

# STATE OF COLORADO

## OFFICE OF STATE PLANNING AND BUDGETING

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Denver, Colorado 80203  
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Bill Ritter, Jr.  
Governor

Todd Saliman  
Director

January 27, 2009

The Honorable Moe Keller  
Chairman, Joint Budget Committee  
Colorado General Assembly  
200 E. 14<sup>th</sup> Avenue, Third Floor  
Legislative Services Building  
Denver, CO 80203

Dear Senator Keller:

Thank you for the opportunity to submit Governor Ritter's budget balancing plan for FY 2009-10 and some adjustments to his FY 2008-09 budget balancing plan. This recommendation follows the January 15<sup>th</sup> submission of Governor Ritter's plan for FY 2008-09 which provided \$631.9 million of General Fund reductions, transfers and diversions, and reserve changes.

As reflected in his FY 2008-09 balancing plan, the Governor's highest priority of the budget is protecting life-safety and public health. Additionally, the Governor continues to direct that higher education funding be protected to the extent possible. However, this package of proposed budget reductions cuts deeply into many vital state services. These cuts should increase our resolve to seek common ground on addressing the constitutional constraints affecting our state budget. While TABOR reform will not solve today's immediate problem, it would make it possible for essential state services to recover as our economy recovers.

As the economic situation develops, OSPB may submit revisions to this balancing plan to ensure that it continues to reflect the most current economic conditions and the Governor's priorities. The dynamic discussions regarding the Federal Stimulus Plan may also result in revisions to this plan. We have chosen to use very conservative estimates regarding potential federal stimulus revenue and have integrated it into this submission.

Governor Ritter's budget balancing plan for FY 2009-10 contains \$1,026.7 million in proposals to address next year's General Fund shortfall. The budget balancing plan includes \$823.1 million in General Fund expenditure reductions and \$264.1 million in General Fund transfers and diversions. These FY 2009-10 balancing proposals assume \$57.0 million in General Fund spending for budget amendments that have already been submitted, additional budget amendments that are being evaluated for submission on February 16<sup>th</sup>, and includes \$102,887 for S.B. 09-108. This plan also includes a \$3.5 million increase to the General Fund statutory reserve to maintain a 2.0 percent General Fund reserve.

## Highlights of Governor Ritter's FY 2009-10 Balancing Plan

As with the FY 2008-09 budget balancing proposals, each of the Governor's FY 2009-10 balancing proposals is described in an accompanying executive factsheet designed to provide information on each of the proposals. The following information is a summary of the Governor's FY 2009-10 budget balancing plan.

### *General Fund Expenditure Changes*

The Governor's budget balancing plan reduces \$823.1 million General Fund in FY 2009-10. This plan includes (1) reductions of \$696.2 million from the Governor's November 1 proposed General Fund appropriations request for FY 2009-10; and (2) reductions of \$126.9 million General Fund General Fund obligations.

- Reductions to General Fund FY 2009-10 Requested 6.0 Percent Appropriations. The Governor's budget balancing plan reduces \$696.2 million in General Fund appropriations. This includes the following: (1) a reduction of \$589.6 million in individual executive department reductions; (2) a reduction of an estimated \$7.6 million statewide associated with the state employee furlough of five days; (3) reductions of \$1.2 million associated with statewide changes in life insurance (\$1,001,004), Administrative Courts (\$7,196); and Capitol Complex Leased Space (\$171,373); (4) a reduction of \$20.8 million combined for the Judicial, Law, and Legislative budgets; (5) a reduction of \$135,074 in Treasury (excluding FPPA and Senior Homestead Exemption which are classified in the budget as General Fund obligations not General Fund 6.0 percent appropriations); and (6) eliminates the \$77.0 million General Fund reserve fund proposed on November 1<sup>st</sup>.

Please note the following:

*FMAP Enhancement.* Included in the Department of Health Care Policy and Financing FY 2009-10 reduction is a request to reduce General Fund expenditures by \$151,269,677 General Fund attributable to the FMAP stimulus package federal funds augmentation. This increase reduces the need for additional General Fund reductions in the Colorado health care budget. Most reports from the nation's capitol indicate the payment may be substantially higher but the Governor has chosen to use a conservative assessment for budget balancing purposes. This FMAP increase also saved \$19.3 million in cash funds and \$1.8 million in re-appropriated funds. The FMAP will lower to a General Fund savings of \$75,634,838 in FY 2010-11.

*Statewide Furloughs and Other Statewide Adjustments.* Also note that while the Governor's budget balancing plan proposes to implement five (5) state employee furlough days in FY 2009-10, the January 27<sup>th</sup> budget proposal reflects the single placeholder savings of \$7.6 million General Fund associated with this action, noted above. The individual department budget request forms (Schedule 13s) budget changes for this initiative and for the statewide life insurance adjustment, Capitol Complex Leased Space adjustment, and Administrative Courts will be submitted subsequent to this January 27<sup>th</sup> submission.

- Reductions to FY 2009-10 General Fund Requested General Fund Obligations. The Governor's budget balancing plan reduces \$126.9 million in FY 2009-10 General Fund obligations, funded outside the 6.0 percent General Fund limit. These reductions are in the following areas: FPPA, Senior Homestead Exemption, and Capital Construction.
  - *Changes to General Fund Obligations - FPPA.* The Governor's budget balancing plan proposes to lower Fire and Police Pension Association (FPPA) payments by \$34.8 million General Fund in FY 2009-10. The FPPA payments will not be resumed until FY 2011-12.
  - *Changes to General Fund Obligations – Senior Property Tax.* The Governor's budget balancing plan proposes to temporarily suspend the Senior Property Tax Exemption Benefit, saving \$86.2 million General Fund against the Governor's November 1 request for this area. The Homestead Exemption would be resumed in FY 2012-13. A three-year suspension was also part of the budget balancing plan from FY 2003-04 through FY 2005-06.
  - *Changes to General Fund Obligations – Capital Construction.* The Governor's budget balancing plan reduces capital construction obligations by \$5.9 million in FY 2009-10. This action reduces the General Fund transfer necessary and frees up available General Fund.

#### *Transfers and Diversions to the General Fund*

The Governor's FY 2009-10 Budget Balancing Plan contains \$260.6 million in Transfers and Diversions to the General Fund, including the adjustment to maintain a 2.0 percent reserve.

- Higher Education Maintenance and Reserve Fund. The Governor's budget balancing plan for FY 2009-10 contains a General Fund transfer of \$47.2 million from the Higher Education Maintenance and Reserve Fund.

As noted in my January 15<sup>th</sup> transmittal letter, the Governor's balancing plan takes the existing FY 2008-09 Higher Education Maintenance and Reserve Fund balance and supplements it with additional dollars. These funds are then transferred into the General Fund to smooth the General Fund revenue shortfall over a three-year period. The delay in FY 2008-09 state building capital spending will save \$50,278,532 in the Capital Construction Fund. The Governor's proposal provides for this sum to be transferred from the CCF to the Higher Education Maintenance and Reserve Fund created in Section 23-19.9-102, C.R.S. (2008). In addition, the Governor's Plan takes an additional \$43,411,136 out of the Capital Construction Fund attributable to implementation of newly recommended capital construction delays and transfers this sum to the Higher Education Maintenance and Reserve Fund. These sums, combined in the Maintenance and Reserve Fund, along with anticipated interest earnings and the Maintenance and Reserve Fund Balance, will allow for transfers to the General Fund in FY 2008-09, FY 2009-10, and FY 2010-11 to mitigate the impact of the General Fund revenue shortfall affecting Higher Education. This strategy allows for General Fund increases of \$47.2 million in FY 2008-09, FY 2009-10, and FY

2010-11 (\$141.6 million in total for all three years). The out-year impact from reduced capital construction obligation also helps reduce expenditure pressure in out-years.

- Gaming Revenue Diversion. The Governor's FY 2009-10 Budget Balancing Plan diverts only \$12.2 million of Gaming revenue into the General Fund. Under current law, 100 percent of the gaming revenue for Colorado Travel and Tourism Promotion, New Jobs Incentives, the State Council on the Arts, and the Film Incentives Cash Fund would be transferred into the General Fund due to the General Fund revenue shortfall and the inability of the State to meet its 6.0 percent General Fund appropriation. As in FY 2008-09, the Governor's proposal reduces the impact to these critical industries by proposing a change in law to ensure they continue to receive 50 percent of their current funding. Of this total distribution to programs, Colorado Travel and Tourism Promotion will receive \$10,658,210 that it would not have received under the current forecast, the New Jobs Incentive Cash Fund will receive \$1,682,875 that it would not have received under the current forecast, the State Council on the Arts Cash Fund will receive \$841,438 that it would not have received under the current forecast, and the Film Incentives Cash Fund will receive \$336,575 that it would not have received under the current forecast. While funding these important economic and job-producing programs, the Governor's proposal provides for \$12,154,279 to be diverted to the General Fund in FY 2009-10.
- Vendor Fee Change. According to the Federation of Tax Administrators, 19 other states have a sales tax but do not allow a vendor discount. Colorado's current vendor discount is the most generous among states. The Governor's Proposal provides for a change in the vendor fee which increases available General Fund revenues by \$39.1 million in FY 2009-10. Vendors are compensated for the administrative costs associated with their collection of state sales taxes. Vendors are allowed to keep a portion of these revenues, equal to 3 1/3 percent of total sales tax revenues. The Governor's proposal caps the amount a vendor could retain, up to \$5,000 annually, effective February 1, 2009 and continuing through June 30, 2012. The FY 2009-10 savings reflects a full fiscal year. This proposal will affect approximately 1,700 of the state's 91,500 vendors.
- Cash Fund Transfers to the General Fund. The Governor's budget balancing plan updates the FY 2009-10 cash fund transfer noted for this year in the January 15<sup>th</sup> FY 2008-09 submission. For FY 2009-10, \$155.5 million in untapped cash fund balanced are transferred to the General Fund in FY 2009-10.
- Other General Fund Revenue Changes. The Governor's FY 2009-10 balancing plan reflects an increase of \$10.2 million General Fund in other General Fund revenue changes. This increase includes a one-time General Fund increase of \$7.7 million attributable to a Department of Corrections land sale and on-going change of \$2.4 million General Fund revenue freed up which is associated with an initiative to cash fund the Division of Insurance in the Department of Regulatory Agencies.

#### *Other General Fund Changes*

The Governor's FY 2009-10 Budget Balancing Plan takes into account necessary General Fund increases for FY 2009-10 which are separate and distinct from the General Fund budget reductions. The following

section describes those General Fund increases which are factored in the Governor's Budget Balancing Plan.

- General Fund Increases and Placeholders. The Governor's budget plan for FY 2009-10 assumes the January 2 increase of \$686,437 associated with FY 2008-09 supplemental requests, stand-alone budget amendment increases of \$1,399,061 requested separately in the budget submission on January 27th, and a \$28,625,505 General Fund allowance for February 16<sup>th</sup> budget increases in Corrections, Medicaid (HCPF), and Human Services. This totals \$30,711,003 General Fund, a sum which is reflected in the attachment as other changes. The Governor's budget proposal assumes the inclusion of these costs, which are netted out against the expenditure reductions.
- An increase in the executive legislative set-aside of \$102,887 General Fund is requested for S.B. 09-108, Funding Advancement for Surface Transportation and Economic Recovery Act of 2009.
- Set-aside of General Fund for Transfer into State Education Fund. The Governor's budget plan for FY 2009-10 also assumes the need for \$26,265,104 General Fund which is requested to be transferred into the State Education Fund for FY 2009-10 via separate legislation. This transfer will fund a regular FY 2009-10 budget amendment increase in the Total Program budget. This action follows a FY 2008-09 supplemental request for this same purpose.

#### *General Fund Reserve Change*

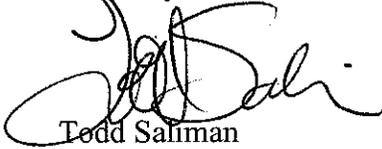
- The Governor's balancing plan for FY 2009-10 includes a \$3.5 million General Fund increase to maintain a 2.0 percent reserve.

#### *Changes to FY 2008-09 Balancing Plan Submitted on January 15<sup>th</sup>*

- Updates to FY 2008-09 Expenditures Proposed. The Governor's FY 2008-09 budget balancing plan submitted on January 15<sup>th</sup> is updated and amended to reflect a change in the FY 2008-09 federal match (FMAP) for Medicaid. This increase in the Federal Medical Assistance Percentage (FMAP) from 50.0 percent to 54.9 percent FMAP change saves \$107,924,623 General Fund in FY 2008-09 (as well as saving cash and re-appropriated funds) with a commensurate federal funds increase of \$123,052,889.
- Updates to FY 2008-09 General Fund Transfers Proposed. The Governor's FY 2008-09 budget balancing plan contained cash fund transfers to the General Fund of \$207.1 million. The revised FY 2008-09 plan is to instead transfer \$125.3 million from cash funds into the General Fund for FY 2008-09. Please see the attached summary of transfers.
- Updates to "Other Changes". The Governor's FY 2008-09 budget balancing plan submitted on January 15<sup>th</sup> is further updated and amended to reflect the need for an additional General Fund transfer of \$26,265,104. This sum is requested to be transferred into the State Education Fund for FY 2008-09. This transfer will fund a regular FY 2008-09 supplemental increase in the Total Program budget. As noted above, there is also a FY 2009-10 budget amendment for this same purpose.

I look forward to continuing to work with you as we address Colorado's state budget challenges. Should you have any questions about any of these requests, please do not hesitate to contact me or my staff.

Sincerely,



Todd Saliman  
Director, Office of State Planning and Budgeting

cc: The Honorable Representative Jack Pommer, Vice-Chairman  
The Honorable Senator Abel Tapia, Member of the Joint Budget Committee  
The Honorable Senator Al White, Member of the Joint Budget Committee  
The Honorable Representative Mark Ferrandino, Member of the Joint Budget Committee  
The Honorable Representative Don Marostica, Member of the Joint Budget Committee  
Mr. John Ziegler, Staff Director of the Joint Budget Committee  
Mr. Jim Carpenter, Chief of Staff, Governor Bill Ritter, Jr.

**OSPB GF Balancing Plan Due to Revenue Shortfall FY 2008-09**

Area	General Fund			Comment
	Total GF	One-time GF	On-going GF	
<b>(a) GF REVENUE CHANGES</b>				
<u>Transfers and Diversions</u>				
Total of CF to Transfer to GF - Revised 1/27/09	125,271,602	102,931,128	10,796,537	Transfer to GF UI Trust Fund Diversion (\$10,500,000) and Division of Insurance CF Reduction
Other GF Revenue Changes	10,652,217	10,652,217	0	(\$152,217)
Higher Education Maintenance and Reserve Fund Transfer to GF	47,200,000	47,200,000	0	GF Transfer
Reduce Vendor Fee	12,800,000	12,800,000		Revenue increase to GF
Gaming	11,897,263	0	11,897,263	GF Diversion/Transfer
<u>Reserve Changes</u>				
Reserve Change - one-time 1/15/09 Submission	134,129,109	134,129,109	0	Lower GF reserve in FY 08-09
<b>SUBTOTAL GF REVENUES</b>	<b>341,950,191</b>	<b>307,712,454</b>	<b>22,693,800</b>	
<b>(b) GF EXPENDITURE CHANGES</b>				
<u>GF Obligations:</u>				
FPPA	(34,777,172)	(34,777,172)	0	GF Obligations
<u>GF Appropriations:</u>				
Approved Department/OSPB Dept Reductions - Revised 1/27/09	(265,094,889)	(144,732,033)	(10,284,719)	Recommended reductions
Treasury Reductions	(25,792)	(25,792)	0	Treasury reduction request
Other Elected Officials (except Treasury)	(9,306,240)	0	(9,306,240)	2.5% Calculation of FY 08-09 approp.
<b>SUBTOTAL GF EXPENDITURES</b>	<b>(309,204,093)</b>	<b>(179,534,997)</b>	<b>(19,590,959)</b>	
<b>(c) OTHER CHANGES</b>				
Delay Capital Construction (Sept 08 Actions)	0	0	0	Take \$50,278,532 out of Cap Constr Fund
Transfer Capital Construction to Maint & Reserve Fund	0	0	0	Transfer into Maint & Reserve Fund
Additional Projects Funded but Not Under Construction	0	0	0	Take \$43,411,136 out of Cap Constr Fund
Transfer of Additional CCF Delay to Maint & Reserve Fund	0	0	0	Transfer into Maint & Reserve Fund
FY 2008-09 Anticipated Underage to 6% (excluding \$631M actions)	(7,010,820)	0	(7,010,820)	See letter's explanation
Additional Transfer of GF into SEF for separate request 1/27/09	26,265,104	0	26,265,104	Separate legislation
<b>Subtotal OTHER CHANGES</b>	<b>19,254,284</b>	<b>0</b>	<b>19,254,284</b>	

**OSPB GF Balancing Plan Due to Revenue Shortfall FY 2009-10**

Area	General Fund			Comments
	Total GF	One-time GF	On-going GF	
<b>(a) GF REVENUE CHANGES</b>				
<u>Transfers and Diversions</u>				
Total of CF to Transfer to GF	155,508,929	73,598,984	81,909,945	Transfer to GF
Other GF Revenue Increases	10,186,000	7,736,000	2,450,000	\$7.7M from DOC land sales and \$2.4M from fully fund the Div. of Insurance
HED Maint and Reserve Fund	47,200,000	47,200,000	0	Transfer to GF from Maint & Reserve
Reduce Vendor Fee	39,100,000	39,100,000	0	Revenue increase to GF
Gaming	12,154,279	0	12,154,279	Revenue diversion to GF
<u>Reserve Changes</u>				
Reserve Change	(3,500,000)	(3,500,000)	0	Adjustment to maintain 2.0%
<b>SUBTOTAL GF REVENUE CHANGES</b>	<b>260,649,208</b>	<b>164,134,984</b>	<b>96,514,224</b>	
<b>(b) GF EXPENDITURE CHANGES</b>				
<u>GF Obligations:</u>				
FPPA	(34,777,172)	(34,777,172)	0	GF Obligations
Senior Property Tax - Homestead Exemption	(86,200,000)	(86,200,000)	0	GF Obligations
Capital Construction	(5,883,325)	(5,883,325)	0	
<u>GF Appropriations:</u>				
Approved Department/OSPB Dept Reductions	(589,615,947)	(29,276,317)	(303,038,817)	Includes salary survey & fleet
Statewide Furloughs	(7,588,356)	(7,588,356)	0	GF impact of 5 furlough days
Other Statewide Reductions	(1,179,573)	0	(1,179,573)	Statewide impact of life insurance (\$1,001,004), CC Leased Space (\$171,373); and Admin. Courts (\$7,196).
Treasury Reductions	(135,074)	0	(107,059)	Per Treasury Request file
Other Elected Officials	(20,750,339)	0	(20,750,339)	Reduction of 5.3% for elected officials
Reserve Fund (requested in Nov. 08 under 6% limit)	(77,000,000)	0	(77,000,000)	Eliminate November rainy day reserve
<b>SUBTOTAL GF EXPENDITURES</b>	<b>(823,129,786)</b>	<b>(163,725,170)</b>	<b>(402,075,788)</b>	
<b>(c) OTHER CHANGES</b>				
Anticipated Budget Amendments (incl. Jan 2, 23 and 2/16)	30,711,003	0	30,711,003	
Funding for S.B. 09-108 Surface Transportation and Economic Recovery Act of 2009	102,887	102,395	492	
Additional Transfer of GF into SEF for separate request 01/27/09	26,265,104	0	26,265,104	Separate legislation
<b>OTHER CHANGES</b>	<b>57,078,994</b>	<b>102,395</b>	<b>56,976,599</b>	

**Total Statewide FY 2008-09 January 15th Budget Reductions - With January 27th Revisions**

Executive Department	Total	GF	CF	Reapprop. (T)	HUTF	FF	MCF	MGF	Net GF	FTE
Agriculture	(293,388)	(271,773)	(21,615)	-	-	-	-	-	(271,773)	0.0
Corrections	(3,813,436)	(4,613,436)	800,000	-	-	-	-	-	(4,613,436)	0.0
Education	(48,331,423)	(54,571,463)	2,760,121	3,479,919	-	-	-	-	(54,571,463)	0.0
Governor's Office	(1,222,738)	(2,560,759)	205,221	1,132,800	-	-	-	-	(2,560,759)	0.0
Health Care Policy and Financing	(85,258,207)	(145,964,540)	(17,300,637)	(2,304,175)	-	80,311,145	-	-	(145,964,540)	0.0
Higher Education	(59,081,568)	(30,000,000)	(15,001)	(29,066,567)	-	-	-	-	(30,000,000)	0.0
Human Services	(38,306,631)	(19,512,255)	(909,971)	(18,258,587)	-	374,182	(18,174,011)	(9,087,006)	(28,599,261)	(37.6)
Labor and Employment	(427,039)	-	(364,139)	467	-	(63,367)	-	-	-	0.0
Local Affairs	(319,346)	(339,467)	(38,114)	51,288	-	6,947	-	-	(339,467)	0.0
Military Affairs	(242,338)	(168,731)	-	-	-	(73,607)	-	-	(168,731)	0.0
Natural Resources	(2,737,624)	(1,280,571)	(1,436,062)	3,489	-	(24,480)	-	-	(1,280,571)	0.0
Personnel	(342,071)	(211,302)	(13,095)	(117,674)	-	-	-	-	(211,302)	0.0
Public Health & Environment	(2,633,420)	(526,550)	(2,129,783)	99,928	-	(77,015)	(6,361)	(6,222)	(532,772)	0.0
Public Safety	(2,008,071)	(2,008,071)	-	-	-	-	-	-	(2,008,071)	0.0
Regulatory Agencies	(938,932)	(47,624)	(895,814)	4,255	-	251	-	-	(47,624)	0.0
Revenue	(428,533)	(3,018,347)	2,070,433	-	519,381	-	-	-	(3,018,347)	0.0
Transportation	-	-	-	-	-	-	-	-	-	0.0
<b>Total Executive</b>	<b>\$ (246,384,765)</b>	<b>\$ (265,094,889)</b>	<b>\$ (17,288,456)</b>	<b>\$ (44,974,857)</b>	<b>\$ 519,381</b>	<b>\$ 80,454,056</b>	<b>\$ (18,180,372)</b>	<b>\$ (9,093,228)</b>	<b>\$ (274,188,117)</b>	<b>(37.6)</b>

**Statewide FY 2009-10 January 27th Budget Reductions - Executive Departments Only**

Executive Department	Total	GF	CF	Reapprop. (T)	HUTF	FF	MCF	MGF	Net GF	FTE
Agriculture	(381,351)	(1,485,179)	1,029,628	96,035	-	(21,835)	-	-	(1,485,179)	0.0
Corrections	(44,260,110)	(43,498,455)	(535,020)	(226,635)	-	-	-	-	(43,498,455)	(431.3)
Education	(128,421,976)	(125,631,968)	(6,045,196)	3,555,149	-	(299,961)	-	-	(125,631,968)	0.0
Governor's Office	(1,735,746)	(2,958,579)	425,978	806,952	-	(10,097)	-	-	(2,958,579)	0.0
Health Care Policy and Financing	(223,617,583)	(244,262,026)	(31,508,061)	(4,349,922)	-	56,502,426	-	-	(244,262,026)	(0.4)
Higher Education	(183,776,463)	(100,025,000)	(153,505)	(83,569,073)	-	(28,885)	-	-	(100,025,000)	0.0
Human Services	(77,822,129)	(52,123,928)	(2,447,529)	(20,954,191)	-	(2,296,481)	(18,857,324)	(9,600,521)	(61,724,449)	(104.9)
Labor and Employment	(1,536,706)	-	(1,257,028)	(12,721)	-	(266,957)	-	-	-	0.0
Local Affairs	(868,779)	(975,755)	129,498	50,756	-	(73,278)	-	-	(975,755)	0.0
Military Affairs	(296,533)	(175,146)	(2,383)	-	-	(119,004)	-	-	(175,146)	(0.5)
Natural Resources	(3,934,867)	(4,108,775)	223,282	32,474	-	(81,848)	-	-	(4,108,775)	0.0
Personnel	(9,235,146)	(411,713)	36,872	(8,860,305)	-	-	-	-	(411,713)	(1.0)
Public Health & Environment	(6,147,230)	(974,375)	(3,622,775)	(428,616)	-	(1,121,464)	(109,307)	(43,012)	(1,017,387)	(2.2)
Public Safety	(11,377,147)	(9,283,126)	1,587,121	14,900	(3,474,385)	(221,657)	-	-	(9,283,126)	(2.9)
Regulatory Agencies	(969,249)	(42,442)	(787,462)	(139,579)	-	234	-	-	(42,442)	0.0
Revenue	(2,028,191)	(3,659,480)	1,814,212	-	(182,923)	-	-	-	(3,659,480)	0.0
Transportation	(10,437,205)	-	(10,423,773)	(13,432)	-	-	-	-	-	0.0
<b>Total Executive</b>	<b>\$ (706,846,411)</b>	<b>\$ (589,615,947)</b>	<b>\$ (51,536,141)</b>	<b>\$ (113,998,208)</b>	<b>\$ (3,657,308)</b>	<b>\$ 51,961,193</b>	<b>\$ (18,966,631)</b>	<b>\$ (9,643,533)</b>	<b>\$ (599,259,480)</b>	<b>(543.2)</b>

Updated Cash Fund Transfer Recommendations - Office of State Planning and Budgeting							
January 27, 2009							
Priority for Removal from List	Department	Name of Fund	Purpose of Fund	OSP Recommended Transfer FY 2008-09	OSP Recommended Transfer FY 2009-10	OSP Recommended Transfer FY 2010-11	OSP Recommended Transfer FY 2011-12
1	Education	17H- Public School Contingency Reserve Fund	State Board can approve payments to schools facing financial burdens and emergencies.	\$1,166,226	\$0	\$0	\$0
2	DNR	#424 CWCB Construction Fund	The first priority of the moneys available to the fund shall be devoted to projects which will increase the beneficial consumptive use of Colorado's undeveloped compact entitled waters.	\$10,000,000	\$0	\$0	\$0
3	HCPF	Supplemental Old Age Pension Health and Medical Care Fund	Additional funding for the Constitutionally created Old Age Pension Health and Medical Care Fund. Clients >60 but not eligible for Medicaid or SSI. Fund reimburses providers for health care services of this population.	\$0	\$0	\$0	\$0
4	Transportation	State Infrastructure Bank #715	To provide loans and grants to public and private entities for the acquisition, improvement, or construction of highways, multimodal transportation, and intermodal transportation facilities in the state.	\$3,000,000	\$0	\$0	\$0
5	Public Health	18N- Prevention, Early Detection, and Treatment	Provides funding for early detection and treatment programs for cancer and cardiovascular disease.	\$0	\$0	\$0	\$0
6	Agriculture	108 Brand Inspection	Issuance, tacking, and inspection of brands on livestock to protect owners from losing livestock due to loss or theft.	\$500,000	\$0	\$0	\$0
7	Public Health	20Q-Short Term Innovative Health Care Grants.	Short term grants for innovative health programs.	\$0	\$1,558,984	\$1,558,984	\$1,558,984

Priority for Removal from List	Department	Name of Fund	Purpose of Fund	OSPB Recommended Transfer FY 2008-09	OSPB Recommended Transfer FY 2009-10	OSPB Recommended Transfer FY 2010-11	OSPB Recommended Transfer FY 2011-12
8	DNR	Perpetual Base Account of the Severance Tax Trust Fund	The perpetual base account shall be used for state water projects pursuant to sections 37-60-119 and 37-60-122, C.R.S. The authorization and contract for each such project shall require repayment of principal and interest to the fund, and moneys so repaid shall be credited to the perpetual base account of the fund.	\$20,000,000	\$0	\$0	\$0
9	DOLA	#152 - Local Govt Tax Fund	Distribution of grants and loans to mineral development impacted local governments for construction and operation of public facilities and services.	\$15,000,000	\$15,000,000	\$0	\$0
10	Military and Veterans Affairs	Veterans Trust Fund	Provides grants to non-profit veterans groups and organizations, the division, and state veterans nursing homes / cemeteries	\$4,585,627	\$0	\$0	\$0
11	Public Health	116- Hazardous Substance Response Fund	Cash funding for the state's participation in the federal superfund program	\$10,000,000	\$0	\$0	\$0
12	HCPF	Breast and Cervical Cancer Prevention and Treatment Fund	Provides Medicaid services for women <65 diagnosed with breast or cervical cancer but without health insurance.	\$0	\$6,000,000	\$0	\$0
13	HCPF	Children's Basic Health Plan Trust	Main Fund: Fund can only be used for operations and services for the Children's Basic Health Plan. Unspent fund balance does not revert to General Fund at fiscal year end. General Assembly establishes annual limitations on use of funds via appropriations.	\$4,270,540	\$0	\$0	\$0
14	Public Health	20 Y- Recycling Resources Economic Opportunity Fund	To fund grants to promote economic development through the sustainable management of discarded materials	\$1,000,000	\$0	\$0	\$0

Priority for Removal from List	Department	Name of Fund	Purpose of Fund	OSPB Recommended Transfer FY 2008-09	OSPB Recommended Transfer FY 2009-10	OSPB Recommended Transfer FY 2010-11	OSPB Recommended Transfer FY 2011-12
15	Labor and Employment	Fund 142 - Workers' Compensation Fund	To fund the Workers' Compensation program which assures quick and efficient delivery of disability and medical benefits to injured workers at a reasonable cost to employers.	\$15,700,000	\$0	\$0	\$0
16	Labor and Employment	Fund 416 - Subsequent Injury Fund	Provides compensation benefits to injured workers who have become permanently, totally disabled from more than one industrial accident.	\$26,500,000	\$0	\$0	\$0
17	Labor and Employment	Fund 417 - Major Medical Fund	To fund benefits for workers who sustained catastrophic injuries between July 1, 1971 and June 30, 1981.	\$10,296,537	\$81,909,945	\$0	\$0
18	DOLA	#274 Limited Gaming Impact Fund	For the purpose of providing financial assistance to designated local governments for documented gaming impacts.	\$950,000	\$1,000,000	\$0	\$0
19	Personnel and Administration	Fund 607 - "Fleet Management"	Charges to State agencies to cover the costs of maintenance and operation of the State's motor vehicle fleet. Services include leasing vehicles to State agencies and authorizing all vehicle related	\$500,000	\$0	\$0	\$0
20	Transportation	State Rail Bank #11R	To fund the acquisition of abandoned railroad rights-of-way	\$1,543,937	\$0	\$0	\$0
21	Public Health	14V- Medical Marijuana	Fund used to maintain the marijuana registry, accept and evaluate applications for medical marijuana use and issue identification cards	\$258,735	\$40,000	\$30,000	\$0
22	Treasury	Unclaimed Property		\$0	\$50,000,000	\$25,000,000	\$0
	<b>Total</b>			<b>\$125,271,602</b>	<b>\$155,508,929</b>	<b>\$26,588,984</b>	<b>\$1,558,984</b>

**Governor Ritter's FY 2009-10 Balancing Plan - Operating Budget**

Department	November 1 Governor's	January 2nd	January 23rd	Subtotal Budget with Amendments	January 27th	GF Reductions to 6.0% GF Budget <>	January 27th	TL January 27th 6.0% Budget and Obligations Combined		
	Request				GF Obligations		% GF			
	FY 09-10 General Fund	Budget Amendments	Regular Budget Amendments							
Agriculture	8,081,529	0	0	8,081,529	(1,485,179)	-18.4%	0	-18.4%	(1,485,179)	-18.4%
Corrections	739,854,005	(133,512)	(127,416)	739,593,077	(43,498,455)	-5.9%	0	-5.9%	(43,498,455)	-5.9%
Education	3,295,819,577	0	0	3,295,819,577	(125,631,968)	-3.8%	0	-3.8%	(125,631,968)	-3.8%
Governor and Energy Office	15,874,849	0	1,400,000	17,274,849	(2,958,579)	-17.1%	0	-17.1%	(2,958,579)	-17.1%
Health Care Policy & Financing	1,641,856,282	(244,746)	34,572	1,641,646,108	(244,262,026)	-14.9%	0	-14.9%	(244,262,026)	-14.9%
Higher Education	853,187,855	0	0	853,187,855	(100,025,000)	-11.7%	0	-11.7%	(100,025,000)	-11.7%
Human Services	717,194,175	868,698	0	718,062,873	(52,123,928)	-7.3%	0	-7.3%	(52,123,928)	-7.3%
Judicial	348,038,808	0	0	348,038,808	(18,292,625)	-5.3%	0	-5.3%	(18,292,625)	-5.3%
Labor and Employment	0	0	0	0	0	N/A	0	N/A	0	N/A
Law	10,127,296	0	0	10,127,296	(532,282)	-5.3%	0	-5.3%	(532,282)	-5.3%
Legislature	36,633,636	0	0	36,633,636	(1,925,433)	-5.3%	0	-5.3%	(1,925,433)	-5.3%
Local Affairs	13,227,478	0	0	13,227,478	(975,755)	-7.4%	0	-7.4%	(975,755)	-7.4%
Military and Veterans Affairs	6,119,967	0	0	6,119,967	(175,146)	-2.9%	0	-2.9%	(175,146)	-2.9%
Natural Resources	33,764,732	24,758	0	33,789,490	(4,108,775)	-12.2%	0	-12.2%	(4,108,775)	-12.2%
Personnel and Administration	6,488,792	0	91,905	6,580,697	(411,713)	-6.3%	0	-6.3%	(411,713)	-6.3%
Public Health and Environment	29,091,662	0	0	29,091,662	(974,375)	-3.3%	0	-3.3%	(974,375)	-3.3%
Public Safety	90,456,348	171,239	0	90,627,587	(9,283,126)	-10.2%	0	-10.2%	(9,283,126)	-10.2%
Regulatory Agencies	1,716,812	0	0	1,716,812	(42,442)	-2.5%	0	-2.5%	(42,442)	-2.5%
Revenue	103,595,760	0	0	103,595,760	(3,659,480)	-3.5%	0	-3.5%	(3,659,480)	-3.5%
State	0	0	0	0	0	N/A	0	N/A	0	N/A
Transportation	0	0	0	0	0	N/A	0	N/A	0	N/A
Treasury	122,060,428	0	0	122,060,428	(135,074)	-0.1%	(120,977,172)	-99.2%	(121,112,246)	-99.2%
Dept. Total	8,073,189,990	686,437	1,399,061	8,075,275,488	(610,501,360)	-7.6%	(120,977,172)	-9.1%	(731,478,532)	-9.1%
<b>Adjustments to Dept. GF</b>										
Legislative Set-Aside	1,200,000	0	0	1,200,000	0	0.0%	0	0.0%	0	0.0%
Executive Legislation Set-Aside	632,987	0	0	632,987	0	0.0%	0	0.0%	0	0.0%
Economic Incentive Funding	4,891,730	0	0	4,891,730	0	0.0%	0	0.0%	0	0.0%
Total Adjustments	6,724,717	0	0	6,724,717	0	0.0%	0	0.0%	0	0.0%
Total with Adjustments	8,079,914,707	686,437	1,399,061	8,082,000,205	(610,501,360)	-7.6%	(120,977,172)	-9.1%	(731,478,532)	-9.1%
FY 2009-10 Reserve Fund	77,000,000	0	0	77,000,000	(77,000,000)	-100.0%	0	-100.0%	(77,000,000)	-100.0%
Statewide Furloughs	0	0	0	0	(7,588,356)		0	0.0%	(7,588,356)	N/A
Other Statewide Reductions	0	0	0	0	(1,179,573)		0	0.0%	(1,179,573)	N/A
Funding for S.B. 09-108	0	0	0	0	102,887				102,887	

Governor Ritter's FY 2009-10 Balancing Plan - Operating Budget										
Department	<u>November 1 Governor's Request</u>	<u>January 2nd</u>	<u>January 23rd</u>	Subtotal Budget with Amendments	<u>January 27th</u>	% GF	<u>January 27th</u>	% GF	<u>TL January 27th</u> 6.0% Budget and Obligations Combined	
	FY 09-10 General Fund	Budget Amendments	Regular Budget Amendments		GF Reductions to 6.0% GF Budget <2>		GF Reductions to GF Obligations			
Total <3>	8,156,914,707	686,437	1,399,061	8,159,000,205	(696,166,402)	-8.5%	(120,977,172)	-10.0%	(817,143,574)	-10.0%

<1> Reflects direct GF only and includes GF 6.0 percent appropriations and GF obligations.

<2> Reflects GF and GFE 6% reductions.

<3> Reflects only changes to the FY 2009-10 operating budget. The difference between the total cuts and the cuts shown here is \$5,883,325 from the capital budget.