



OFFICE OF STATE PLANNING AND BUDGETING

Fact Sheet

Bill Ritter, Jr.
Governor

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Governor Bill Ritter's FY 08-09 Budget Request Summary

Statewide

- The Governor's budget is balanced to a 6.0 percent growth rate in General Fund for FY 2008-09 over FY 2007-08. The total FY 2008-09 State budget is \$18 billion total funds and 49,917.0 FTE. This represents an increase of \$927.8 million total funds (5.4 percent) and 442.0 FTE (0.9 percent) over the FY 2007-08 appropriation of \$17.1 billion and 49,475.0 FTE. The FY 2007-08 appropriated FTE growth was 1,492.1 FTE.
- This growth is \$425.6 million over the adjusted FY 2007-08 6.0 percent General Fund base of \$7,093.6 million.
- The FY 2007-08 General Fund base is increased by \$3.5 million General Fund due to the FY 2006-07 Medicaid General Fund over-expenditure of \$6.1 million which was an exemption to the FY 2007-08 6.0 percent limit.
- The Governor's budget includes a \$2.0 million General Fund set-aside for 2008 Session legislation as well as \$3.1 million General Fund for executive agency legislation. We ask these funds be put into the Controlled Maintenance Trust Fund.
- Over 90 percent of the total General Fund increase is for the largest five departments.
- About 20 percent of the new General Fund spending under the 6.0 percent limit is available for increases which are not mandated by State or federal law.
- About 80 percent of the General Fund increase is needed to fund statutory and federal requirements such as K-12, Corrections, and Medicaid increases.
- The FY 2008-09 budget would be approximately \$750.0 million General Fund lower had the voters not approved Referendum C.

The following is a list of requested changes to the base budget, by department.

Agriculture

- \$57,234 and 1.0 FTE to fund an Animal Field Technician in the State Veterinarian's Office to assist with disease testing and disease control efforts within the agricultural industry, specifically on the western slope.
- \$139,820 for the purchase of trucks for the Brand Board to administer livestock brands, inspect livestock, investigate reports of lost or stolen livestock, and license livestock facilities.

Corrections

- The Department of Corrections budget is growing at 6.0 percent General Fund. This is the lowest rate of growth since FY 04-05.
- The prison population is expected to grow by 4.9 percent in FY 2008-09. This is based upon the Legislative Council projection of 1,105 additional inmates (84 inmates per month) at a cost of \$8.6 million.
- Parole funding is increasing by \$4.2 million to maintain the officer to parolee ratio of 1 to 68. This is based on a projected caseload growth of 1,272 new parolees.

Crime Reduction and Recidivism Package

- The budget includes an increase of \$5.9 million General Fund for the Governor's FY 2008-09 Recidivism Reduction Package.
- This package includes 12 different initiatives in three departments (Corrections, Public Safety, and Human Services). The package contains a savings to the Department of Corrections of \$4.9 million in the first year.
- The five-year projected savings from this Package is over \$58 million General Fund in total savings/cost avoidance in DOC (with investments of \$40.8 million over this five-year time period). This long-term savings does not include the \$9.7 million in life-time savings from the S.B. 91-94 increases which are requested.

Education

- An increase of \$154.3 million General Fund for the Department of Education. The State Share of Total Program Funding is \$175.5 million (including \$149.7 million General Fund) which funds a 5.3 percent General Fund maintenance of effort.
- An increase of \$8.0 million is added for Categorical Programs, pursuant to the Colorado Constitution.

- An increase of \$20 million for school construction. The State will meet the requirement of spending \$190 million on school construction by FY 2010-11.
- An increase of \$1.8 million General Fund to close the achievement gap in elementary and secondary education.
- A restoration of \$1.0 million to partially reinstate funding for public Library Grant Programs throughout Colorado.

Governor

- The Colorado Solar Incentive Program in the Governor's Energy Office will provide rebates to encourage the use of solar energy technology. The \$2.0 million of State funds will be matched with rebates from local utilities. This incentive will be available to the 45 percent of Colorado citizens who do not currently have rebates available.
- Statewide Cyber Security Implementation requests \$349,353 General Fund to acquire components and software to mitigate the critical network security risks through centrally managed firewalls, intrusion detection systems, and antivirus protection.

Health Care Policy and Financing

Children's Basic Health Plan

- An increase of \$34.0 million (\$2.4 million General Fund) for base increases to CHP+ caseload and service costs for 62,481 children (an increase of 10.9 percent) and 1,497 pregnant women (an increase of 15.4 percent).
- An increase of \$1.4 million to double the current CHP+ outreach budget as part of the commitment to providing health care to a greater percentage of eligible children.
 - An increase of \$16.1 million total funds (\$516,215 General Fund) to provide health care for the additional 8,000 eligible but not enrolled children that will be identified with the outreach funding.

Medicaid

- The total funding increase to the Medical Services Premiums and Mental Health services in the Medicaid program is \$135.0 million (\$70.5 million General Fund) to provide health care to more than 383,000 low-income or disabled clients at an average cost of \$5,914 per person. This includes:
 - An increase of \$122.8 million (\$64.4 million General Fund) for base increases to Medicaid caseload and utilization of medical and mental health services.
 - The Medicaid program is budgeted to serve over 383,000 people which is projected to be an increase of 0.9 percent from FY 2007-08.

- Because a condition of CHP+ eligibility is a denied Medicaid application, it is expected that an additional 4,000 children will be added to the Medicaid caseload at a total cost of \$7.8 million total funds (\$3.9 million General Fund).

Higher Education

- An increase of \$59.5 million General Fund for Higher Education, an increase of 8.0 percent. This includes:
 - An increase of \$9.8 million General Fund in additional financial aid, or 10.3 percent. This includes an increase in need based aid, work study aid and pre-collegiate program scholarships.
 - Anticipated enrollment increases of 1,726 or 1.4 percent.

Human Services

Developmental Disabilities

- An increase of \$2.3 million total funds (including \$1.2 million net General Fund) for the Wheat Ridge Regional Center for increased staff to convert the Regional Center to an Institutional Care Facility for the Mentally Retarded.
- An increase of \$8.3 million total funds (including \$3.7 million net General Fund) for 179 additional community resources, which represents a 75 percent increase in resource allocation over the increase provided in FY 2007-08. (In FY 2007-08, 106 resources were added).

Mental Health

- An increase of \$3.0 million General Fund for community mental health services to serve around 960 indigent people, more than double the General Fund increase added in FY 2007-08.
- An increase of \$1.4 million General Fund and 11.6 FTE to open the new Forensics Institute in Pueblo.
- An increase of \$1.0 million General Fund for nurse compression pay at the mental health institutes to help with nurse retention and recruitment.

Child Welfare

- An increase of \$0.5 million total funds (including \$0.4 million General Fund), and 5.5 FTE to monitor county foster care programs, a five-fold increase in staffing for this critical area.
- An increase of \$11.3 million total funds (including \$6.4 million General Fund/net General Fund) for Child Welfare caseload increases.

Judicial

- The Judicial Department does not submit their budget request to OSPB for review or approval. OSPB assumed a 6.5% General Fund increase for Judicial.

Labor and Employment

- A restoration of \$4.5 million from the employment support fund to offset decreased Wagner-Peyser and Workforce Investment Act federal funds and restore service levels (74 FTE) at One Stop workforce centers throughout the nine workforce regions throughout Colorado.

Law

- The Department of Law does not submit their budget request to OSPB for review or approval. OSPB assumed a 9.8% General Fund increase for Law.

Legislature

- The Legislature does not submit their budget request to OSPB for review or approval. OSPB assumed a 6.0 % General Fund increase for the Legislature.

Local Affairs

- An increase of \$100,000 General Fund for the Livability Counts Pilot Program to address community-based problems. This program will provide a framework with measurable objectives to support economic, environmental, mobility, educational, youth and family outcomes using the collaborative efforts of businesses, government, and non-profit organizations.

Military and Veterans Affairs

- A restoration of \$2.3 million to the Colorado Veterans Trust Fund. These funds were removed during the State's fiscal crisis. The Trust funded grant programs for services such as transportation to medical appointments, renovation of homeless shelter and State Veterans Nursing Home, purchase of vehicles, supportive services for homeless programs, and employment outreach.
- An increase of \$124,354 for County Veteran Service Officers, more than doubling the State support for this program.

Natural Resources

- An increase of \$800,000 cash funds and 9.0 FTE for FY 2008-09 for oil and gas oversight. The new staff includes Environmental Protection Specialists who will be distributed between Denver and Rifle

and includes 4.0 Environmental Inspectors in the northwest, southwest, and eastern plains areas of the State.

- An increase of \$109,179 total funds and 1.0 FTE to assist in compliance activities for the Republican River Compact.
- An increase of \$72,392 total funds and 1.0 FTE for geothermal energy research throughout the State.
- An increase of \$72,392 total funds and 1.0 FTE for carbon sequestration research throughout the State.

Personnel and Administration

- An increase of \$50,245 General Fund for archival and records management. While the Department is required by statute to provide the State's archival and records management program, current fee collections do not provide sufficient revenue to support the level of staffing needed to maintain this program.

Public Health and Environment

- An increase of \$669,112 General Fund to operate and expand the Colorado Immunization Information System. CIIS is a confidential, population-based, computerized information system that collects and disseminates critical immunization information for all Coloradans.
- A restoration of \$1 million for the Tony Grampas Youth Services Program. The Program was created to provide State support for local programs to reduce youth crime, violence, child abuse, and other high-risk behaviors. General Fund support for the program was eliminated during the fiscal crisis.
- An increase of \$295,919 General Fund for Tuberculosis Control and Treatment to address increased tuberculosis activity and increased cost to manage tuberculosis.
- Restoration of \$58,240 General Fund and 3.0 FTE to sustain the Office of Health Disparities. The Office of Health Disparities coordinates minority health initiatives internally and externally. Grant funding that had offset General Fund support in the past is expiring.

Public Safety

- An increase of \$87,186 and 0.9 FTE for the Safe2Tell Program. This request will provide a state-funded Executive Director for the Safe2Tell program, which has been previously grant funded. Since September of 2004, Safe2Tell has received and responded to 451 tips regarding threats to community safety, including but not limited to incidents of school violence, gun possession, and bullying.
- An increase of \$268,036 and 2.8 FTE for Colorado Bureau of Investigation (CBI) Lab Analysts. This will provide additional staff to assist with the demand for criminal fingerprint and tire-tread submission processing and analysis.

- An increase of \$928,180 and 10.0 FTE for the Colorado State Patrol (CSP). This request will provide an additional 7.0 state troopers in the field and an additional 3.0 communications officers at the Denver command center, so that the CSP can respond to calls for service.

Regulatory Agencies

- An increase of \$72,915 cash funds and 1.0 FTE for the Board of Medical Examiners Complaint Management to expedite high priority and complex complaints received by the Board.

Revenue

- An increase of \$180,234 General Fund for the travel expenses of senior audit staff for auditing out-of-state companies that do business in Colorado. This request is projected to produce additional General Fund revenue totaling \$2,221,000 in FY 2008-09 and \$8,884,077 in FY 2009-10.
- An increase of \$4.0 million cash funds for the creation of a lottery distribution and inventory management system to assist in efficient distribution of Scratch tickets. This is projected to increase sales by approximately \$54.3 million and proceeds by approximately \$9.0 million.
- An increase of \$3.0 million cash funds to grow the current marketing budget from \$8.6 million to \$11.6 million. The Lottery has experienced a 6.5% marketing increase since 1988-89. This is projected to increase sales by approximately \$24.2 million and proceeds by approximately \$4.3 million.

State

- The Department of State does not submit their budget request to OSPB for review or approval. OSPB assumed a no General Fund increase for State consistent with their current budget.

Transportation

- An increase of \$10,127,274 cash funds exempt request from the Limited Gaming Fund for highway safety and maintenance needs to corridors in and around gaming communities.

Treasury

- The Department of Treasury does not submit their budget request to OSPB for review or approval. OSPB assumed a 6% General Fund increase for Treasury.

Capital Construction

- An increase of \$180.3 million for capital construction projects throughout the State. This assumes a FY 07-08 statutory transfer of \$57 million for capital construction. Examples of included projects are:
 - \$2.2 million for the fourth and final phase of the Florence Veterans Nursing Home Renovation.
 - \$5 million for the University of Colorado at Colorado Springs for the final phase of the school's Science and Engineering Building.
 - \$15.1 million for the Colorado State University construction of new and renovation of existing space for animal and veterinary programs.
 - \$7.1 million University of Colorado at Boulder for the final phase of funding for Visual Arts Complex to house the Department of Art and Art History and the CU Art Museum.
 - \$11.6 million for Fort Lewis College construction of 29,000-square-foot biology facility.
 - \$11.6 million for the Capitol Dome enclosure supporting structure which is deteriorating and requires extensive repairs and renovations.
 - \$7.9 million for the Public Safety Digital Trunked Radio System. Funding for the project began in 1998. This would provide software and system upgrades and purchase hardware and equipment.
 - \$2.1 million for the Ute Indian Museum Expansion in Montrose to expand the museum.
 - \$25 million for the Auraria Higher Education Center, to renovate 143,000 square feet of existing space in the Science Building and add 181,000 square feet of adjacent space.
 - \$3 million for Pueblo Community College to renovate unfinished basement space in the Academic Building. This is the only new higher education capital construction project on the list.

General Government

- An increase of \$25.7 million total funds (including \$15.1 million net General Fund) for employee related "common statewide" increases such as Health, Life, and Dental, salary survey, performance-based pay, and other areas for state employees. The average market-based salary increase averaged 3.26 percent and adds funding equivalent to 1.4 percent for performance-based pay.
- An increase of \$18.0 million General Fund for differential provider rate increases consistent with footnote 19 in the FY 07-08 Long Bill.
- A net reduction to the State of \$0.5 million for the replacement of 955 vehicles, including 448 E-85 ethanol compatible and 91 hybrid vehicles. The \$1.7 million first year cost associated with these 955 replacement vehicles is offset by the normal attrition of existing leases that will expire over the current and request year, resulting in the net reduction.

General Fund Subject to the 6% Limit

Department	FY 2007-08 GF	FY 2008-09 GF	Change	% Change
Agriculture	\$7,413,544	\$7,562,318	\$148,774	2.0%
Corrections	\$636,471,480	\$674,523,127	\$38,051,647	6.0%
Education	\$3,059,213,254	\$3,218,524,359	\$159,311,105	5.2%
Governor and Energy Office	\$11,803,944	\$14,759,623	\$2,955,679	25.0%
Health Care Policy & Financing	\$1,423,788,884	\$1,525,972,730	\$102,183,846	7.2%
Higher Education	\$746,248,858	\$805,776,915	\$59,528,057	8.0%
Human Services	\$641,824,175	\$670,961,673	\$29,137,498	4.5%
Judicial	\$296,885,201	\$316,237,681	\$19,352,480	6.5%
Labor and Employment	\$0	\$0	\$0	N/A
Law	\$8,744,803	\$9,602,709	\$857,906	9.8%
Legislature	\$32,613,798	\$34,570,626	\$1,956,828	6.0%
Local Affairs	\$6,913,817	\$7,445,908	\$532,091	7.7%
Military and Veterans Affairs	\$5,521,333	\$6,106,947	\$585,614	10.6%
Natural Resources	\$30,336,286	\$32,180,632	\$1,844,346	6.1%
Personnel and Administration	\$10,776,579	\$11,598,842	\$822,263	7.6%
Public Health and Environment	\$23,401,282	\$25,782,756	\$2,381,474	10.2%
Public Safety	\$72,830,763	\$80,136,539	\$7,305,776	10.0%
Regulatory Agencies	\$1,416,593	\$1,419,841	\$3,248	0.2%
Revenue	\$66,800,024	\$70,089,847	\$3,289,823	4.9%
State	\$0	\$0	\$0	N/A
Transportation	\$0	\$0	\$0	N/A
Treasury	\$848,970	\$899,908	\$50,938	6.0%
Operating Subtotal	\$7,083,853,588	\$7,514,152,981	\$430,299,393	6.1%
<i>Legislative Adjustments:</i>				
2007 Session Controlled Maintenance Trust Fund	\$162,328	\$0	(\$162,328)	
Subtotal Executive Legislation	\$0	\$3,102,977	\$3,102,977	
Legislative Set-aside	\$0	\$2,000,000	\$2,000,000	
2008 Executive Legislation & Legislative Set-aside		\$5,102,977	\$5,102,977	
Adjustment for Legislative Overexpenditure	(\$30,782)	\$0	\$30,782	
Total Adjustments for 2008 Legislation	\$131,546	\$5,102,977	\$5,133,759	
Total Appropriation	\$7,083,985,134	\$7,519,255,958	\$435,270,824	6.1%
<i>Further Adjustments:</i>				
Amount to bring to 6% Limit	\$0	\$0	\$0	
FY 2006-07 Medicaid Overexpenditure	\$3,513,853	Included Above	(\$3,513,853)	
Subtotal pre-adjusted base	\$7,087,498,987	\$7,519,255,959	\$431,756,971	6.1%
<i>Further Adjustments:</i>				
FY 2007-08 6% Limit Exemptions	\$6,138,710	Included Above	(\$6,138,710)	
Total GF	\$7,093,637,697	\$7,519,255,959	\$425,618,261	6.0%

Table 2 - Comparison of GF 6% Spending

Distribution of FY 08-09 GF Subject to the 6% Limit

