

# STATE OF COLORADO

## OFFICE OF THE GOVERNOR

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Bill Ritter, Jr.  
Governor

August 25, 2009

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

Dear Senator Keller:

Today I present my plan to balance Colorado's General Fund budget for FY 2009-10. This plan is necessitated by the further decrease of General Fund as indicated in the Legislative Council Staff (LCS) June 2009 economic forecast for FY 2008-09 and FY 2009-10. General Fund revenues decreased in the June 2009 quarterly estimate compared to the LCS March 2009 forecast. This created a General Fund shortfall of \$318.0 million for FY 2009-10. My plan fully balances the State budget for FY 2009-10. While state law allows me to implement a plan that maintains a 1.0 percent reserve, my plan exceeds that requirement and maintains the current 2.0 percent General Fund appropriations reserve.

My plan balances \$318 million General Fund in FY 2009-10. This FY 2009-10 budget balancing plan follows \$892 million in General Fund budget balancing actions during the 2009 Legislative Session for FY 2008-09, excluding S.B. 09-279 transfers, and over \$1.4 billion General Fund budget balancing actions already taken for FY 2009-10 during the 2009 Legislative Session.

My \$318 million plan reduces over \$258 million in net General Fund spending and reduces over 300 FTE on an annualized basis. My plan also assumes the following budget balancing measures: General Fund revenue increases of \$40.6 million from one-time transfers of cash funds to the General Fund; \$6.1 million in adjustments to Old Age Pension Cash Fund assumptions compared to the Legislative Council June 2009 estimate; General Fund revenue increase of \$0.8 million for a one-time procurement card bonus estimate; and \$12.1 million in savings from a lower statutory General Fund reserve level while still maintaining the 2.0 percent reserve.

My direction to executive agencies was to focus reductions on "eliminating the least efficient and effective programs, rather than continuing to shave resources from existing programs" while maintaining health and safety of Coloradans. It was a priority that on-going reductions be proposed in the budget to the extent possible; in this way, FY 2010-11's General Fund shortfall will be partially addressed through our FY 2009-10 balancing efforts. In FY 2009-10, K-12

Education is held harmless in order to maintain funding levels in accordance with the requirements of Amendment 23.

### **Colorado's Economy – Job Losses But Still Faring Better than National Economy**

Job losses continue. Personal income is projected to decrease by 0.3 percent in 2009; this compares to a ten year average growth of 6 percent. Colorado's unemployment rate of 7.8 percent is lower than rates in 31 others states, including Nevada, California and Oregon, which are all in double-digits. Companies continue to relocate to Colorado and add jobs, and experts say we will be one of the first states to emerge from the downturn.

My Administration's economic development efforts have helped Colorado's economy remain relatively strong despite the global recession:

- We have built the New Energy Economy, invested in employee training, and reformed the business tax code to encourage growth in Colorado.
- A new round of business initiatives, including improved job training, greater access to loans for small businesses and incentives for creating jobs in Colorado, will speed and strengthen the state's economic recovery.
- Some experts, including Moody's, believe we will be one of the first states to emerge from the downturn, and we've seen a number of encouraging economic indicators recently.
- Standard & Poor's reports that Colorado's economy is outpacing the national economy, particularly in terms of jobs, retail sales and housing.
- Colorado had the fourth-fastest growing GDP rate in the country in 2008 and is expected to have among the strongest rates this year as well.
- Our foreclosure rate continues to drop while other states are seeing their rates climb. Homes are selling better here than in other states, and housing prices have not declined as much as they have elsewhere.
- Colorado added 5,400 payroll jobs in July from June, the first month-over-month increase since August 2008.
- We've enjoyed a steady drumbeat of new job announcements, including Hexcel Corp. in Windsor, Leitner-Poma in Grand Junction, Charles Schwab Co. in Centennial, Ascent Solar in Thornton, Abound Solar in Longmont, Kit Carson Windpower Project near Burlington, The Water Co. in Pueblo, DaVita Inc. in Denver and ACS Inc. in Colorado Springs. Repower Wind is relocating its US headquarters from Oregon to Colorado. UQM Technologies secured a \$45 million grant and may add as many as 3,500 jobs.
- CNBC rated Colorado the third top state in the nation for doing business in 2009.

- Last week, Colorado was ranked the 4<sup>th</sup> best clean-tech state in the country.
- Yesterday the Colorado Jobs Cabinet issued a new report, "Economic Competitiveness through Collaboration, Talent Development and Innovation," that will help create an even more skilled and education workforce for Colorado businesses.

### **The Federal Recovery Act Benefits Colorado**

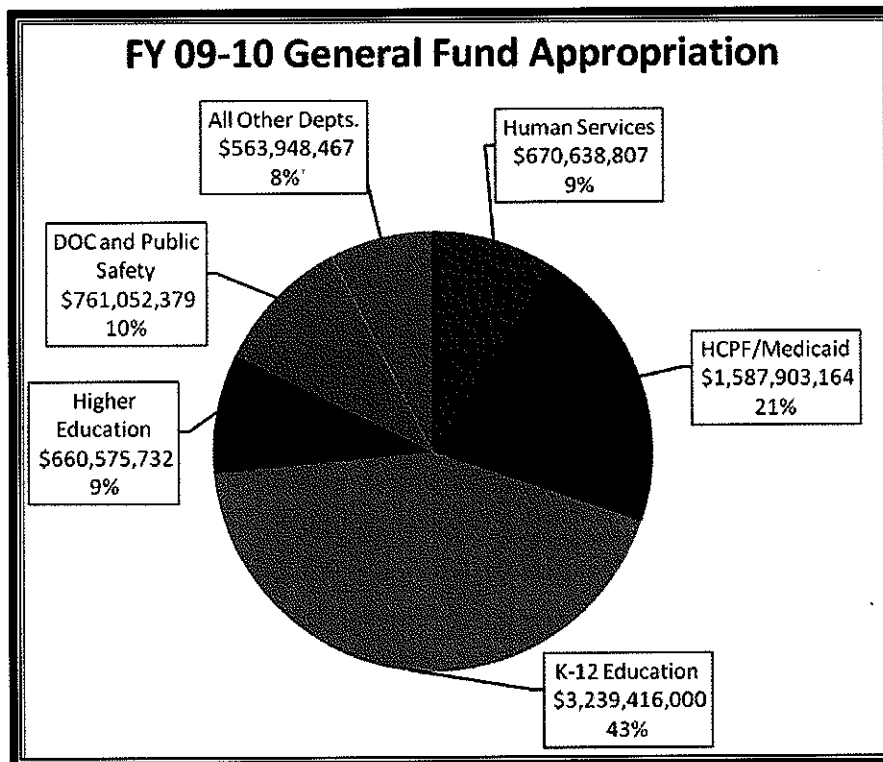
Without the Recovery Act, Colorado's economy and our ability to help struggling families would be hampered. The Act is a steady 2-year plan to help get America's economy back on track. Six months after the President signed the Act into law, Colorado is successfully putting the Act to work quicker and with more transparency and accountability than most other states. The following benefits for Colorado are attributable to the Federal Recovery Act:

- Tax cuts for 1.8 million working families across Colorado (the largest part, nearly one-third, of the entire Recovery Act is devoted to reducing taxes).
- 4,200 full-time, part-time and temporary jobs created or saved.
- Vital safety-net services for out-of-work Coloradans while they look for new jobs, fight to stay in their homes and struggle to keep food on the table:
  - ✓ Extended unemployment benefits for 150,000 Coloradans.
  - ✓ Additional food stamp benefits for 326,000 Coloradans.
  - ✓ Over 240,000 people have received job search assistance.
  - ✓ 3,000 youths have received summer jobs.
  - ✓ Emergency food supplies for 100,000 struggling families.
  - ✓ Extended Cobra health coverage for tens of thousands of Coloradans.
- Additional Social Security assistance of \$250 for 500,000 Coloradans.
- College tuition assistance for 52,000 low-income students.
- Large-scale construction and infrastructure projects are under way. As of July 15, 23 roadway projects using \$124.6 million from the Recovery Act have begun construction. CDOT reports that more than 600 people have received jobs under these projects. Construction projects worth \$36.7 million are under way at seven airports. Another \$60 million will be spent on about 30 drinking water and wastewater projects.
- Without the Act, Colorado would have been forced to consider:
  - ✓ Shutting down the Children's Health Plan Plus program, which serves nearly 65,000 pregnant women and children.

- ✓ Cutting thousands of people from Medicaid and reduce benefits for thousands more.
- ✓ Making drastic cuts to education programs from pre-school to college, including the possible closure of colleges, larger class sizes and teacher layoffs. The Act will provide \$450 million for colleges and universities and \$640 million for P-12 classrooms in Colorado.

### Budget Overview: Colorado Budget Spent on Core Programs

Over 95.0 percent of the total General Fund dollars are spent on the largest six departments (Education, Health Care Policy and Financing, Higher Education, Corrections, Human Services, and Judicial). Over 64.0 percent of spending is in two departments alone: K-12 Education accounts for 43.3 percent of total State General Fund spending in FY 2009-10 and the Department of Health Care Policy and Financing which operates Medicaid and Children's Basic Health Plan accounts for 21.0 percent of total state General Fund spending.



Most of the State's funding is used for mandatory caseload areas (K-12 funding, prison and Medicaid caseload) and these areas are increasing despite limited State revenues. Colorado's FY 2009-10 Medicaid caseload is estimated to grow by over 75,000 people (17.0 percent) over FY 2008-09 levels and K-12 average per pupil funding is growing over 5.0 percent, with K-12 accounting for \$343.3 million of the total funds increase in the FY 2009-10 appropriation.

### **Governor's Budget Balancing Plan for FY 2009-10**

My August FY 2009-10 General Fund Budget Balancing Plan of \$318 million follows two years of significant budget balancing actions.

The FY 2009-10 General Fund shortfall was balanced with \$1.45 billion of budget balancing actions. These actions included \$668 million of budget reductions, \$280 million of cash fund transfers, \$345 million of federal ARRA FMAP adjustments, and \$159 million of reserve reductions.

The FY 2008-09 General Fund shortfall was balanced during the session with over \$890 million of budget balancing actions not including end of year transfers authorized by S.B. 09-279. These FY 2008-09 balancing actions included \$144 million of net General Fund budget reductions along with other balancing measures. Ultimately \$186.3 million of the S.B. 09-279 cash funds transferred to the General Fund were used to augment the \$892 million of balancing actions, for a total of \$1.1 billion.

In June, Colorado's FY 2009-10 budget was estimated to have \$7,034.5 million in General Fund available and \$7,204.2 million in total General Fund spending estimated, including appropriations and obligations, leaving a General Fund shortfall totaling \$318.0 million after the 2.0 percent reserve of \$148.2 million General Fund was accounted for. The June 20, 2009 economic forecasts indicated a FY 2008-09 end-of-year General Fund shortfall. The General Assembly had provided for this contingency by passing S.B. 09-279. Senate Bill 09-279 authorized an end of year transfer from cash funds, to be paid back on July 1, 2009 from the General Fund. This FY 2008-09 shortfall, which ultimately totaled \$186.3 million based on preliminary estimates of FY 2008-09 after the books were closed, is realized in the FY 2009-10 budget. The Executive Order for S.B. 09-279 transferred \$458.1 million; the State began FY 2009-10 with an excess General Fund reserve of \$271.8 million beyond the \$148.2 million 2.0 percent required statutory General Fund reserve. Thus, a total of \$186.3 million of the \$318.0 million FY 2009-10 shortfall is attributable to FY 2008-09 balancing.

To ensure that Colorado's budget remains balanced, my FY 2009-10 plan does the following to address the \$318.0 million General Fund shortfall:

- Holds K-12 Education harmless in FY 2009-10 in order to comply with Amendment 23's provision for General Fund 5.0 percent maintenance of effort (MOE). The change in the personal income growth between the two prior calendar years was over 4.5 percent; this metric creates the requirement of the 5.0 percent MOE under Article IX, Section 17 of the Colorado Constitution. Please see the next section, "Critical Programs Protected from FY 2009-10 Reductions," for more information on critical programs which were protected from General Fund budget reductions.
- Authorizes General Fund reductions of \$604.3 million. Of this sum, over \$258 million General Fund represents budget reductions and over \$340 million reflects the inclusion of Federal Recovery Act "FMAP" federal funds refinancing of General Fund in the FY 2009-10 appropriations base. The \$604.3 million in budget reductions are discussed in greater detail on the following pages.

- Transfers \$40.6 million cash funds into the General Fund. This cash fund transfer proposal will require a statutory change.
- Reduces the budget assumptions for the OAP program by \$6.1 million General Fund as compared to the June 2009 Legislative Council Staff economic forecast of \$105.6 million for FY 2009-10. This reduction is explained in the OAP Factsheet in the budget reduction binder.
- Augments the General Fund revenue with \$800,000 from a signing bonus for its Procurement Card Agreement for FY 2009-10. The Procurement Card Program is a means of streamlining the traditional procurement and payment processes for small dollar transactions. This proposal is a result of the Department of Personnel and Administration targeting additional savings from existing state pricing agreements as recommended by the June 2008 Government Efficiency and Management Performance Review. This General Fund revenue is one-time, for FY 2009-10 only.
- Maintains the State's FY 2009-10 reserve at 2.0 percent of General Fund appropriations (\$136.1 million), pursuant to S.B. 09-277, but saves \$12.1 million in the reserve compared to the June 2009 reserve estimate. (Please note the June 2009 reserve estimate of \$148.2 million reflected the \$45.4 million Federal Recovery Act refinancing in the Department of Corrections, requested and approved as a "1331" supplemental to FY 2009-10.) The General Fund reserve is further lowered due to two actions. First, over \$342.0 million in FMAP-related General Fund reductions is moved into the expenditure base from which the 2.0 percent General Fund reserve is calculated, creating \$6.9 million in savings. Please note that the \$342 million represents a more refined program-based estimate than the \$345.8 million statewide FMAP figure previously incorporated into budget estimates. Second, the over \$258 million net General Fund of reductions in this Package lowers the total General Fund expenditure base from which the 2.0 percent reserve is calculated; this action results in reserve savings of \$5.2 million compared to a higher spending level.

### **Critical Programs Protected from FY 2009-10 Reductions**

My FY 2009-10 budget balancing plan protects several critical areas in the State budget from reduction. These areas include the following:

- **Developmental Disabilities (DD)** - Community-based DD services were mostly protected. There will be no reduction in the number of people served at the community level. Budget reductions at the regional centers were also minimized.
- **Mental Health** - Community-based mental health services were largely protected. There will be no reduction in the number of medically indigent individuals served. Cuts at the mental health institutes were also minimized.
- **Alcohol and Drug Treatment** - Services that result in cost savings to the health care and corrections system were mostly protected.

- **Child Welfare** – Reductions to child welfare were minimized in order to ensure child protection services are not significantly impacted.
- **County Eligibility Determination Services** – Funding to ensure counties can quickly process request for food stamps, TANF and Medicaid during this time of significant increases in **caseloads** was protected.
- **Senior Services** - These services include congregate nutrition, meals-on-wheels, transportation, in-home care, ombudsman representatives, legal support and elder abuse prevention.
- **CHP+ Program** – This critical optional program provides services to 67,000 children whose families have low incomes and was protected from freezes in enrollment.
- **Medicaid Pharmacy Benefit** – Pharmacy reimbursement was reduced, but not the benefit coverage. Although it is an optional benefit, its elimination would have a significant impact on the ability of individuals to recover and remain healthy. Elimination would certainly result in huge costs across many different components of Medicaid.
- **Health Care Provider Rates** – While the plan does include rate reductions, they were minimized. The Medicaid provider network is being stretched thin with double digit caseload growth and a 2% rate cut already implemented on July 1, 2009.
- **Breast and Cervical Cancer Program** - This program provides critical services that keep some clients from reaching Medicaid with worse conditions.
- **Emergency Preparedness and Response** - This program was protected to ensure Colorado can quickly and effectively respond to a public health emergency and is the lead office in the state's H1N1 Flu response efforts.
- **Local Public Health Support** - This funding represents state support for core local public health services and is critical to the overall funding structure for local public health agencies.
- **Disease Control and Environmental Epidemiology** - Reducing these funds would have resulted in a significant reduction of Colorado's TB Program core activities at the state and local level.
- **Poison Control** – The program provides free information about poisoning treatment and care to the general public and medical providers throughout Colorado.
- **Animal Industry** - These programs focus on livestock surveillance/testing for diseases, protection of livestock, and provide assistance to other governmental entities with animal control issues.
- **Conservation Services** – Reductions were minimized to these programs that provide assistance to the state conservation districts with the development of local projects related

to the preservation of the State's soil and water resources, noxious weed eradication, and crop protection.

- **Markets Division** - These programs focus on promotion of Colorado agriculture ranging from livestock to field crops.
- **Tuition Assistance for National Guard** – Cuts were minimized to ensure sufficient tuition support for National Guard members can be provided.
- **The Division of Parks and Outdoor Recreation** - Parks is already instituting increased user fees, staffing reductions, and partial parks closures.
- **Water Related Cash Funds** – Due to the cuts already taken in this area, any additional loss of funding for water projects will significantly harm Colorado's ability to meet future water needs.
- **K-12 Total Program** – As noted above, General Fund support for total program was not reduced in FY 2009-10 pursuant to the requirements of the Colorado Constitution.
- **Higher Education** – While General Fund support for higher education was reduced on a one-time basis in FY 2009-10, this reduction will be fully offset with Federal Recovery Act ARRA funds.
- **Division of Fire Safety Operations** – This program provides critical support to local fire departments. Reductions would compromise local Colorado departments' ability to receive federal grants, and could serve to increase the risk that both life and property may be lost to fire.
- **Community Corrections Differential Payments** – Without enhanced services funded with these payments, a large number of offenders may not be accepted into Community Corrections programs, and the probability for successful completion of Community Corrections stays declines.
- **CBI Program Support Unit (PSU)** – This unit was protected because it provides front-line service to local law enforcement agencies concerning access to the Colorado and National Crime Information Center (CCIC and NCIC) databases. The unit also houses the CBI's sex offender tracking programs.
- **CBI Criminal Identification Unit** – This unit provides fingerprint-based identification of offenders in the custody of local law enforcement agencies.
- **Corrections Facility Ratios** - Facility staffing is a critical component of the Department of Corrections with direct offender supervision in the 24/7 operations and management of the offender population. During the budget cuts in 2003 and 2004, DOC cut 588 FTE, which has created serious staffing shortages that must be managed daily to assure public safety remains intact.



- **Senate Bill 91-94 Programs** – These services are judicial district based and provide alternatives to incarceration for pre-adjudicated and adjudicated youth. The programs reduce NYC admissions and the lengths of stay for youth already in the NYC detention system.
- **Juvenile Diversion Program** - Supports services in 16 of Colorado's 22 judicial districts using treatment and informal interventions to divert low-level juvenile offenders from the court system.
- **Existing Facility Programs** - Education and treatment programs are critical to the direct supervision and management of offenders. Evidence-based studies indicate these programs have a direct effect on recidivism rates by teaching job skills, providing the ability to obtain GEDs, providing treatment and teaching coping skills.
- **Parole and Community Ratios** – Maintaining staffing ratios in these areas is critical to public safety. Reductions in this area would hamper efforts to improve public safety and reduce recidivism.
- **Existing Facility Programs** - Education and treatment programs are critical to the direct supervision and management of offenders. Evidence-based studies indicate these programs have a direct effect on recidivism rates by teaching job skills, providing the ability to obtain GEDs, providing treatment and teaching coping skills.
- **Motor Vehicle Offices** – Division of Motor Vehicle (DMV) Offices will not be shuttered. During the Legislative session funding the funding source for the DMVs was charged to the HUTF for one year so there is no General Fund support going to DMVs in FY 2009-10.

The following table shows the difference in the General Fund (GF) change in FY 2009-10 compared to the FY 2009-10 appropriation for key areas of state funding:

Department	FY 09-10 GF Approp.	FY 09-10 Reduction	% FY 09-10 Reduction
Human Services	\$670,638,807	(\$19,662,082)	-2.9%
HCPF/Medicaid	1,587,903,164	(454,707,351) *	-28.6% *
K-12 Education	3,239,416,000	(33,022)	0.0%
Higher Education	660,575,732	(80,935,058)	-12.3%
DOC and Public Safety	761,052,379	(27,929,257)	-3.7%
All Other Depts.	<u>563,948,467</u>	<u>(21,018,357)</u>	<u>-3.7%</u>
<b>Total GF Spending</b>	<b>\$7,483,534,549</b>	<b>(\$604,285,127) **</b>	<b>-8.1% **</b>

\* This total includes over \$340 million of Federal Recovery Act FMAP refinancing in the appropriations base and does not represent an actual cut because it is 100 percent offset with federal funds. Without the FMAP financing change, the HCPF reduction is approximately \$113 million General Fund (7.1 percent of the FY 2009-10 appropriation). Additionally, part of this \$113 million is attributable to Medicaid reductions in the Departments of Human Services and Public Health and Environment. This FY 09-10

*figure does not reflect the \$45.4 million of federal ARRA changes requested and approved by the JBC in June 2009; it only reflects the reduction in this August 25<sup>th</sup> balancing package. The federal funds were already used to balance the budget; this change makes the financing realized in the appropriation where it affects the General Fund reserve.*

*\*\* Also includes FMAP refinancing. Please note the reduction net of FMAP is approx. 3.5 percent.*

## **Discussion of FY 2009-10 Reductions**

- **Human Services (\$19.7 million General Fund reduction, not including Medicaid General Fund impact).** The reductions in the Department of Human Services total \$19.7 million General Fund in FY 2009-10 and 213.2 FTE on an annualized basis. The FY 2009-10 reductions in the Department of Human Services include, but are not limited to, the following: \$4.5 million General Fund from suspending the AND State Only Cash Assistance program; \$3.7 million General Fund from increasing the state capacity to 120 percent at State Commitment Facilities; \$2.6 million General Fund from the elimination of the Family Therapy Program; \$2.5 million General Fund from a reduction to Child Welfare Services block grant; \$1.2 million General Fund from the reclassification of licensing category of Ridge View Youth Services, and \$1.2 million General Fund from the Mental Health Institutes.

The budget reductions reflected here do not reflect the additional \$4.4 million General Fund reduction taken in the Department of Health Care Policy and Financing on behalf of the Department of Human Services Medicaid program, excluding ARRA refinancing. Including this Human Services Medicaid General Fund reduction, the total General Fund reduction to the Department of Human Services is \$24.1 million in FY 2009-10.

- **Health Care Policy and Financing/Medicaid (\$454.7 million General Fund reduction).** The Department of Health Care Policy and Financing (HCPF) General Fund reduction totals \$454.7 million in FY 2009-10. Included in this reduction figure is over \$340 million of General Fund reductions associated with refinancing associated with the Federal Recovery Act FMAP. Excluding the FMAP change the reduction to HCPF is approximately \$113 million General Fund or 7.1 percent. A portion of the HCPF reduction is attributable to DHS Medicaid reductions as well. The remaining HCPF FY 2009-10 General Fund budget reductions include, but are not limited to, the following: (1) \$52.5 million General Fund associated with other enhanced federal funding adjustments for hospital provide fee financing adjustments and an increase in the enhanced FMAP from 60.19 percent to 61.59 percent for the fourth quarter of FY 2008-09; (2) \$21.5 million General Fund in reduced funding for indigent care programs; (3) \$17.0 million General Fund in Medicaid program reductions; (4) \$2.2 million General Fund in department administrative reductions. The remainder of the reductions represent Medicaid reductions in the Department of Human Services or the Department of Public Health and Environment funded with Medicaid or statewide common policies.

(Included in this HCPF figure is \$4.4 million of Medicaid General Fund reductions in the Department of Human Services and \$15 million of Medicaid General Fund reductions in the Department of Public Health and Environment, leaving a net of \$93.3 million direct

General Fund reduction to the Department of Health Care Policy and Financing's programs.)

- **K-12 Education (\$33,022 General Fund reduction).** The \$33,022 of General Fund reductions for the Department of Education in FY 2009-10 reflects administrative statewide "common policy" budget reductions that do not affect Amendment 23 or Total Program K-12 funding. My Budget Balancing Plan for FY 2009-10 contains no General Fund reduction for K-12 Total Program in FY 2009-10, in order to comply with Amendment 23 (Article IX, Section 17 of the Colorado Constitution).
- **Higher Education (\$80.9 million General Fund reduction).** The Higher Education reduction totals \$80.9 million General Fund in FY 2009-10. This one-time reduction for FY 2009-10 only is wholly offset by increased Recovery Act federal funds that are sought through a waiver with the federal government.
- **Criminal Justice (total of \$27.9 million including \$25.8 million General Fund reduction in the Department of Corrections and \$2.1 million General Fund reduction in the Department of Public Safety).** The Department of Corrections reduction totals \$25.8 million General Fund in FY 2009-10. Of this sum, \$18.9 million in General Fund reductions is achieved through accelerated re-entry with enhanced parole services; \$3.0 million General Fund is reduced associated with the elimination of FY 2009-10 increases for academic and vocational education programs; \$1.8 million General Fund is reduced associated with the elimination of the Parole Wrap Around Services Program, and \$1.2 million General Fund represents external capacity caseload adjustments. The remaining sum is associated with the reduction of statewide "common policy" areas such as Risk Management, State Fleet.

The Department of Public Safety reduction totals \$2.1 million General Fund in FY 2009-10. This sum is attributable to the following reductions: \$558,000 General Fund associated with Cash funding Criminal Identification, \$557,000 General Fund associated with eliminating the General Fund support for CBI Insta-check, \$160,000 General Fund associated with eliminating Community Corrections discharge planners, \$153,000 General Fund associated with operating expenses reductions, \$205,000 General Fund associated with the elimination of 3.0 FTE in the CBI. The remainder of the reduction is associated with statewide "common policy" reductions as noted above.

- **All Other Departments (\$21.0 million General Fund reductions).** All other departments constitute the remaining \$21.0 million General Fund reductions in FY 2009-10. This includes, but is not limited to, the following: \$11.6 million reduced through a 3.0 percent reduction to the Judicial Department and elected officials' FY 2009-10 General Fund subject to the General Fund SB 09-228 limit plus common policy adjustments; \$695,000 General Fund reduced in the Department of Agriculture primarily through a refinancing with Agricultural Management Cash Funds; \$813,000 General Fund reduced in the Governor's Office, primarily associated with the elimination of 16.0 FTE (annualized); \$943,000 associated with the refinancing of the Department of Local Affairs' General Fund with reappropriated funds (from Severance Cash Funds); \$397,000 General Fund reduced in the Department of Military and Veterans Affairs associated

with Operations and Maintenance and Operating Expenses; \$2.1 million General Fund refinanced in the Department of Natural Resources State Parks and \$453,000 General Fund reduced in DNR's Division of Water Resources; \$271,000 General Fund reduced in the Department of Personnel and Administration associated with FTE reductions; \$1,500,000 General Fund reduced in the Department of Public Health and Environment associated with the elimination of General Fund for the Tony Grampas grants (\$1.0 million) and \$520,000 General Fund associated with reducing the Dental Assistance Program for Seniors; \$189,000 General Fund reduced in the Department of Regulatory Agencies, Civil Rights Division; and \$1.8 million General Fund in operational efficiencies, refinancing of the Division of Motor Vehicles (DMV), and the elimination of vacant positions in the Department of Revenue. The remainder of the General Fund reduced in department's budgets is associated with statewide "common policy" funded areas such as risk management and workers' compensation.

- Please note, the Department of Personnel and Administration (DPA) commuter savings and audio conferencing requests were included in Todd Saliman's presentation to the JBC on August 18<sup>th</sup>; however, these two requests will instead be considered for regular FY 2009-10 supplementals at a later date.

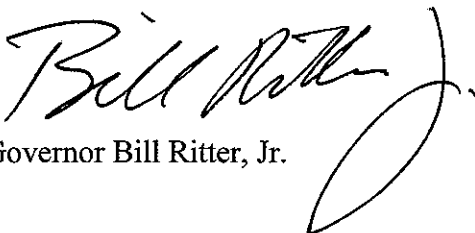
In order to fully implement some of the budget reduction measures contained in this plan, I must issue an executive order pursuant to C.R.S. § 24-2-102(4), which authorizes me to suspend or discontinue, in whole or in part, the functions or services of any department, board, bureau, or agency of the state government during any fiscal period when there are not sufficient revenues available for expenditures. The executive order necessary to implement such budget cutting measures will be issued before September 1, 2009.

My FY 2009-10 budget balancing plan contains significant on-going budget reductions which help partially offset the FY 2010-11 estimated General Fund shortfall. My final balancing plan for FY 2010-11 will be contained in my November 1, 2009 budget submission to the General Assembly.

These reductions represent tough decisions that must be made in order to maintain a balanced budget. I know that many Colorado families and businesses are continuing to struggle in this global recession. Medicaid enrollment is projected to surpass half a million people for the first time in FY 2009-10. More than 100,000 are receiving unemployment insurance, and nearly 350,000 are receiving food stamps – up one-third from a year ago.

I look forward to continuing to work with you to maintain critical government services for Coloradans during this challenging economic and budget environment.

Sincerely,



Governor Bill Ritter, Jr.

Cc: Representative Jack Pommer, Joint Budget Committee Vice-chairman  
Senator Al White, Joint Budget Committee Member  
Senator Abel Tapia, Joint Budget Committee Member  
Representative Mark Ferrandino, Joint Budget Committee Member  
Representative Kent Lambert, Joint Budget Committee Member  
Speaker of the House Terrance Carroll  
Senate President Brandon Shaffer  
Mr. John Ziegler, Joint Budget Committee Staff Director  
Mr. Todd Saliman, Director, Governor's Office of State Planning and Budgeting  
Mr. Don Elliman, Chief Operating Officer, Governor Bill Ritter, Jr.  
Mr. Jim Carpenter, Chief of Staff, Governor Bill Ritter, Jr.

**Total FY 2009-10 Appropriated General Fund and Annualized FTE Reduction**

<b>Department</b>	<b>FY 09-10 Appropriation (May 2009) TL General Fund</b>	<b>FY 09-10 TL General Fund Reductions (August 2009)</b>	<b>% FY 09-10 TL General Fund Reductions</b>	<b>FY 09-10 FTE Reductions (Annualized)</b>
Agriculture	\$ 6,860,955	\$ (694,765)	-10.1%	0.0
Corrections	\$ 677,839,527	\$ (25,809,462)	-3.8%	(29.3)
Education	\$ 3,239,416,000	\$ (33,022)	0.0%	0.0
Governor and Energy Office	\$ 14,283,355	\$ (812,911)	-5.7%	(16.0)
Health Care Policy & Financing	\$ 1,587,903,164	\$ (454,707,351) *	-28.6% *	(0.2)
Higher Education	\$ 660,575,732	\$ (80,935,058)	-12.3%	0.0
Human Services	\$ 670,638,807	\$ (19,662,082)	-2.9%	(213.2)
Judicial	\$ 336,357,516	\$ (10,200,959)	-3.0%	0.0
Labor and Employment	\$ -	\$ -		0.0
Law	\$ 10,008,042	\$ (306,911)	-3.1%	0.0
Legislature	\$ 35,162,475	\$ (1,077,672)	-3.1%	0.0
Local Affairs	\$ 11,889,613	\$ (959,337)	-8.1%	0.0
Military and Veterans Affairs	\$ 5,862,332	\$ (422,754)	-7.2%	0.0
Natural Resources	\$ 29,680,331	\$ (2,729,462)	-9.2%	(6.3)
Personnel and Administration	\$ 6,291,404	\$ (271,294)	-4.3%	(8.0)
Public Health and Environment	\$ 28,232,074	\$ (1,520,308)	-5.4%	0.0
Public Safety	\$ 83,212,852	\$ (2,119,795)	-2.5%	(6.6)
Regulatory Agencies	\$ 1,666,729	\$ (189,549)	-11.4%	(1.0)
Revenue	\$ 75,719,920	\$ (1,803,535)	-2.4%	(19.6)
State	\$ -	\$ -		0.0
Transportation	\$ -	\$ -		0.0
Treasury	\$ 1,933,721	\$ (28,900)	-1.5%	0.0
<b>Total</b>	<b>\$ 7,483,534,549</b>	<b>\$ (604,285,127) *</b>	<b>-8.1% *</b>	<b>(300.2)</b>

\* Over \$340M of this sum is attributable to the inclusion of FMAP in the appropriations base and does not represent an actual cut.  
 With the FMAP adjusted for, the reduction to HCPF is 7.1 percent and the total General Fund cut is 3.5 percent of total GF appropriations.

# STATE OF COLORADO

## OFFICE OF STATE PLANNING AND BUDGETING

111 State Capitol Building  
Denver, Colorado 80203  
(303) 866-3317



Bill Ritter Jr.  
Governor  
Todd Saliman  
Director

August 25, 2009

David J. McDermott, CPA  
Colorado State Controller  
Department of Personnel and Administration  
633 17th Street Suite 1500  
Denver, CO 80202

Dear Mr. McDermott:

On behalf of Governor Bill Ritter, Jr., I am directing you to apply restrictions against FY 2009-10 appropriations in order to ensure a balanced budget. Section 24-2-102, C.R.S. (2008) authorizes the Governor to suspend or discontinue, in whole or in part, the functions or services of any department, board, bureau, or agency of the state government during any fiscal period when there are not sufficient revenues available for expenditures. These restrictions are clearly delineated in the Governor's Budget Balancing Package presented to the Joint Budget Committee on August 25, 2009. Most of these budget restrictions can be accomplished with this letter alone. Other budget restrictions, however, require executive action pursuant to C.R.S. § 24-2-104(4), and those budget actions will be set forth in an executive order that will be issued before September 1, 2009.

This Package contains specific Schedule 13s for every budget reduction implemented. Please apply restrictions on every line item with a negative dollar amount as illustrated on these Schedule 13s, in the amount of the negative in column 3. This includes placing restrictions on any reappropriated or cash appropriations in order to ensure that monies are available for the transfers indicated in the Cash Funds Summary also provided in the August 25, 2009 Budget Balancing Package.

In the end, the restrictions may be lifted once the appropriation has been revised by the General Assembly in an appropriations bill, a special bill has passed amending the appropriation, or upon request of this Office.

Please contact Lisa Esgar at 303-866-3024 if you have any questions about this letter. Thank you very much for your assistance.

Sincerely,

Todd Saliman  
Director

cc: Lisa Esgar, Deputy Director, OSPB  
John Ziegler, JBC Staff Director

Department	Proposal Number	Entry Name (Identifier)	-Total Funds	-GF Limit	-GFE	-CF	-HUTF (OTT)	-RF	-FF	-MED CF	-MED GF	-Net GF	-FTE	
Agriculture	0	9. Risk Management Contract Review and Reduction	(2,640)	(767)	0	(1,850)	0	0	(23)	0	0	(767)	0.0	
		14. Building Maintenance Reductions	(2,320)	(1,892)	0	(428)	0	0	0	0	0	(1,892)	0.0	
		15. Risk Management Reduction of Liability, Property and Workers' Compensation Volatility	(19,519)	(6,725)	0	(12,633)	0	0	(161)	0	0	(6,725)	0.0	
		16. State Fleet Rebates - One-Time Refinance	(9,281)	(3,862)	0	(5,227)	0	0	(192)	0	0	(3,862)	0.0	
		17. FY 2009-10 OIT Management and Administration One-time Adjustment	(1,652)	(1,652)	0	0	0	0	0	0	0	(1,652)	0.0	
	1	Refinancing of Department Programs with Agricultural Management Cash Funds	(679,867)	(679,867)	0	0	0	0	0	0	0	0	(679,867)	0.0
<b>Agriculture Total</b>			<b>(715,279)</b>	<b>(694,765)</b>	<b>0</b>	<b>(20,138)</b>	<b>0</b>	<b>0</b>	<b>(376)</b>	<b>0</b>	<b>0</b>	<b>(694,765)</b>	<b>0.0</b>	
Corrections	0	8. Elimination of Noxious Weeds Abatement	(9,756)	(6,968)	0	(2,788)	0	0	0	0	0	(6,968)	0.0	
		9. Risk Management Contract Review and Reduction	(89,895)	(87,063)	0	(2,832)	0	0	0	0	0	(87,063)	0.0	
		14. Building Maintenance Reductions	(4,088)	(2,920)	0	(1,168)	0	0	0	0	0	(2,920)	0.0	
		15. Risk Management Reduction of Liability, Property and Workers' Compensation Volatility	(549,924)	(530,181)	0	(19,743)	0	0	0	0	0	(530,181)	0.0	
		16. State Fleet Rebates - One-Time Refinance	(247,213)	(239,055)	0	(8,158)	0	0	0	0	0	(239,055)	0.0	
		17. FY 2009-10 OIT Management and Administration One-time Adjustment	(21,147)	(21,147)	0	0	0	0	0	0	0	(21,147)	0.0	
		Eliminate 09-10 Increases for Academic and Vocational Education Programs	(3,023,021)	(3,023,021)	0	0	0	0	0	0	0	0	(3,023,021)	(34.8)
	2	Parole Wrap Around Services Program	(1,800,000)	(1,800,000)	0	0	0	0	0	0	0	0	(1,800,000)	0.0
		3 Accelerated Re-Entry with Enhanced Parole Services	(18,941,238)	(18,941,238)	0	0	0	0	0	0	0	0	(18,941,238)	0.0
	4	External Capacity Caseload Adjustment	(1,157,869)	(1,157,869)	0	0	0	0	0	0	0	0	(1,157,869)	0.0
<b>Corrections Total</b>			<b>(25,844,151)</b>	<b>(25,809,462)</b>	<b>0</b>	<b>(34,689)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(25,809,462)</b>	<b>(34.8)</b>	
Education	0	9. Risk Management Contract Review and Reduction	(4,167)	(4,167)	0	0	0	0	0	0	0	(4,167)	0.0	
		14. Building Maintenance Reductions	(7,618)	(7,618)	0	0	0	0	0	0	0	(7,618)	0.0	
		15. Risk Management Reduction of Liability, Property and Workers' Compensation Volatility	(21,237)	(21,237)	0	0	0	0	0	0	0	(21,237)	0.0	
	<b>Education Total</b>			<b>(33,022)</b>	<b>(33,022)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(33,022)</b>	<b>0.0</b>	
Governor	0	9. Risk Management Contract Review and Reduction	(2,115)	(2,115)	0	0	0	0	0	0	0	(2,115)	0.0	
		14. Building Maintenance Reductions	(6,520)	(6,520)	0	0	0	0	0	0	0	(6,520)	0.0	
		15. Risk Management Reduction of Liability, Property and Workers' Compensation Volatility	(29,135)	(29,135)	0	0	0	0	0	0	0	(29,135)	0.0	
		17. FY 2009-10 OIT Management and Administration One-time Adjustment	(7,887)	(7,887)	0	0	0	0	0	0	0	(7,887)	0.0	
		OIT Personal Services Reduction Initiative General Fund placeholder	(298,458)	(298,458)	0	0	0	0	0	0	0	(298,458)	0.0	
	1	Governor's Office Reduction	(230,967)	(230,967)	0	0	0	0	0	0	0	0	(230,967)	(2.3)
	2	Lt. Governor's Office Reduction	(34,681)	(34,681)	0	0	0	0	0	0	0	0	(34,681)	0.0
	3	Business Development Reorganization	(203,148)	(203,148)	0	0	0	0	0	0	0	0	(203,148)	(1.5)
		OIT Management and Administration FY 2009-10 Adjustment	0	0	0	0	0	0	0	0	0	0	0	0.0
		Sno-Cat Replacement Program Elimination - FY 2009-10												
	6	Cash Fund Transfer	(230,520)	0	0	0	0	(230,520)	0	0	0	0	0	0.0
7	OIT Personal Services Reduction Initiative	(596,916)	0	0	0	0	(596,916)	0	0	0	0	0	(8.7)	
<b>Governor Total</b>			<b>(1,640,347)</b>	<b>(812,911)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(827,436)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(812,911)</b>	<b>(12.5)</b>	
Health Care Policy & Financing	ES-1	Enhanced Federal Funding Adjustments	0	(52,469,404)	0	(1,735,344)	0	(48,186)	54,252,934	0	0	(52,469,404)	0.0	
	ES-2	Medicaid Program Reductions	(38,590,574)	(17,020,348)	0	532,225	0	(7,002)	(22,095,449)	0	0	(17,020,348)	0.0	
	ES-3	Department Administrative Reductions	(1,166,768)	(2,151,651)	0	1,736,356	0	0	(751,473)	0	0	(2,151,651)	0.0	
	ES-4	Reduce Funding for Indigent Care Programs	(62,205,816)	(21,539,689)	13,827	(152,540)	0	(11,956,827)	(28,570,587)	0	0	(21,525,862)	(0.2)	
	ES-5	Adjust Department Appropriations to Reflect Enhanced Federal Medicaid Assistance Percentage	0	(341,995,112)	0	(59,307,369)	0	(833,989)	402,136,470	0	0	(341,995,112)	0.0	
	NP-ES1	DHS Information Technology Services	(18,000)	(9,000)	0	0	0	0	(9,000)	0	0	(9,000)	0.0	
		DHS - Aid to Needy Disabled - State Only Program Suspension	11,683	5,779	0	29	0	41	5,834	0	0	5,779	0.0	
	NP-ES3	DHS - Increase State Capacity to 120% at State Commitment Facilities	(166,246)	(63,855)	0	0	0	0	(102,391)	0	0	(63,855)	0.0	
	NP-ES4	Office of Operations Personal Services and Operating Reduction	(39,922)	(19,960)	0	0	0	0	(19,962)	0	0	(19,960)	0.0	
	NP-ES5	DHS - Close 59 Beds at the Colorado Mental Health Institutu	524,863	201,601	0	0	0	0	323,262	0	0	201,601	0.0	



Department	Proposal Number	Entry Name (Identifier)	-Total Funds	-GF Limit	-GFE	-CF	-HUTF (OTT)	-RF	-FF	-MED CF	-MED GF	-Net GF	-FTE
Health Care Policy & Financing	NP-ES6	DHS - Reclassification of Licensing Category of Ridgeview Youth Services Center for Medicaid Billing	412,083	158,282	0	0	0	0	253,801	0	0	158,282	0.0
	NP-ES7	DHS - DDD Medicaid Waivers Provider Rate Retraction	(5,888,663)	(2,253,482)	0	(8,353)	0	0	(3,626,828)	0	0	(2,253,482)	0.0
	NP-ES8	DHS - Closure of 32 bed Nursing Facility at GJRC	(1,922,142)	(703,448)	0	24,435	0	(116,380)	(1,126,749)	0	0	(703,448)	0.0
	NP-ES9	DHS - Reduction to the Child Welfare Services Block by 7%	(4,238,722)	(1,628,093)	0	0	0	0	(2,610,629)	0	0	(1,628,093)	0.0
	NP-ES-14	Commision on Family Medicine General fund Reduction	(193,206)	(96,603)	0	0	0	0	(96,603)	0	0	(96,603)	0.0
	NP-ES12	14. Building Maintenance Reductions	(5,408)	(2,704)	0	0	0	0	(2,704)	0	0	(2,704)	0.0
	NP-11	15. Risk Management Reduction of Liability, Property and Workers' Compensation Volatility	(6,207)	(3,103)	0	0	0	0	(3,104)	0	0	(3,103)	0.0
	NP-ES10	9. Risk Management Contract Review and Reduction	(515)	(258)	0	0	0	0	(257)	0	0	(258)	0.0
	NP-ES20	15. Risk Management Reduction of Liability, Property and Workers' Compensation Volatility	(135,008)	(67,504)	0	0	0	0	(67,504)	0	0	(67,504)	0.0
	NP-ES21	9. Risk Management Contract Review and Reduction	(42,710)	(21,355)	0	0	0	0	(21,355)	0	0	(21,355)	0.0
	NP-ES-16	CDPHE - Cash Fund Financing - Tobacco Education Program Fund 18M	0	(7,000,000)	0	7,000,000	0	0	0	0	0	(7,000,000)	0.0
	NP-ES-17	CDPHE - Cash Fund Financing - Health Disparities Grant Program Fund 19F	0	(1,000,000)	0	0	0	1,000,000	0	0	0	(1,000,000)	0.0
	NP-ES-18	CDPHE - Cash Fund Financing - Prevention, Detection, and Treatment Fund 18N	0	(7,000,000)	0	7,000,000	0	0	0	0	0	(7,000,000)	0.0
	NP-ES13	17. FY 2009-10 OIT Management and Administration One-time Adjustment	(68,435)	(34,217)	0	0	0	0	(34,218)	0	0	(34,217)	0.0
	NP-ES19	16. State Fleet Rebates - One-Time Refinance	(8,422)	(4,211)	0	0	0	0	(4,211)	0	0	(4,211)	0.0
	NP-ES22	17. FY 2009-10 OIT Management and Administration One-time Adjustment	(5,686)	(2,843)	0	0	0	0	(2,843)	0	0	(2,843)	0.0
<b>Health Care Policy &amp; Financing Total</b>			<b>(113,753,821)</b>	<b>(454,721,178)</b>	<b>13,827</b>	<b>(44,910,561)</b>	<b>0</b>	<b>(11,962,343)</b>	<b>397,826,434</b>	<b>0</b>	<b>0</b>	<b>(454,707,351)</b>	<b>(0.2)</b>
Higher Education	0	9. Risk Management Contract Review and Reduction	(473)	0	0	(397)	0	(76)	0	0	0	0	0.0
		15. Risk Management Reduction of Liability, Property and Workers' Compensation Volatility	(4,485)	0	0	(4,139)	0	(346)	0	0	0	0	0.0
	CTSR-ES-1	CTSR Annual Routine Maintenance - Budget Reduction	(22,500)	(22,500)	0	0	0	0	0	0	0	(22,500)	0.0
	ES-1	FY 2009-10 Higher Education Budget Balancing General Fund Reduction	(77,999,170)	(80,912,558)	0	0	0	(77,918,800)	80,832,188	0	0	(80,912,558)	0.0
<b>Higher Education Total</b>			<b>(78,026,628)</b>	<b>(80,935,058)</b>	<b>0</b>	<b>(4,536)</b>	<b>0</b>	<b>(77,919,222)</b>	<b>80,832,188</b>	<b>0</b>	<b>0</b>	<b>(80,935,058)</b>	<b>0.0</b>
Human Services	0	9. Risk Management Contract Review and Reduction	(143,161)	(75,544)	0	(428)	0	(60,917)	(6,272)	(42,710)	(21,355)	(96,899)	0.0
		14. Building Maintenance Reductions	(16,991)	(8,496)	0	0	0	0	(8,495)	0	0	(8,496)	0.0
		15. Risk Management Reduction of Liability, Property and Workers' Compensation Volatility	(539,018)	(320,629)	0	(1,516)	0	(193,655)	(23,218)	(135,008)	(67,504)	(388,133)	0.0
		16. State Fleet Rebates - One-Time Refinance	(37,124)	(24,129)	0	(284)	0	(9,950)	(2,761)	(8,422)	(4,211)	(28,340)	0.0
		17. FY 2009-10 OIT Management and Administration One-time Adjustment	(132,251)	(101,926)	0	(2,984)	0	(10,390)	(16,951)	(5,686)	(2,843)	(104,769)	0.0
	1	OITS - Personal Services FTE Reduction	(450,000)	(346,500)	0	(9,000)	0	(36,000)	(58,500)	(18,000)	(9,000)	(355,500)	(7.0)
	2	OITS - Colorado Trails Personal Services	(400,000)	(216,000)	0	0	0	0	(184,000)	0	0	(216,000)	(3.0)
	3	OO - Personal Services and Operating Reduction	(267,462)	(138,441)	0	(16,336)	0	(94,081)	(18,604)	(39,922)	(19,960)	(158,401)	(4.0)
	4	CW - Eliminate Functional Family Therapy Program from DI #4	(3,281,941)	(2,632,599)	0	(649,342)	0	0	0	0	0	(2,632,599)	(0.5)
	5	CW - Reduction to Child Welfare Services Block by 7%	(8,413,972)	(2,527,611)	0	(779,396)	0	(4,238,722)	(868,243)	(4,238,722)	(2,119,361)	(4,646,972)	0.0
	6	CC - FTE General Fund Reduction	(146,105)	(146,105)	0	0	0	0	0	0	0	(146,105)	(3.3)
	7	Reduce General Fund in Promoting Responsible Fatherhood Grant	(150,000)	(150,000)	0	0	0	0	0	0	0	(150,000)	0.0
	8	OSS - General Fund Reduction to ACSES Line	(400,000)	(136,000)	0	0	0	0	(264,000)	0	0	(136,000)	0.0
	11	OBHH - Eliminate the Enhanced Mental Health Pilot Services for Detained Youth	(580,385)	(580,385)	0	0	0	0	0	0	0	(580,385)	0.0
	12	OBHH - Mental Health Institutes	(3,933,751)	(1,237,285)	0	(837,963)	0	(1,858,503)	0	(257,624)	(128,812)	(1,366,097)	(48.4)
	13	Remove General Fund from SVNH Consulting Services	(195,627)	(195,627)	0	0	0	0	0	0	0	(195,627)	0.0
16	Medicaid Waivers Provider Rate Reduction	(5,888,663)	0	0	0	0	(5,888,663)	0	(5,888,663)	(2,933,459)	(2,933,459)	0.0	

Department	Proposal Number	Entry Name (Identifier)	-Total Funds	-GF Limit	-GFE	-CF	-HUTF (OTT)	-RF	-FF	-MED CF	-MED GF	-Net GF	-FTE
Human Services	17	Closure of 32 Bed Nursing Facility at Grand Junction Regional Center	(2,820,485)	0	0	0	0	(2,820,485)	0	(2,820,485)	(1,293,862)	(1,293,862)	(57.0)
	18	Old Age Pension Cost of Living, Caseload and Expenditure Adjustments	(6,127,916)	0	0	(6,127,916)	0	0	0	0	0	0	0.0
	19	DYC - Reduction in Boulder IMPACT	(271,421)	(271,421)	0	0	0	0	0	0	0	(271,421)	0.0
	20	DYC - Increase State Capacity to 120% at State Commitment Facilities	(3,895,450)	(3,729,204)	0	0	0	(166,246)	0	(166,246)	(83,123)	(3,812,327)	0.0
	21	DYC - Reclassification of Licensing Category of Ridge View Youth Services	0	(1,160,845)	0	0	0	412,083	748,762	412,083	206,042	(954,803)	0.0
	22	DYC - Rate Reduction in Cost of Living Adjustment for Contract Services	(691,102)	(691,102)	0	0	0	0	0	0	0	(691,102)	0.0
	23	DYC - Reduction in Client Management	(428,160)	(428,160)	0	0	0	0	0	0	0	(428,160)	(6.4)
	25	Aid to the Needy Disabled - State Only Program Suspension	(7,146,477)	(4,544,073)	0	(2,624,303)	0	11,683	10,216	11,683	5,779	(4,538,294)	0.0
<b>Human Services Total</b>			<b>(46,357,462)</b>	<b>(19,662,082)</b>	<b>0</b>	<b>(11,049,468)</b>	<b>0</b>	<b>(14,953,846)</b>	<b>(692,066)</b>	<b>(13,197,722)</b>	<b>(6,471,669)</b>	<b>(26,133,751)</b>	<b>(129.6)</b>
Judicial	1	OSPB Judicial Assumption, 3.0 percent reduction	(10,090,725)	(10,090,725)	0	0	0	0	0	0	0	(10,090,725)	0.0
	n/a	9. Risk Management Contract Review and Reduction	(24,412)	(24,412)	0	0	0	0	0	0	0	(24,412)	0.0
		15. Risk Management Reduction of Liability, Property and Workers' Compensation Volatility	(85,822)	(85,822)	0	0	0	0	0	0	0	(85,822)	0.0
<b>Judicial Total</b>			<b>(10,200,959)</b>	<b>(10,200,959)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(10,200,959)</b>	<b>0.0</b>
Labor & Employment	0	9. Risk Management Contract Review and Reduction	(8,744)	0	0	(4,328)	0	0	(4,416)	0	0	0	0.0
		14. Building Maintenance Reductions	(752)	0	0	(344)	0	0	(408)	0	0	0	0.0
		15. Risk Management Reduction of Liability, Property and Workers' Compensation Volatility	(31,946)	0	0	(15,813)	0	0	(16,133)	0	0	0	0.0
		17. FY 2009-10 OIT Management and Administration One-time Adjustment	(16,775)	0	0	(8,220)	0	0	(8,555)	0	0	0	0.0
<b>Labor &amp; Employment Total</b>			<b>(58,217)</b>	<b>0</b>	<b>0</b>	<b>(28,705)</b>	<b>0</b>	<b>0</b>	<b>(29,512)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>
Law	0	9. Risk Management Contract Review and Reduction	(754)	(226)	0	(61)	0	(446)	(21)	0	0	(226)	0.0
		14. Building Maintenance Reductions	(17,445)	(5,235)	0	(1,421)	0	(10,323)	(466)	0	0	(5,235)	0.0
		15. Risk Management Reduction of Liability, Property and Workers' Compensation Volatility	(7,891)	(664)	0	(180)	0	(6,988)	(59)	0	0	(664)	0.0
		16. State Fleet Rebates - One-Time Refinance	(1,687)	(545)	0	(337)	0	(698)	(107)	0	0	(545)	0.0
		OSPB Assumption Dept of Law GF cut	(300,241)	(300,241)	0	0	0	0	0	0	0	(300,241)	0.0
<b>Law Total</b>			<b>(328,018)</b>	<b>(306,911)</b>	<b>0</b>	<b>(1,999)</b>	<b>0</b>	<b>(18,455)</b>	<b>(653)</b>	<b>0</b>	<b>0</b>	<b>(306,911)</b>	<b>0.0</b>
Legislature	0	9. Risk Management Contract Review and Reduction	(649)	(649)	0	0	0	0	0	0	0	(649)	0.0
		14. Building Maintenance Reductions	(19,217)	(19,217)	0	0	0	0	0	0	0	(19,217)	0.0
		15. Risk Management Reduction of Liability, Property and Workers' Compensation Volatility	(2,932)	(2,932)	0	0	0	0	0	0	0	(2,932)	0.0
		Required 3.0% budget cut for FY 2009-10. OSPB Placeholder	(1,054,874)	(1,054,874)	0	0	0	0	0	0	0	(1,054,874)	0.0
<b>Legislature Total</b>			<b>(1,077,672)</b>	<b>(1,077,672)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(1,077,672)</b>	<b>0.0</b>
Local Affairs	0	8. Elimination of Noxious Weeds Abatement	(2,550)	0	0	0	0	0	(2,550)	0	0	0	0.0
		9. Risk Management Contract Review and Reduction	(729)	(678)	0	(23)	0	(28)	0	0	0	(678)	0.0
		14. Building Maintenance Reductions	(6,773)	(4,171)	0	(294)	0	(1,240)	(1,068)	0	0	(4,171)	0.0
		15. Risk Management Reduction of Liability, Property and Workers' Compensation Volatility	(3,355)	(3,120)	0	(143)	0	(92)	0	0	0	(3,120)	0.0
		16. State Fleet Rebates - One-Time Refinance	(9,281)	(7,491)	0	0	0	(1,790)	0	0	0	(7,491)	0.0
		17. FY 2009-10 OIT Management and Administration One-time Adjustment	(2,036)	(750)	0	0	0	0	(1,286)	0	0	(750)	0.0
	1	Refinance General Fund with Reappropriated Funds	181,162	(943,127)	0	0	0	1,124,289	0	0	0	(943,127)	0.0
<b>Local Affairs Total</b>			<b>156,438</b>	<b>(959,337)</b>	<b>0</b>	<b>(460)</b>	<b>0</b>	<b>1,121,139</b>	<b>(4,904)</b>	<b>0</b>	<b>0</b>	<b>(959,337)</b>	<b>0.0</b>
Military and Veteran Affairs	0	8. Elimination of Noxious Weeds Abatement	(8,051)	(8,051)	0	0	0	0	0	0	0	(8,051)	0.0
		9. Risk Management Contract Review and Reduction	(1,076)	(376)	0	(11)	0	0	(689)	0	0	(376)	0.0
		14. Building Maintenance Reductions	(3,374)	(3,374)	0	0	0	0	0	0	0	(3,374)	0.0
		15. Risk Management Reduction of Liability, Property and Workers' Compensation Volatility	(13,579)	(11,526)	0	(32)	0	0	(2,021)	0	0	(11,526)	0.0
		17. FY 2009-10 OIT Management and Administration One-time Adjustment	(2,228)	(2,228)	0	0	0	0	0	0	0	(2,228)	0.0
	ES-1	Reduce Operations and Maintenance for Buckley/Greeley	(70,000)	(70,000)	0	0	0	0	0	0	0	(70,000)	0.0

Department	Proposal Number	Entry Name (Identifier)	-Total Funds	-GF Limit	-GFE	-CF	-HUTF (OTT)	-RF	-FF	-MED CF	-MED GF	-Net GF	-FTE
<b>Military and Veteran Affairs</b>	<b>ES-2</b>	Reduce the Division of Veterans Affairs Operating Expenses	(50,000)	(50,000)	0	0	0	0	0	0	0	(50,000)	0.0
	<b>ES-3</b>	Reduce the Executive Director's Office Operating Expenses	(277,199)	(277,199)	0	0	0	0	0	0	0	(277,199)	0.0
<b>Military and Veteran Affairs Total</b>			<b>(425,507)</b>	<b>(422,754)</b>	<b>0</b>	<b>(43)</b>	<b>0</b>	<b>0</b>	<b>(2,710)</b>	<b>0</b>	<b>0</b>	<b>(422,754)</b>	<b>0.0</b>
<b>Natural Resources</b>	<b>0</b>	9. Risk Management Contract Review and Reduction	(25,527)	(3,377)	0	(21,689)	0	(380)	(81)	0	0	(3,377)	0.0
		14. Building Maintenance Reductions	(11,850)	(3,272)	0	(4,821)	0	(2,324)	(1,433)	0	0	(3,272)	0.0
		15. Risk Management Reduction of Liability, Property and Workers' Compensation Volatility	(137,376)	(16,111)	0	(119,664)	0	(1,310)	(291)	0	0	(16,111)	0.0
		16. State Fleet Rebates - One-Time Refinance	(16,875)	(2,218)	0	(14,313)	0	0	(344)	0	0	(2,218)	0.0
		17. FY 2009-10 OIT Management and Administration One-time Adjustment	(33,687)	(7,111)	0	(24,382)	0	(1,410)	(784)	0	0	(7,111)	0.0
	<b>1</b>	Increase Severance Allocation to State Parks - DPOR	0	(2,147,415)	0	2,147,415	0	0	0	0	0	(2,147,415)	0.0
	<b>2</b>	Eliminate NEPA Coordinator Position - EDO	(96,779)	(96,779)	0	0	0	0	0	0	0	(96,779)	(1.0)
	<b>3</b>	Division of Water Resources Personal Services Reduction	(413,179)	(413,179)	0	0	0	0	0	0	0	(413,179)	(5.3)
	<b>4</b>	Increase Fee Revenue for the Satellite Monitoring System	0	(40,000)	0	40,000	0	0	0	0	0	(40,000)	0.0
<b>Natural Resources Total</b>			<b>(735,273)</b>	<b>(2,729,462)</b>	<b>0</b>	<b>2,002,546</b>	<b>0</b>	<b>(5,424)</b>	<b>(2,933)</b>	<b>0</b>	<b>0</b>	<b>(2,729,462)</b>	<b>(6.3)</b>
<b>Personnel and Administration</b>	<b>0</b>	9. Risk Management Contract Review and Reduction	(4,388)	(1,089)	0	(123)	0	(3,176)	0	0	0	(1,089)	0.0
		14. Building Maintenance Reductions	(14,702)	(9,631)	0	0	0	(5,071)	0	0	0	(9,631)	0.0
		15. Risk Management Reduction of Liability, Property and Workers' Compensation Volatility	(57,080)	(14,168)	0	(1,599)	0	(41,313)	0	0	0	(14,168)	0.0
		16. State Fleet Rebates - One-Time Refinance	(22,359)	0	0	0	0	(22,359)	0	0	0	0	0.0
		17. FY 2009-10 OIT Management and Administration One-time Adjustment	(8,524)	(5,752)	0	1,139	0	(3,911)	0	0	0	(5,752)	0.0
	<b>1</b>	Elimination of DHR Communications Unit	(29,959)	(29,959)	0	0	0	0	0	0	0	(29,959)	(0.3)
	<b>2</b>	Elimination of Government and Public Relations Director Position	(32,992)	(32,992)	0	0	0	0	0	0	0	(32,992)	(0.3)
	<b>3</b>	Elimination of Rule Interpreter and DPA HIPAA Compliance Officer	(20,065)	(20,065)	0	0	0	0	0	0	0	(20,065)	(0.3)
	<b>4</b>	Elimination of DHR Talent Management Unit	(106,182)	(106,182)	0	0	0	0	0	0	0	(106,182)	(1.7)
	<b>5</b>	Elimination of Contractor Registration and As-Needed Professional Services Contract Programs	(11,492)	(11,492)	0	0	0	0	0	0	0	(11,492)	(0.3)
	<b>6</b>	Elimination of State Purchasing Office Administrative Assistant II Position	(39,964)	(39,964)	0	0	0	0	0	0	0	(39,964)	(1.0)
	<b>7</b>	Risk Management Contract Review and Reduction	(547,863)	0	0	0	0	(547,863)	0	0	0	0	0.0
	<b>9</b>	Building Maintenance Reductions	(175,258)	0	0	0	0	(175,258)	0	0	0	0	0.0
	<b>10</b>	Risk Management Reduction of Liability, Property and Worker's Compensation Volatility	(2,907,505)	0	0	0	0	(2,907,505)	0	0	0	0	0.0
	<b>11</b>	Elimination of Noxious Weed Abatement	(44,187)	0	0	0	0	(44,187)	0	0	0	0	0.0
	<b>12</b>	State Fleet Rebates - One-Time Refinance	0	0	0	421,866	0	(421,866)	0	0	0	0	0.0
<b>Personnel and Administration Total</b>			<b>(4,022,520)</b>	<b>(271,294)</b>	<b>0</b>	<b>421,283</b>	<b>0</b>	<b>(4,172,509)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(271,294)</b>	<b>(3.9)</b>
<b>Public Health and Environment</b>	<b>1</b>	Reduce Tony Grampas Youth Services Grants	(1,000,000)	(1,000,000)	0	0	0	0	0	0	0	(1,000,000)	0.0
	<b>3</b>	Reduce Dental Assistance Program for Seniors	(520,131)	(520,131)	0	0	0	0	0	0	0	(520,131)	0.0
	<b>NP-ES 5</b>	Cash Fund Financing- Tobacco Education Program Fund 18M	(7,000,000)	0	0	(7,000,000)	0	0	0	0	0	0	0.0
	<b>NP-ES 6</b>	Cash Fun Financing- Prevention, Early Detection and Treatment Fund 18N	(7,000,000)	0	0	(7,000,000)	0	0	0	0	0	0	0.0
	<b>NP-ES 7</b>	Cash Fund Financing- Health Disparities Grant Program Fund-19F	(1,000,000)	0	0	0	0	(1,000,000)	0	0	0	0	0.0
	<b>NP-ES 1</b>	15. Risk Management Reduction of Liability, Property and Workers' Compensation Volatility	(24,340)	0	0	0	0	(24,340)	0	0	0	0	0.0
	<b>NP-ES 2</b>	9. Risk Management Contract Review and Reduction	(4,898)	0	0	0	0	(4,898)	0	0	0	0	0.0
	<b>NP-ES 3</b>	17. FY 2009-10 OIT Management and Administration One-time Adjustment	(16,649)	0	0	0	0	(16,649)	0	0	0	0	0.0
	<b>NP-ES 4</b>	16. State Fleet Rebates - One-Time Refinance	(44,718)	(177)	0	(32,763)	0	(8,631)	(3,147)	0	0	(177)	0.0
<b>Public Health and Environment Total</b>			<b>(16,610,736)</b>	<b>(1,520,308)</b>	<b>0</b>	<b>(14,032,763)</b>	<b>0</b>	<b>(1,054,518)</b>	<b>(3,147)</b>	<b>0</b>	<b>0</b>	<b>(1,520,308)</b>	<b>0.0</b>
<b>Public Safety</b>	<b>0</b>	8. Elimination of Noxious Weeds Abatement	(20,547)	0	0	0	(20,547)	0	0	0	0	0	0.0

Department	Proposal Number	Entry Name (Identifier)	-Total Funds	-GF Limit	-GFE	-CF	-HUTF (OTT)	-RF	-FF	-MED CF	-MED GF	-Net GF	-FTE
Public Safety	0	9. Risk Management Contract Review and Reduction	(43,681)	(43,681)	0	0	0	0	0	0	0	(43,681)	0.0
		14. Building Maintenance Reductions	(22,309)	(9,849)	0	(48)	(11,316)	(1,096)	0	0	0	(9,849)	0.0
		15. Risk Management Reduction of Liability, Property and Workers' Compensation Volatility	(188,872)	(188,872)	0	0	0	0	0	0	0	(188,872)	0.0
		16. State Fleet Rebates - One-Time Refinance	(3,797)	(3,797)	0	0	0	0	0	0	0	(3,797)	0.0
		17. FY 2009-10 OIT Management and Administration One-time Adjustment	(31,660)	(6,547)	0	0	0	(25,113)	0	0	0	(6,547)	0.0
		1 Eliminate GF Support for CBI InstaCheck	0	(557,071)	0	557,071	0	0	0	0	0	(557,071)	0.0
		2 Cash Fund Criminal Identification	0	(558,029)	0	558,029	0	0	0	0	0	(558,029)	0.0
		3 Reduce Community Corrections Boards Administration	(25,000)	(25,000)	0	0	0	0	0	0	0	(25,000)	0.0
		4 Eliminate Community Corrections Discharge Planners	(160,381)	(160,381)	0	0	0	0	0	0	0	(160,381)	(1.8)
		6 Reduce CICJIS Operating Budget	(50,000)	(50,000)	0	0	0	0	0	0	0	(50,000)	0.0
		8 Reduce Funding for the Office of Research and Statistics	(69,260)	(69,260)	0	0	0	0	0	0	0	(69,260)	(0.2)
		9 Reduce School Safety Resource Center	(88,800)	(88,800)	0	0	0	0	0	0	0	(88,800)	(1.0)
	10 Reduce General Fund Operating Expense Appropriations	(153,421)	(153,421)	0	0	0	0	0	0	0	(153,421)	0.0	
	11 Eliminate 1.0 CBI Investigator Position	(69,781)	(69,781)	0	0	0	0	0	0	0	(69,781)	(0.4)	
	12 Eliminate 2.0 CBI Laboratory Positions	(135,306)	(135,306)	0	0	0	0	0	0	0	(135,306)	(1.5)	
<b>Public Safety Total</b>			<b>(1,062,815)</b>	<b>(2,119,795)</b>	<b>0</b>	<b>1,115,052</b>	<b>(31,863)</b>	<b>(26,209)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(2,119,795)</b>	<b>(4.9)</b>
Regulatory Agencies	0	9. Risk Management Contract Review and Reduction	(1,202)	(42)	0	(1,022)	0	(119)	(19)	0	0	(42)	0.0
		15. Risk Management Reduction of Liability, Property and Workers' Compensation Volatility	(9,171)	(330)	0	(7,555)	0	(1,105)	(181)	0	0	(330)	0.0
		17. FY 2009-10 OIT Management and Administration One-time Adjustment	(9,984)	(228)	0	(8,139)	0	(1,527)	(90)	0	0	(228)	0.0
	ES-1	Civil Rights Division Reduction	(188,949)	(188,949)	0	0	0	0	0	0	0	(188,949)	(1.0)
<b>Regulatory Agencies Total</b>			<b>(209,306)</b>	<b>(189,549)</b>	<b>0</b>	<b>(16,716)</b>	<b>0</b>	<b>(2,751)</b>	<b>(290)</b>	<b>0</b>	<b>0</b>	<b>(189,549)</b>	<b>(1.0)</b>
Revenue	0	9. Risk Management Contract Review and Reduction	(8,454)	(2,396)	0	(4,853)	(1,205)	0	0	0	0	(2,396)	0.0
		14. Building Maintenance Reductions	(33,747)	(17,754)	0	(15,245)	(748)	0	0	0	0	(17,754)	0.0
		15. Risk Management Reduction of Liability, Property and Workers' Compensation Volatility	(36,491)	(5,217)	0	(27,028)	(4,246)	0	0	0	0	(5,217)	0.0
		16. State Fleet Rebates - One-Time Refinance	(5,484)	(2,742)	0	(2,742)	0	0	0	0	0	(2,742)	0.0
		17. FY 2009-10 OIT Management and Administration One-time Adjustment	(63,055)	(63,055)	0	0	0	0	0	0	0	(63,055)	0.0
		2 Cash Fund Internal Auditor Position	(90,704)	(90,704)	0	0	0	0	0	0	0	(90,704)	0.0
		3 Eliminate Human Resources Data Specialist	(35,877)	(35,877)	0	0	0	0	0	0	0	(35,877)	(0.9)
		4 Eliminate Annex Security Contract	(35,200)	(35,200)	0	0	0	0	0	0	0	(35,200)	0.0
		5 Pueblo Data Entry Center Line Item Reduction	(70,649)	(70,649)	0	0	0	0	0	0	0	(70,649)	0.0
		6 Document Imaging & Storage Line Item Reduction	(50,805)	(50,805)	0	0	0	0	0	0	0	(50,805)	0.0
		7 CDO Overtime Expense Elimination	(40,333)	(40,333)	0	0	0	0	0	0	0	(40,333)	0.0
		8 CDO Permanent FTE Elimination	(154,092)	(154,092)	0	0	0	0	0	0	0	(154,092)	(4.2)
		9 Eliminate Cashiering Services to the Public at the Capitol Annex Building	(85,231)	(85,231)	0	0	0	0	0	0	0	(85,231)	(2.1)
		10 Information Technology Division Vacancy and Operating Reductions	(433,503)	(433,503)	0	0	0	0	0	0	0	(433,503)	(4.8)
		11 Tax Policy and Analysis Program Reduction	(23,354)	(23,354)	0	0	0	0	0	0	0	(23,354)	(0.3)
		12 Conservation Easement Appraisals	(90,750)	(90,750)	0	0	0	0	0	0	0	(90,750)	0.0
	13 Tax Business Group Vacant Position Elimination	(203,103)	(203,103)	0	0	0	0	0	0	0	(203,103)	(3.1)	
	14 Refinance DMV Administration with HUTF "Off-The-Top"	0	(350,000)	0	0	350,000	0	0	0	0	(350,000)	0.0	
	15 Eliminate Program Assistant I	(38,770)	(38,770)	0	0	0	0	0	0	0	(38,770)	(0.7)	
	16 Eliminate Temporary Staffing	(10,000)	(10,000)	0	0	0	0	0	0	0	(10,000)	0.0	
<b>Revenue Total</b>			<b>(1,509,602)</b>	<b>(1,803,535)</b>	<b>0</b>	<b>(49,868)</b>	<b>343,801</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(1,803,535)</b>	<b>(16.1)</b>
State	0	9. Risk Management Contract Review and Reduction	(90)	0	0	(90)	0	0	0	0	0	0	0.0
		15. Risk Management Reduction of Liability, Property and Workers' Compensation Volatility	(1,812)	0	0	(1,812)	0	0	0	0	0	0	0.0
<b>State Total</b>			<b>(1,902)</b>	<b>0</b>	<b>0</b>	<b>(1,902)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>
Transportation	0	9. Risk Management Contract Review and Reduction	0	0	0	0	0	0	0	0	0	0	0.0
		15. Risk Management Reduction of Liability, Property, and V	0	0	0	0	0	0	0	0	0	0	0.0
<b>Transportation Total</b>			<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>

Department	Proposal Number	Entry Name (Identifier)	-Total Funds	-GF Limit	-GFE	-CF	-HUTF (OTT)	-RF	-FF	-MED CF	-MED GF	-Net GF	-FTE
Treasury	0	9. Risk Management Contract Review and Reduction	(16)	(16)	0	0	0	0	0	0	0	(16)	0.0
		14. Building Maintenance Reductions	(752)	(752)	0	0	0	0	0	0	0	(752)	0.0
		15. Risk Management Reduction of Liability, Property and Workers' Compensation Volatility	(120)	(120)	0	0	0	0	0	0	0	(120)	0.0
		OSPB assumption 3% reduction	(28,012)	(28,012)	0	0	0	0	0	0	0	(28,012)	0.0
<b>Treasury Total</b>			<b>(28,900)</b>	<b>(28,900)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(28,900)</b>	<b>0.0</b>
<b>Grand Total</b>			<b>(302,485,699)</b>	<b>(604,298,954)</b>	<b>13,827</b>	<b>(66,612,967)</b>	<b>311,938</b>	<b>(109,821,574)</b>	<b>477,922,031</b>	<b>(13,197,722)</b>	<b>(6,471,669)</b>	<b>(610,756,796)</b>	<b>(209.3)</b>