	1,618,572	0.0%
Governor's Initiative - Senior Property Tax Relief	9,500,000	8,000,000	17,500,000	84.2%
Governor's Initiative - SB10-191 Educator Effectiveness	Included in CDE Above	0	Included in CDE Above	N/A
Subtotal Statewide	\$ 11,118,572	\$ 8,000,000	\$ 19,118,572	72.0%
Total General Fund	\$ 7,390,255,236	\$ 112,008,694	\$ 7,502,263,930	1.5%

<1> Represents forecasted adjustments to the base.

Comparison of Total Funds

Department	Total FY 2011-12				
	FY 2011-12 Appropriation	"1331" Early Supplemental Requests	FY 2011-12 Supplemental Request	Including Supplemental Requests	% Change to FY 2011-12 Appropriation
Agriculture	\$ 38,960,831	\$ -	\$ 11,318	\$ 38,972,149	0.0%
Corrections	720,391,305	0	25,363,058	745,754,363	3.5%
Education	4,336,043,821	1,800,000	21,357	4,337,865,178	0.0%
Governor	183,734,940	0	1,512,814	185,247,754	0.8%
Health Care Policy & Financing <2>	5,098,183,490	1,250,589	64,815,115	5,164,249,194	1.3%
Higher Education	2,881,772,980	0	11,020,231	2,892,793,211	0.4%
Human Services	2,061,386,598	0	(13,163,176)	2,048,223,422	-0.6%
Judicial	473,715,022	0	0	473,715,022	0.0%
Labor and Employment	158,052,540	0	298,714	158,351,254	0.2%
Law	54,346,573	0	39,569	54,386,142	0.1%
Legislature	35,973,235	0	0	35,973,235	0.0%
Local Affairs	363,437,279	0	9,430	363,446,709	0.0%
Military and Veterans Affairs	221,209,331	0	10,273	221,219,604	0.0%
Natural Resources	242,541,965	0	81,264	242,623,229	0.0%
Personnel and Administration	157,012,016	1,600,000	(726,828)	157,885,188	0.6%
Public Health and Environment	442,334,867	1,282,494	2,039,124	445,656,485	0.8%
Public Safety	264,519,938	0	2,162,696	266,682,634	0.8%
Regulatory Agencies	76,741,941	0	57,764	76,799,705	0.1%
Revenue	294,730,727	274,605	396,872	295,402,204	0.2%
State	18,802,548	0	1,733	18,804,281	0.0%
Transportation	1,108,119,876	0	0	1,108,119,876	0.0%
Treasury	366,424,619	0	0	366,424,619	0.0%
Operating Subtotal	\$ 19,598,436,442	\$ 6,207,688	\$ 93,951,328	\$ 19,698,595,458	0.5%
Potential Budget Amendments	\$ -	\$ -	\$ 24,000,000	\$ 24,000,000	N/A
Other Expenditures					
Cigarette Rebates <1>	\$ (800,000)	\$ -	\$ 400,000	\$ (400,000)	N/A
Old Age Pension Fund	100,000,000	0	100,000	100,100,000	0.1%
Property Tax, Heat, and Rent Credit <1>	(400,000)	0	0	(400,000)	0.0%
Fire/Police Pensions <1>	(15,832)	0	0	(15,832)	0.0%
Amendment 35 GF <1>	7,800	0	0	7,800	0.0%
Interest on School Loans	1,400,000	0	0	1,400,000	0.0%
Homestead Exemption <1>	(100,000)	0	100,000	0	N/A
GF Transfers to Capital Construction	49,298,234	0	0	49,298,234	0.0%
Subtotal Other Expenditures	\$ 149,390,202	\$ -	\$ 600,000	\$ 149,990,202	0.4%
Total Funds	\$ 19,747,826,644	\$ 6,207,688	\$ 118,551,328	\$ 19,872,585,660	0.6%

<1> Represents forecasted adjustments to the base.

<2> NOTE: This figure includes a \$37.0 million Total Funds (\$17.0 million General Fund) placeholder for CBMS -- shown aggregated in HCPF at this time. When the request is submitted, it will be financed across all affected departments accordingly.

Comparison of Total Funds

Department	FY 2012-13 Request (November 1)	Change: FY 2012-13 Budget Amendments	Total FY 2012-13 with Budget Amendments	% Change to FY 2012- 13 Request
Agriculture	\$ 39,193,754	\$ 47	\$ 39,193,801	0.0%
Corrections	745,101,258	2,528,145	747,629,403	0.3%
Education	4,212,273,999	67,000,000	4,279,273,999	1.6%
Governor	199,321,724	(302,580)	199,019,144	-0.2%
Economic Development Programs	6,000,000	0	6,000,000	0.0%
Health Care Policy & Financing	5,444,378,624	(7,016,220)	5,437,362,404	-0.1%
Higher Education	2,804,960,471	30,102,525	2,835,062,996	1.1%
Human Services	2,079,838,027	(11,106,895)	2,068,731,132	-0.5%
Judicial	482,321,057	0	482,321,057	0.0%
Labor and Employment	160,404,319	0	160,404,319	0.0%
Law	55,778,808	40	55,778,848	0.0%
Legislature	36,965,753	0	36,965,753	0.0%
Local Affairs	362,311,555	132	362,311,687	0.0%
Military and Veterans Affairs	221,999,251	100	221,999,351	0.0%
Natural Resources	226,968,041	207,232	227,175,273	0.1%
Personnel and Administration	159,434,554	290,282	159,724,836	0.2%
Public Health and Environment	474,384,843	1,146,142	475,530,985	0.2%
Public Safety	274,840,252	446,070	275,286,322	0.2%
Regulatory Agencies	77,818,212	0	77,818,212	0.0%
Revenue	297,681,894	(56,200)	297,625,694	0.0%
State	18,901,155	0	18,901,155	0.0%
Transportation	1,119,547,027	0	1,119,547,027	0.0%
Treasury	371,064,136	0	371,064,136	0.0%
Operating Subtotal	\$ 19,871,488,714	\$ 83,238,820	\$ 19,954,727,534	0.4%
Potential Budget Amendments	\$ (1,025,955)	\$ 3,025,955	\$ 2,000,000	N/A
Other Expenditures				
Cigarette Rebates <1>	\$ -	\$ -	\$ -	N/A
Old Age Pension Fund	102,300,000	0	102,300,000	0.0%
Property Tax, Heat, and Rent Credit <1>	0	0	0	N/A
Fire/Police Pensions <1>	105,247	(100,000)	5,247	N/A
Amendment 35 GF <1>	(92,200)	0	(92,200)	0.0%
Interest on School Loans	1,600,000	0	1,600,000	0.0%
Homestead Exemption <1>	27,127	0	27,127	0.0%
GF Transfers to Capital Construction	63,823,411	0	63,823,411	0.0%
Subtotal Other Expenditures	\$ 167,763,585	\$ (100,000)	\$ 167,663,585	-0.1%
Statewide Adjustments				
Statewide Adjustments - Biweekly Paydate	8,399,835	0	8,399,835	0.0%
Governor's Initiative - Senior Property Tax Relief	9,500,000	8,000,000	17,500,000	84.2%
Governor's Initiative - SB10-191 Educator Effectiveness	Incl. above in CDE	Incl. above in CDE	Incl. above in CDE	N/A
Subtotal Statewide Adjustments	\$ 17,899,835	\$ 8,000,000	\$ 25,899,835	44.7%
Total Funds	\$ 20,090,466,410	\$ 94,164,775	\$ 20,150,290,954	0.3%

<1> Represents forecasted adjustments to the base.

Department	<u>FTE</u>				
	FY 2011-12 Appropriation	"1331" Early Supplemental Request	FY 2011-12 Supplemental Request	Total FY 2011-12 Including Supplemental Requests	% Change to FY 2011-12 Appropriation
Agriculture	284.1	0.0	0.0	284.1	0.0%
Corrections	6,222.2	0.0	(1.8)	6,220.4	0.0%
Education	541.6	0.0	0.0	541.6	0.0%
Governor	1,046.8	0.0	0.0	1,046.8	0.0%
Health Care Policy & Financing	313.0	0.0	0.0	313.0	0.0%
Higher Education	21,490.8	0.0	0.0	21,490.8	0.0%
Human Services	4,870.9	0.0	3.2	4,874.1	0.1%
Judicial	4,178.7	0.0	0.0	4,178.7	0.0%
Labor and Employment	1,046.8	0.0	0.0	1,046.8	0.0%
Law	419.0	0.0	0.0	419.0	0.0%
Legislature	271.0	0.0	0.0	271.0	0.0%
Local Affairs	191.1	0.0	0.0	191.1	0.0%
Military and Veterans Affairs	1,384.9	0.0	0.0	1,384.9	0.0%
Natural Resources	1,465.6	0.0	0.5	1,466.1	0.0%
Personnel and Administration	394.3	0.0	0.0	394.3	0.0%
Public Health and Environment	1,260.9	0.0	0.0	1,260.9	0.0%
Public Safety	1,354.0	0.0	0.0	1,354.0	0.0%
Regulatory Agencies	593.4	0.0	0.0	593.4	0.0%
Revenue	1,370.3	4.0	(2.0)	1,372.3	0.1%
State	127.9	0.0	0.0	127.9	0.0%
Transportation	3,315.5	0.0	0.0	3,315.5	0.0%
Treasury	31.5	0.0	0.0	31.5	0.0%
Total FTE	52,174.3	4.0	(0.1)	52,178.2	0.0%

FTE

Department	Change: FY 2012-13		Total FY 2012-13	% Change to FY 2012-13 Request
	FY 2012-13 Request (November 1)	Budget Amendments	with Budget Amendments	
Agriculture	279.4	0.0	279.4	0.0%
Corrections	6,179.7	6.0	6,185.7	0.1%
Education	552.3	0.0	552.3	0.0%
Governor	1,055.7	(4.0)	1,051.7	-0.4%
Health Care Policy & Financing	315.3	0.0	315.3	0.0%
Higher Education	21,494.3	0.0	21,494.3	0.0%
Human Services	4,868.4	18.9	4,887.3	0.4%
Judicial	4,178.7	0.0	4,178.7	0.0%
Labor and Employment	1,044.3	0.0	1,044.3	0.0%
Law	417.7	0.0	417.7	0.0%
Legislature	271.0	0.0	271.0	0.0%
Local Affairs	191.1	0.0	191.1	0.0%
Military and Veterans Affairs	1,384.9	0.0	1,384.9	0.0%
Natural Resources	1,470.6	4.0	1,474.6	0.3%
Personnel and Administration	395.4	0.0	395.4	0.0%
Public Health and Environment	1,290.4	2.0	1,292.4	0.2%
Public Safety	1,370.2	0.0	1,370.2	0.0%
Regulatory Agencies	592.1	0.0	592.1	0.0%
Revenue	1,372.7	(2.0)	1,370.7	-0.1%
State	127.9	0.0	127.9	0.0%
Transportation	3,323.0	0.0	3,323.0	0.0%
Treasury	31.5	0.0	31.5	0.0%
Total FTE	52,206.6	24.9	52,231.5	0.0%