GOVERNOR'S OFFICE

Office of State Planning and Budgeting

FY 2010-11
Executive Department
Figure Setting Comebacks

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Todd Saliman, Director
Governor's Office of State Planning and Budgeting
State Capitol, Room 111
200 E. Colfax Avenue
Denver, Colorado 80203
Phone 303/866-3317 • Fax 303/866-3044

Summary of FY 2010-11 Figure Setting Comebacks

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Office of State Planning and Budgeting
Comeback Requests

Department:	Corrections
OSPB Comeback Priority Number:	1
Change Request Title:	Denver Women's Correctional Facility Double Bunking Funding

SELECT ONE:
☐Decision Item FY 10-11
☐Base Reduction Item FY 10-11
☐Supplemental Request FY 09-10
☒Budget Request Amendment FY 10-11

Double Bunking Funding	FY 2010-11 Appropriation	Request	JBC Action	Comeback Request	Difference between Action and Comeback Request
Total Funds	$1,392,778	$0	($1,392,778)	($1,600,488)	($207,710)
GF	$1,390,650	$0	($1,390,650)	($1,602,616)	($211,966)
CF	$2,128	$0	($2,128)	$2,128	$4,256
FTE	21.3	0.0	(21.3)	21.3	21.3

Summary of Initial and Current Request:

The Department of Corrections (DOC) requested a one-time reduction of 76 double-bunked female beds at the Denver Women's Correctional Facility (DWCF) in FY 2009-10 as part of the January 29, 2010 supplemental budget balancing package. This request reduced personal services and operating expenses by $1,394,602 total funds and 21.3 FTE in FY 2009-10, but did not reduce the double-bunked beds, the base funding or the FTE associated with DWCF in FY 2010-11.

This comeback request maintains the initial request to restore the double-bunked beds at DWCF in FY 2010-11 and also includes several adjustments to appropriations approved for FY 2010-11 that ultimately result in a net decrease of $1,600,488 total funds, a decrease of $1,602,616 General Fund, an increase of $2,128 cash funds, and an increase of 21.3 FTE. The current request reflects a comprehensive adjustment to the Department's female bed plan due to the declining female offender population. The request will:

1) Move all Colorado female offenders out of the privately-operated High Plains Correctional Facility (there were 213 offenders housed in the facility as of February 28, 2010);

2) Move 30 male offenders from the Southern Transportation Unit located in Pueblo at the La Vista Correctional Facility to private prison beds;

3) Relocate female offenders from the High Plains Correctional Facility to double-bunked beds at Denver Women's Correctional Facility, into vacant beds at La Vista Correctional Facility, and into the 30 newly-converted beds at the Southern Transportation Unit.

Committee Action:

The JBC approved "Staff Initiated Reduction – Eliminate Appropriation for Double Bunking of Female Inmates" for a reduction of $1,392,778 TF and 21.3 FTE (FY 2010-11 Figure Setting, March 12, 2010, pages 58-59).

Department Comeback:

The OSPB respectfully requests that the JBC reconsider action taken in the March 12, 2010 figure setting hearing regarding funding for the Denver Women's Correctional Facility (DWCF) appropriated for double bunking purposes.

The DOC submitted a supplemental request of for a reduction of $1,394,602 total funds and a reduction of 21.3 FTE for FY 2009-10 to return funding that was not used for female offender double bunking due to the continued decline in the female prison population. It was the Departments' intention that the Supplemental request be a one-time adjustment to the FY 2009-10 appropriation only, and not a permanent base reduction.

The Department proposes a change in the female offender bed plan that will accommodate the reduced volume of females at the present time and in the foreseeable future. The new plan is more cost effective and allows flexibility in the future to adjust for unexpected changes in the female population.

The Department has studied Legislative Council Staff (LCS) and Division of Criminal Justice (DCJ) prison population projections. Both sources of forecast data indicate an on-going downward trend of female offenders sentenced to the DOC. The DOC proposes funding changes to:

- Reduce $3,570,222 General Fund from External Capacity, In-State Private Prison funding, representing the FY 2010-11 portion for the High Plains Correctional Facility (HPCF), the female facility in Brush, CO. This bed plan change will remove all Colorado offenders from the privately operated HPCF facility effective July 1, 2010;

- Restore the $1,392,778 total funds for the double bunking at DWCF, and 21.3 FTE, to house a portion of the offenders at DWCF that will be displaced from HPCF;

- Increase External Capacity, In-State Private Prison funding by $576,956 General Fund to move 30 male offenders from the Southern Transportation Unit (STU) in Pueblo to vacant beds in the private prisons. This move will allow the 30 State-run beds to be occupied by female offenders from HPCF. The calculation is 30 offenders x 365 days x $52.69 (private prison per diem rate).

Calculations for Comeback Request:

Funding Line:	Request/Purpose	Amount
Private Prisons	Move females from High Plains Correctional Facility	($3,570,222)
Private Prisons	Place 30 males – moved from STU	$576,956
Various Subprograms	Restore DWCF Double Bunking	$1,392,778
	Total Change in Funding:	**($1,600,488)**

Long Bill Line Item Detail of Comeback Request:

Summary of Request FY 2010-11	Total Funds	General Fund	Cash Funds	FTE
Total Request	($1,600,488)	($1,602,616)	$2,128	21.3
(1) Management (A) Executive Director's Office Health, Life, and Dental	$134,172	$134,172	$0	0.0
(1) Management (A) Executive Director's Office Short-term Disability	$922	$922	$0	0.0
(1) Management (A) Executive Director's Office Amortization Equalization Disbursements	$8,508	$8,508	$0	0.0
(1) Management (B) External Capacity (2) Payments to House State Prisoners Payments to In-State Private Prisons	($2,993,266)	($2,993,266)	$0	0.0
(1) Management (C) Inspector General Operating Expenses	$1,900	$1,900	$0	0.0
(2) Institutions (A) Utilities Operating Expenses	$18,012	$18,012	$0	0.0
(2) Institutions (B) Maintenance Personal Services	$129,929	$129,929	$0	3.0
(2) Institutions (B) Maintenance Operating Expenses	$20,900	$20,900	$0	0.0
(2) Institutions (C) Housing and Security Personal Services	$515,699	$515,699	$0	12.0
(2) Institutions (C) Housing and Security Operating Expenses	$22,800	$22,800	$0	0.0
(2) Institutions (D) Food Service Personal Services	$43,310	$43,310	$0	1.0
(2) Institutions (D) Food Service Operating Expenses	$82,840	$82,840	$0	0.0
(2) Institutions (E) Medical Services Personal Services	$118,217	$118,217	$0	2.3

Summary of Request FY 2010-11	Total Funds	General Fund	Cash Funds	FTE
(2) Institutions (E) Medical Services Operating Expenses	$16,796	$16,796	$0	0.0
(2) Institutions (E) Medical Services Service Contracts	$14,440	$14,440	$0	0.0
(2) Institutions (F) Laundry Operating Expenses	$11,400	$11,400	$0	0.0
(2) Institutions (G) Superintendent Operating Expenses	$26,448	$26,448	$0	0.0
(2) Institutions (J) Case Management Personal Services	$49,966	$49,966	$0	1.0
(2) Institutions (J) Case Management Operating Expenses	$7,600	$7,600	$0	0.0
(2) Institutions (K) Mental Health Personal Services	$46,631	$46,631	$0	1.0
(2) Institutions (K) Mental Health Operating Expenses	$988	$988	$0	0.0
(2) Institutions (K) Mental Health Contract Services	$7,448	$7,448	$0	0.0
(2) Institutions (L) Inmate Pay	$11,856	$11,856	$0	0.0
(3) Support Services (D) Communications Operating Expenses	$12,780	$12,780	$0	0.0
(3) Support Services (F) Training Operating Expenses	$426	$426	$0	0.0
(3) Support Services (G) Information Systems Operating Expenses	$4,260	$4,260	$0	0.0
(4) Inmate Programs (A) Labor Operating Expenses	$380	$380	$0	0.0
(4) Inmate Programs (B) Education Personal Services	$45,694	$45,694	$0	1.0
(4) Inmate Programs (B) Education Operating Expenses	$1,748	$0	$1,748	0.0
(4) Inmate Programs (C) Recreation Operating Expenses	$380	$0	$380	0.0
(4) Inmate Programs (D) Drug and Alcohol Contract Services	$36,328	$36,328	$0	0.0

Office of State Planning and Budgeting
Comeback Requests

Department:	Education
OSPB Priority Number:	2
Change Request Title:	School Counselor Corps Grant Program

SELECT ONE (click on box):
☐Decision Item FY 2010-11
☐Base Reduction Item FY 2010-11
☐Supplemental Request FY 2009-10
☒Budget Request Amendment FY 2010-11
☒Base Budget Request FY 2010-11

	FY 2009-10 Appropriation	Request	JBC Action	Comeback Request	Difference Between Action and Comeback Request
Total	$4,998,154	$4,998,500	$0	$4,998,500	$4,998,500
FTE	1.0	1.0	0.0	1.0	1.0
CF	$4,998,154	$4,998,500	$0	$4,998,500	$4,998,500
Line Item	$4,998,154	$4,998,500	$0	$4,998,500	$4,998,500
FTE	1.0	1.0	0.0	1.0	1.0
CF	$4,998,154	$4,998,500	$0	$4,998,500	$4,998,500

Summary of Initial Request:

The Department requested continuation funding in the base budget request adjusted via a budget amendment request totaling $4,998,500 cash funds from the State Education Fund and 1.0 FTE to administer the School Counselor Corps Grant Program in FY 2010-11 (see following for detail).

Amount	Component
$5,000,000	Continuation Base Budget Request, 11-6-09
<$1,500>	Budget Amendment Request, “Statewide PERA Adjustment,” 1-4-10
$4,998,500	FY 2010-11 Request

Committee Action:

JBC staff did not recommend funding this line item or providing FTE authority in FY 2010-11. The JBC staff figure setting document stated that “*this line item is discretionary and given the near-term insolvency of the State Education Cash Fund and the projected revenue shortfall in FY 2010-11, staff does not recommend funding this program. It is staff's belief that this program is as discretionary as four other programs identified by the Department to have funding suspended* *for FY 2010-11 and FY 2011-12. Thus, staff does not recommend funding for this line item for FY 2010-11."*

OSPB Comeback:

The School Counselor Corps Grant Program is a high Department priority. The Department requested funding of $4,998,500 cash funds from the State Education Fund and 1.0 FTE to administer the School Counselor Corps Grant Program for FY 2010-11. However, JBC staff did not recommend funding or authorization of FTE. OSPB respectfully request the funds and FTE authority be reinstated for FY 2010-11.

Since the enactment of Article 91 of Section 22 of the Colorado Revised Statutes, related to the School Counselor Corps Grant Program, the Department has funded 37 grants, serving 27 districts (including the Charter School Institute) 90 schools and 82,189 students through the program.

The primary focus of the School Counselor Corps Grant Program is to increase the number of school counselors for secondary students and the level of school counseling services provided, with an emphasis on increasing the graduation rate within the state and increasing the percentage of students who appropriately prepare for, apply to, and continue into postsecondary education. During Fiscal Year 2009-10, districts and Institute Charter Schools were able to fund an additional 75 School Counselors with School Counselor Corps moneys.

In addition to distributing the School Counselor moneys to funded districts as directed by law, the Department also has made a concerted effort to build capacity and provide ongoing support for developing Post-Secondary and Workforce Readiness through the program. The Department collaborated closely with the Governor's P-20 Education Coordinating Council and the P-20 Preparation and Transitions Subcommittee to provide support to the program participants. Members of the Council and Subcommittee participate on the School Counselor Corps Advisory Committee along with members from the field to assist the Department with providing ongoing support to the 90 funded schools in the form of professional development, site visits, and technical assistance. In addition, the School Counselor Corps Coordinator also collaborates with other statewide High School and Post-Secondary initiatives (including Dropout Prevention/Prevention Initiatives, Positive Behavior Supports, and Homeless Services) to help address the dropout problems Colorado faces and to provide intentional, ongoing support.

Consequences if Not funded:

According to a recent study from the Manhattan Institute, only about 70% of Colorado students graduate on time, ranking Colorado 29th among states. Furthermore, Colorado high school graduates tend to be poorly prepared for college. Too few enroll in college and of those that do, few leave with a degree in hand. The Flint Journal also reported that a staggering 1.1 million students quit school in 2007. Correlations have been made between high school dropouts and joblessness, a life of poverty, and higher prison rates. Preliminary data for the School Counselor Corps Grant indicates that the program is creating a positive impact on the dropout rates, therefore fulfilling the program's primary intent of reducing the dropout and increasing the graduation rate. Preliminary data demonstrates the following:

- The schools receiving School Counselor Corps grant funds decreased (improved) their cumulative dropout rate by over 0.8 percentage points from 2007-08 to 2008-09- compared to non-SCC grant schools which only increased their dropout rate by .09 percentage points over this same period;

- 58 of the 87 School Counselor Corps schools (exactly two thirds) with dropout data in both years improved their dropout rate or held it constant over the two year period;

- The School Counselor Corps programs and services appear to have been most effective in decreasing the number of dropouts among Hispanic and White student populations.

If the dropout rate had not decreased by 0.8 percentage points for the SCC schools the number of dropouts from all SCC schools would have been 4,729 (80,238 7th-12th grade students attending the SCC schools times a dropout rate of 5.89%). The actual number of 2008-2009 dropouts from the SCC schools was 4,076; therefore the School Counselor Corps program played a role in keeping 653 students in school who might have otherwise dropped out.

Department staff will also be affected by the elimination of the FTE authorized for this program. The Department utilizes 1.0 FTE for a School Counselor Corps Grant Coordinator who not only manages the program, but also collaborates with the secondary and postsecondary field to provide seamless, intentional, and ongoing support in the areas of dropout prevention and postsecondary preparation. The School Counselor Corps Grant Coordinator also plays a major role in assisting with implementation of a number of legislative initiatives focused on increasing the graduation rate, and decreasing the dropout rate for the state of Colorado. Two such programs are the Individual Career and Academic Plans and the Concurrent Enrollment Act. Not only does the School Counselor Corps Grant program provide services to the funded 75 middle and high schools it also provides support to secondary schools statewide through the identification and dissemination of successful school models. The consequences of discontinuing this program affect not only CDE, but districts, schools, counselors and students throughout the state of Colorado.

Proceeding with the elimination of FY 2010-11 funding for the School Counselor Corps Grant Program will have detrimental consequences. The School Counselor Corps Grant Program provides funding for 75 counselors throughout the state. Not only will jobs be lost but 82,129 students will also lose already underfunded services.

In addition to the lost counseling positions in 90 schools, a few examples of district services and programs that would also be affected and/or eliminated include: college preparation and scholarship workshops; mock interview opportunities from business partners local communities; technical support, research, and curriculum to the high school counselors in an attempt to coordinate district counseling efforts; Credit Recovery Centers; Ombudsman Educational

Services for expelled and drop-out recovery students; and Dual credit courses offered through the Community Colleges for qualifying expelled and drop-out recovery students.

Office of State Planning and Budgeting
Comeback Request

Department:	Health Care Policy and Financing
OSPB Priority Number:	3
Change Request Title:	Accountable Care Collaborative

SELECT ONE:
☐ Decision Item FY 2010-11
☐ Base Reduction Item FY 2010-11
☒ Supplemental Request FY 2009-10
☒ Budget Request Amendment FY 2010-11

	FY 2009-10 Appropriation	Request	JBC Action	Comeback Request	Difference between Comeback Request and Action
Total	$2,632,639,622	($1,669,818)	($102,639)	($1,669,818)	($1,567,179)
FTE	287.8	$0	$0	$0	$0
GF	$1,132,583,032	($769,078)	($90,821)	($769,078)	($678,257)
CF	$168,669,273	($20,936)	$0	($20,936)	($20,936)
RF	$4,426,246	$0	$0	$0	$0
FF	$1,326,971,071	($879,804)	($11,820)	($879,804)	($867,984)
(1) Executive Director's Office; (A) General Administration, Personal Services					
TF	$20,901,734	$8,400	$0	$8,400	$8,400
FTE	287.8	0.0	0.0	0.0	0.0
GF	$8,645,285	$4,200	$0	$4,200	$4,200
CF	$618,917	$0	$0	$0	$0
RF	$1,579,589	$0	$0	$0	$0
FF	$10,057,943	$4,200	$0	$4,200	$4,200
(1) Executive Director's Office; (A) General Administration, General Professional Services and Special Projects					
TF	$3,711,605	($125,000)	($125,000)	($125,000)	$0
FTE	0.0	0.0	0.0	0.0	0.0
GF	$1,455,543	($62,500)	($62,500)	($62,500)	$0
CF	$326,250	$0	$0	$0	$0
RF	$0	$0	$0	$0	$0
FF	$1,939,812	($62,500)	($62,500)	($62,500)	$0

(1) Executive Director's Office; (C) Information Technology Contracts and Projects, Information Technology Contracts					
TF	$27,834,289	$158,004	$158,004	$158,004	$0
FTE	0.0	0.0	0.0	0.0	0.0
GF	$6,708,927	$39,501	$39,501	$39,501	$0
CF	$538,643	$0	$0	$0	$0
RF	$100,328	$0	$0	$0	$0
FF	$20,486,391	$118,503	$118,503	$118,503	$0
(1) Executive Director's Office; (D) Eligibility Determinations and Client Services, Customer Outreach					
TF	$3,573,001	$568,343	$220,706	$568,343	$347,637
FTE	0.0	0.0	0.0	0.0	0.0
GF	$1,752,987	$284,171	$110,353	$284,171	$173,818
CF	$33,514	$0	$0	$0	$0
RF	$0	$0	$0	$0	$0
FF	$1,786,500	$284,172	$110,353	$284,172	$173,819
(1) Executive Director's Office; (E) Utilization and Quality Review Contracts, Professional Services Contracts					
TF	$4,576,355	$355,000	$0	$355,000	$355,000
FTE	0.0	0.0	0.0	0.0	0.0
GF	$1,359,148	$88,750	$0	$88,750	$88,750
CF	$54,949	$0	$0	$0	$0
RF	$0	$0	$0	$0	$0
FF	$3,162,258	$266,250	$0	$266,250	$266,250
(2) Medical Services Premiums					
TF	$2,572,042,638	($2,634,565)	($356,349)	($2,634,565)	($2,278,216)
FTE	0.0	0.0	0.0	0.0	0.0
GF	$1,112,661,142	($1,293,178)	($178,175)	($1,293,178)	($1,115,003)
CF	$167,097,000	($24,104)	$0	($24,104)	($24,104)
RF	$2,746,329	$0	$0	$0	$0
FF	$1,289,538,167	($1,317,283)	($178,176)	($1,317,283)	($1,139,107)
(2) Medical Services Premiums; Long Bill Group Total					
TF	$0	$0	$0	$0	$0
FTE	0.0	0.0	0.0	0.0	0.0
GF	$0	$169,978	$0	$169,978	$169,978
CF	$0	$3,168	$0	$3,168	$3,168
RF	$0	$0	$0	$0	$0
FF	$0	($173,146)	$0	($173,146)	($173,146)

Summary of Initial Request:

The Department requested to provide Medicaid clients, regardless of age or health status, a coordinated delivery system beginning November 1, 2010. To ensure that the Department's goals are being achieved, the Department would limit enrollment to 60,000 clients until the efficacy of the program can be demonstrated. This current request, S-6/BA-6 "Accountable Care Collaborative", altered the scope, funding, and implementation timeline for this initiative, first presented in the Department's FY 2009-10 DI-6 "Medicaid Value-Based Care Coordination Initiative," and modified in the FY 2009-10 budget request BA-38 "Revised Implementation of DI-6 Medicaid Value-Based Care Coordination Initiative."

Committee Action:

The Committee acted to hold enrolling clients into the program until March 2011 (from the requested November 2010 date). The Committee expressed concern regarding the interaction of this initiative with other managed care programs, concerns regarding the savings estimates in the request, and a desire to "give the new Administration and Committee time to reevaluate the pilot to ensure that the cost savings projections are realistic and achievable."

OSPB Comeback:

In the spring of 2009, the General Assembly funded the Accountable Care Collaborative (ACC). As the Department began its implementation efforts and reached out to the provider community across the State, the provider community requested that the Department delay implementation in order to allow the community time to organize its network around coordinated care activities. In response, the Department submitted its request, "S-6/BA-5 Accountable Care Collaborative," to delay implementation until November 1, 2010.

The Department requests the funding be approved as requested for an implementation date of November 1, 2010. The Department believes this action is appropriate for two reasons. First, delaying the program will serve only to perpetuate the fee-for-service business model which has lead to unsustainable cost growth. Second, the recommended appropriation would jeopardize the Department's implementation of the program.

Unsustainable Fee-for-Service Business Model:

- Governmental and private health care experiences all lead to the same conclusion: that coordinated, holistic approaches to client care lead to preventive measures that avoid future costly procedures. The ACC is just such a care coordination effort that is a departure from the fee-for-service method of reimbursement.

- Federal maintenance of effort regulations are expected to dictate that neither benefits nor eligible populations be cut. This leaves two options for reducing costs: cutting provider reimbursements or managing client care.

1. Managing client care allows the Department and the State to avoid the more costly procedures associated with chronic and acute conditions.

2. Reducing reimbursement, would only serve to exacerbate the current problems, as more providers refuse to accept Medicaid clients, and clients shift to more costly forms of care, such as emergency departments.

- The General Assembly recognized that the fee-for-service delivery system needed to be changed thus fundamentally altering how health care is delivered in Colorado when it approved and funded the ACC in 2009. Funding was provided aiming to (1) provide a model that delivers seamless, integrated care to clients between different delivery systems, (2) maximize client health and satisfaction, and (3) achieve greater cost-effective care.

- The ACC provides for the infrastructure necessary to support a wide range of concepts critical to a health outcomes-based program and evidence-based care, including community based care coordinators and data consolidation.

1. Community based care coordinators will help reinforce treatment plans, coordinate care between different providers, assist in care transitions between hospital and community care, and importantly serve as a client advocate in navigating between physical health, behavioral health, waiver services, and long term care services as appropriate.

2. Data consolidation would be achieved through the development of a statewide Health Data and Information Organization which will provide data sharing, provider networks, and holistic view of client care necessary to improve the health of our most vulnerable Coloradans.

- The Department's request is a purposeful attempt to coordinate the initiative with the various other cost control, volume control, and managed care initiatives currently underway in an effort to provide the highest quality care for Coloradans.

Technical Calculations:

- With the revised implementation date, the Department does not believe that it will be able to implement the program with the allocated resources.

- The Department intentionally selected an implementation date early in FY 2010-11 to ensure that it was able to properly fund administrative contracts while maintaining a budget-negative implementation. By shifting the implementation date, the underlying assumptions of the Department's calculations must be revisited.

- The costs of implementation will largely be incurred at the outset of the program. With more limited spending authority, the costs may be prohibitive to any potential contractor when compared to the available reimbursement.

- The Department's calculations assumed that the statewide Health Data and Information Organization (HDIO) would receive enhanced payments at the beginning of the program, and prior to the enrollment of clients, in order to establish the appropriate infrastructure required to function in a statewide capacity (see S-6/BA-5, "Accountable Care Collaborative", page S.6-11, January 2, 2010).

Finally, the Department operates on a cash-accounting basis; therefore, is it unlikely that the Department will achieve the full estimated savings by the end of FY 2010-11, likely making the program budget positive in FY 2010-11.

Office of State Planning and Budgeting
Comeback Requests

Department:	Higher Education
OSPB Comeback Priority Number:	4
Change Request Title:	FY 2010-11 Projected Academic and Academic Facility Fee Spending Authority

SELECT ONE:
☐Decision Item FY 10-11
☐Base Reduction Item FY 10-11
☐Supplemental Request FY 09-10
☐Budget Request Amendment FY 10-11
☒Other Request FY 10-11

Summary of Initial Request:

The Governor's FY 2010-11 budget request, which was submitted in November 2009, did not request additional fee spending authority because it was based on the best knowledge available to the Department of Higher Education at that time. On February 19, 2010, OSPB submitted a letter to staff at the JBC requesting that figure setting adhere to the Governor's priorities as reflected in the November budget request, but make adjustments for enrollment based on the Legislative Council enrollment projections in FY 2009-10 and FY 2010-11.

Based on action taken last year, it was the Department's understanding that fee spending authority would be adjusted during figure setting for FY 2009-10 and FY 2010-11 based on the annual supplemental process if necessary. When collecting the revenue estimates, the Department learned that the student fees for capital projects at Adams State College, Metropolitan State College of Denver, and Colorado School of Mines that were previously appropriated through supplemental budget action had assumed built-in increases in FY 2010-11. These fees and their subsequent increases were approved by student vote and the revenue generated from the fee increases were already committed to pay for bond obligations. Further, the Department learned that Colorado State University, Metropolitan State College of Denver, and Western State College were considering seeking governing and/or student approval to modify their existing fee structure in FY 2010-11. Following review of the revenue estimates, the Department collected and submitted to Joint Budget Committee staff a memo on February 19, 2010. This memo explained reasons the revenue estimates exceeded intuition projections for various reasons, including, enrollment growth, anticipated new fees, and existing escalators in fees. However, this was not a formal request for spending authority.

Committee Action:

The Joint Budget Committee approved the staff recommendation during figure setting to adjust spending authority for academic and academic facility fees only for projected enrollment in FY 2010-11 (based on the Legislative Council Enrollment Forecast), and did not include estimates for new fees or for student approved capital fee increases. The staff recommendation within the figure setting write-up from the JBC staff further stated:

> "If the fee increases are unavoidable, as indicated by some institutions, then staff recommends the institutions limit tuition increases to ensure they have sufficient total cash spending authority for combined tuition and fees. If the institutions implement the new or increased fees without spending authority, and without a compensating adjustment to tuition rates, then staff would recommend that General Fund for the institutions that do so be decreased the following fiscal year."
>
> Source: FY 2010-11 Staff Figure Setting Document – Department of Higher Education – February 23, 2010, page 50.

Department Comeback:

The OSPB respectfully requests that the committee approve the overall spending authority indicated based on enrollment changes and 9% resident tuition rate increases (except in the case of Fort Lewis College as noted in the Governor's November 2009 FY 2010-11 request) without a requirement to reduce tuition to accommodate fee increases. The OSPB believes that the total cash fund spending authority should be accurately delineated between fee spending authority and tuition spending authority via the governing board line item letternote. If spending authority is not included in the Long Bill, OSPB will submit a supplemental request for FY 2010-11 to adjust the fee-portion of that cash fund appropriation.

Sufficient information on fees was not available at the time the Governor's budget request for FY 2010-11 was submitted. Since the Governor's office and the Department were not aware that the capital fees the students approved at Adams State College, Metropolitan State College of Denver, and Colorado School of Mines were increasing in FY 2010-11, these increases were not in the original budget request the Governor submitted.

Although we are not submitting a formal request at this time, please note, for informational purposes, that the following increases in fee spending authority appear to be necessary to cover the assumed student-approved automatic fee increases for capital projects in FY 2010-11:

Governing Board	*Reported Fee Revenues for "Existing Fees" in FY 2010-11
Adams State College	$ 323,000
Metropolitan State College of Denver	$ 3,332,535
Colorado School of Mines	$ 621,484
Total	$ 4,277,019

*For informational purposes

In addition, there are some governing boards that are considering seeking governing board and/or student approval for new fees, or to increase their existing fees in FY 2010-11 (Colorado State University, Western State College, and Metropolitan State College of Denver). The OSPB will submit these through the supplemental process in the event the fees are approved at the institution and Department level.

All of the existing fee increases and possible new fees that Adams State College, Metropolitan State College of Denver, Colorado State University, Western State College, and the Colorado School of Mines either have already implemented or may implement are explained in greater detail below for informational purposes.

Adams State College

Last spring, students at Adams State College approved a fee for capital construction. The spending authority for the fee was then approved through a supplemental budget action in January 2010. The Department has since learned that the fee is set to automatically increase over time (Note: these increases were listed in the measure Adams State College students approved). In FY 2010-11, the fee increases by $6.91 per credit hour. Adams State College estimates the need for an additional $323,000 to cover the additional revenue from increase.

Metropolitan State College of Denver

The capital fee was approved by Metropolitan State College of Denver students in April 2009 and took effect for the academic year corresponding with FY 2009-10. The referendum the students approved included a three year schedule to ramp up the fee to the level necessary to cover anticipated debt service and to provide funding for scholarships. The fee is increasing from $5.25 per credit hour to $12.10 per credit hour and is capped at 12 credit hours per term. The college has estimated the revenue from the fee increase to be $3,332,535 in FY 2010-11.

Metropolitan State College of Denver's board is also considering implementing a new peer study program fee in FY 2010-11 for peer mentoring support services for at risk students. If implemented, the program would serve about 2,500 students and the fee would be between $100 and $200. Metropolitan State College of Denver therefore is expecting to need an additional $500,000 in spending authority in the event this fee is implemented.

Colorado State University

Students on the Fort Collins campus recently voted to increase their current capital fee from $10 per credit hour to $15 per credit hour. The fee increase will be presented to the Board of Governors in June as part of the overall campus budget for final approval and a list of projects already approved by the Board and the Capital Development Committee should begin this fall. Colorado State University staff estimate the capital fee increase would require an additional $7,159,175 in fee spending authority in FY 2010-11.

Western State College

Western State College is considering proposing course fees for their lab and studio courses which will allow the institution to continue to effectively deliver these higher cost courses and will offset anticipated budget cuts. The fees would be set at about $20 per course in FY 2010-11 and would generate about $85,000 in new fee revenue. This proposal has not been considered or approved by the Board of Trustees at Western State College.

Colorado School of Mines

The capital fee for Colorado School of Mines, as approved by its student body, is set to increase $100 a semester in FY 2010-11. The institution estimates this will generate about $621,484 in additional spending authority over the amount appropriated during figure setting.

Office of State Planning and Budgeting
Comeback Requests

Department:	Health Care Policy and Financing
OSPB Priority Number:	5
Change Request Title:	Annualization of HB 09-1293 FTE

SELECT ONE:
☐Decision Item FY 2010-11
☐Base Reduction Item FY 2010-11
☐Supplemental Request FY 2009-10
☐Budget Request Amendment FY 2010-11

	FY 2009-10 Appropriation	Request	JBC Action	Comeback Request	Difference between Action and Comeback Request
Total	$22,911,845	$2,730,574	$1,955,586	$2,187,455	$231,869
FTE	287.8	41.0	32.3	35.3	3.0
GF	8,986,468	$0	$0	$0	$0
CF	$621,583	$1,365,287	$977,793	$1,093,728	$115,935
RF	$1,501,807	$0	$0	$0	$0
FF	$10,389,533	$1,365,287	$977,793	$1,093,728	$115,935
(1) Executive Director's Office: (A) General Administration; Personal Services					
Total	$20,901,734	$2,506,012	$1,767,882	$1,978,603	$210,721
FTE	287.8	41.0	32.3	35.3	3.0
GF	$8,010,994	$0	$0	$0	$0
CF	604,469	$1,253,006	$883,941	$989,302	$105,361
RF	1,501,807	$0	$0	$0	$0
FF	$9,385,471	$1,253,006	$883,941	$989,302	$105,361
(1) Executive Director's Office: (A) General Administration; Operating Expenses					
Total	$2,010,111	$224,562	$187,704	$208,852	$21,148
GF	975,474	$0	$0	$0	$0
CF	$17,114	$112,281	$93,852	$104,426	$10,574
RF	$0	$0	$0	$0	$0
FF	$1,004,062	$112,281	$93,852	$104,426	$10,574

Summary of Initial Request:

In the FY 2009-10 appropriations clause for HB 09-1293, the Department received 12.0 FTE and $1,272,998 total funds for implementation. For FY 2010-11, the Department requested an additional 21.0 FTE and $1,165,349 total funds, consistent with the May 5, 2009 fiscal note. As a result, the Department's total FY 2010-11 request was for 41.0 FTE and $2,730,574 total funds which incorporates the annualizations for FY 2009-10 FTE and additional FTE necessary to implement HB 09-1293.

Committee Action:

The Joint Budget Committee reduced the amount of FTE requested in both FY 2009-10 and FY 2010-11 to 32.3 FTE and $1,955,586 total funds. Joint Budget Committee Staff stated that some positions appeared to be backfilling Department needs rather than addressing specific needs for HB 09-1293 implementation. In addition, Staff stated that some FTE were caseload driven and should be reduced due to lower than anticipated caseload estimates for HB 09-1293 expansion populations. Staff also argued that the positions requested related to the Children's Basic Health Plan were not requested for SB 08-160 and, therefore, could not be justified as a part of HB 09-1293.

OSPB Comeback:

The Department requests that a portion of the FTE not approved by the committee be included in the Department's appropriation. The Department requests the total FY 2010-11 annualized amount of 35.3 FTE and $2,187,455 total funds. This request includes common policy adjustments for Supplemental Amortization Equalization Disbursement and Amortization Equalization Disbursement.

- Consistent with the HB 09-1293 FY 2009-10 appropriation, the Department's request was for the FTE and funding that was approved during the fiscal note and appropriations process in the 2009 legislative session.

- The total request for administrative costs for this bill ranged from 1.83% of total estimated expenditures in FY 2009-10 to 3.6% in FY 2010-11. Upon full implementation of the bill, the Department's administrative expenditures related to the bill are only 2.08% of the total estimated expenditures.

- In order to seamlessly implement HB 09-1293, resources are extremely important at the beginning of the process. The need for some positions may be more driven by the enrollment of the expansion populations; however, these positions are not driven by the specific quantity of individuals enrolled. While the caseload estimates for FY 2009-10 and FY 2010-11 have been reduced from the original fiscal note, these positions are still required in order to create the infrastructure necessary to enroll expansion populations pursuant to HB 09-1293.

- In addition to the FTE requested to implement the bill, the Department currently has approximately 50 employees working on implementation of this legislation. In order to utilize HB 09-1293 cash funds, the FTE must only be working specifically on the implementation of the bill; therefore, as part of the Department's fiscal note, the Department requested internal auditors in order to assure administrative funding for this bill is spent appropriately.

- Once HB 09-1293 is fully implemented, the Department estimates over 100,000 additional clients will enroll a majority of who have not been served through the Department's traditional programs.

- The Department's implementation timeline for the HB 09-1293 expansion populations and needed programmatic/systems changes are contingent on the FTE approved in the fiscal note. Delaying the hiring or cutting these FTE would lead to delays in implementation.

    a. *Children's Basic Health Plan to 250% FPL* – May 2010

    b. *Medicaid parents to 100% FPL* – May 2010

    c. *Buy-in for persons with disabilities up to 450% FPL* – July 2011. Implementation of this component will involve three different complex types of buy-in programs for three different populations. Each requiring specific IT changes as well as the development of complex cost sharing methodologies.

    d. *Adults without dependent children up to 100% FPL* – January 2012. The benefit for adults without dependent children requires the development of a new benefit package and service delivery system specific to the needs of this population as well as an entirely new reimbursement mechanism within the Medicaid Management Information System (MMIS).

    e. *Continuous 12 month Medicaid eligibility for children* – February 2012

    f. *Stakeholder outreach* – Ongoing. Due to the extensive nature of these new programs, outreach is instrumental in ensuring the programs are implemented appropriately to meet the needs of these expansion populations.

Below is a justification for the portion of FTE that were not approved by the Committee that the Department believes are the most critical for successful and timely implementation of the bill.

5.0 FTE (General Professional IV) for IT Changes

- HB 09-1293 adds numerous complex features/programs to both the Medicaid Management Information System (MMIS) and the Colorado Benefits Management System (CBMS), including a new benefit package for the Childless Adults program, new CBMS High Level Program Groups and MMIS major programs, new aid codes, and enhanced managed care functionality in the MMIS.
- The IT changes necessary for the adults without dependent children, the buy-in program for persons with disabilities, and enhancements for managed care are highly complex and require dedicated FTE for both MMIS and CBMS changes in order to be successfully implemented.
- In addition, it is critical that the IT systems changes be started early in the process as the IT changes need to be completed before the Department can begin enrolling expansion populations.

Deputy Director

- Due to the estimated increased caseload of over 100,000 individuals under HB 09-1293, it is essential to hire a Deputy Medicaid Director to ensure sufficient oversight of the implementation of the bill, while ensuring the necessary and continuous operation of the Medicaid program and delivery systems.
- This position is necessary to oversee all aspects of implementation and without additional management resources, existing Department management would be managing 40 new employees.

2.0 FTE Customer Support Interns

- The Department requires additional FTE in its Customer Service Section to handle the anticipated increased call volume for the expansion populations.
- Due to the updated caseload estimates, the Department can delay filling the 1.0 Customer Service FTE until FY 2011-12, but cannot absorb eliminating this FTE.

1.0 FTE (General Professional IV) Long Term Care Program Managers

- The Department requires 1.0 FTE at a General Professional IV level for its Long Term Care Division beginning July 2010.
- This position is necessary to develop/administer the buy-in program for persons with disabilities. Due to the amount of time necessary for research/outreach to develop this buy-in program, it is critical that staff be hired for this position as soon as possible.
- This position is necessary to work with IT staff to provide policy guidance for the design/implementation of systems changes to ensure the success and timeliness of those changes.
- The Department will not be able to implement this program as expected by July 2011 if this position were to be delayed.

Office of State Planning and Budgeting
Comeback Requests

Department:	Public Health and Environment
OSPB Priority Number:	6
Title:	Amendment 35 Funding Reductions

SELECT ONE:
☐ Decision Item FY 2010-11
☒ Base Reduction Item FY 2010-11
☐ Supplemental Request FY 2009-10
☐ Budget Request Amendment FY 2010-11

	FY 2009-10 Appropriation	Request	JBC Action	Comeback Request	Difference between Action and Comeback Request
Total	$3,942,678	$4,098,764	$4,192,893	$4,371,893	$179,000
FTE	40.0	40.0	34.9	40.0	5.1
GF	$175,490	$175,589	$175,589	$175,589	$0
CF	$1,818,821	$2,003,154	$1,633,154	$1,763,154	$130,000
RF	$420,581	$413,094	$334,094	$383,094	$49,000
FF	$1,527,795	$1,506,927	$2,050,056	$2,050,056	$0
(1) Administration and Support; (B) Special Health Programs, (1) Health Disparities Program, Personal Services	$412,983	$404,365	$338,365	$404,365	$66,000
FTE	6.3	6.3	5.2	6.3	1.1
GF	$51,309	$50,178	$50,178	$50,178	$0
RF	$361,674	$354,187	$288,187	$354,187	$66,000
(1) Administration and Support; (B) Special Health Programs, (1) Health Disparities Program, Operating Expenses	$65,838	$65,838	$52,838	$35,838	($17,000)
GF	$6,931	$6,931	$6,931	$6,931	$0
RF	$58,907	$58,907	$45,907	$28,907	($17,000)

	FY 2009-10 Appropriation	Request	JBC Action	Comeback Request	Difference between Action and Comeback Request
(2) Center for Health and Environmental Information; (A) Health Statistics and Vital Records, Operating Expenses	$135,375	$333,315	$483,157	$443,157	($40,000)
CF	$100,401	$298,341	$298,341	$258,341	($40,000)
FF	$34,974	$34,974	$184,816	$184,816	$0
(10) Prevention Services Division; (A) Prevention Programs; (1) Programs and Administration, Personal Services	$1,618,925	$1,598,983	$1,558,324	$1,678,324	$120,000
FTE	23.7	23.7	21.7	23.7	2.0
GF	$117,250	$118,480	$118,480	$118,480	$0
CF	$673,707	$673,403	$523,403	$643,403	$120,000
FF	$827,968	$807,100	$916,441	$916,441	$0
(10) Prevention Services Division; (A) Prevention Programs; (1) Programs and Administration, Operating Expenses	$783,293	$783,293	$1,032,239	$1,007,239	($25,000)
CF	$118,440	$118,440	$83,440	$58,440	($25,000)
FF	$664,853	$664,853	$948,799	$948,799	$0
(10) Prevention Services Division; (A) Prevention Programs; (5) Tobacco Education, Prevention, and Cessation, Personal Services	$751,273	$737,970	$587,970	$702,970	$115,000
FTE	10.0	10.0	8.0	10.0	2.0
CF	$751,273	$737,970	$587,970	$702,970	$115,000

	FY 2009-10 Appropriation	Request	JBC Action	Comeback Request	Difference between Action and Comeback Request
(10) Prevention Services Division; (A) Prevention Programs; (5) Tobacco Education, Prevention, and Cessation, Operating Expenses	$175,000	$175,000	$140,000	$100,000	($40,000)
CF	$175,000	$175,000	$140,000	$100,000	($40,000)

Please note that there is increase between Request and comeback request of $543,129 in federal funds as recommended by JBC staff.

Summary of Initial Request:

The Colorado Department of Public Health and Environment (CDPHE) submitted the transfer of $25,691,418 cash funds in the Department's three Amendment 35 (Tobacco Tax) funds for FY 2010-11 to the Department of Health Care Policy and Financing, as a method to balance the Colorado State budget. This funding will be used by the Department of Health Care Policy and Financing for health care related activities that would otherwise require General Fund. This is a one time transfer for FY 2010-11 only. The Department request did not include a reduction in Departmental FTE and operating expenses. The transfer of funds was to be solely from grant program funds.

Committee Action:

The Committee voted to initiate a bill to accomplish the transfers. JBC staff recommended (and committee approved) that included in the bill would be a 1.1 FTE reduction to the Health Disparities program, along with a reduction of $66,000 for personal services costs and $13,000 for operating expenses. For the Cancer, Chronic and Pulmonary Disease Program (CCPD) and the Tobacco Education Program (STEPP), the reduction *per program* is 2.0 FTE and $150,000 cash funds for personal services and $35,000 cash funds for operating expenses.

JBC Staff noted the following items:

1. The level of grants during FY 2010-11 will be approximately 25% (Health Disparities), 32% (STEPP), and 39% (CCPD) below the level of grants during FY 2009-10. JBC staff extrapolated from this that the need for department staff support for existing grants will decline substantially.

2. JBC staff acknowledged that experienced staff are valuable, and staff will be needed midway through FY 2010-11 to facilitate the grant renewal and application processes for 2011-12

grants. Therefore, grant staff should not be reduced excessively. JBC Staff continued that grant funding will be fully restored as soon as the General Assembly stops declaring annual fiscal emergencies. If fiscal-emergency declarations end in FY 2011-12, as is the Governor's stated intention, full grant funding will be restored to the programs. This means that starting in the second half of FY 2010-11, grant applications will have to be solicited, evaluated, and selected.

OSPB Comeback:

The department understands that grantees should not bear the sole burden of the Amendment 35 reductions and will reduce expenditures as much as possible to redirect the savings to grants. Rather than eliminating FTE, the department proposes that expenditures will be reduced through eliminating one-time expenditures, vacancy savings, delayed hiring, filling positions at lower salaries, reduced site visits and related travel to grantees, reduced grantee meetings and any other cost savings that can be identified. The department has offered an alternative reduction plan listed under E – Counterproposal below. The department believes that reducing FTE is not the best strategy for achieving savings for the following reasons:

A. *Demand for staff time has increased due to the FY 2009-2010 budget cuts to the programs.*

i. Rather than a significant decrease in ed with these activities is not significantly impacted by the small reduction in the number of contracts, as described in # 1 above, the reductions have been achieved through reducing contract amounts. Although some contracts were eliminated completely, there was not a large scale reduction in the total number of contracts awarded. This approach is anticipated to continue for FY 2010-11. Therefore, the number of contracts is anticipated to continue at the current level and the need for staff support will not decline significantly.

ii. During the FY 2009-10 budget reductions, contractual activity performed by program staff has more than doubled due to the number of amendments required to decrease or terminate grants that had already been awarded.

iii. Fulfillment of the statutory funding criteria requires an annual competitive grant application and renewal process. The preparation and issuance of Requests for Applications, and subsequent coordination of volunteer Review Committees to review, evaluate, and prepare funding recommendations requires significant staff expertise and effort. The small reduction in the overall number of grants does not take away from the complexity of the process which must be undertaken regardless of how many grants are to be awarded. In fact, given the difficulty of the economic climate, the workload is expected to increase as more organizations need and therefore apply for funding.

iv. The level of staff time and effort associated with these activities is not significantly impacted by the small reduction in the number of grants awarded as each grant must be reviewed and considered on its merits.

B. *Valuable content expertise will be lost.*

i. The statutorily mandated Review Committees, whose membership is made up of community volunteers, rely on department staff for expertise. Eliminating staff will also eliminate this expertise.

ii. According to the statute, 10 members from CDPHE are appointed to the two Review Committees (five members to STEPP and five members to CCPD). Staff responsibilities include but are not limited to: serving as content experts for program initiatives to be funded; evaluating and providing recommendations on entities to be funded; participating as voting members of the committee; presenting testimony and defending committee decisions to the State Board of Health; overseeing contracts; collaborating with local public health agencies to enhance community-based services; assuring appropriate training and technical assistance to grantees; and researching and promoting evidence-based interventions and programs.

iii. The Review Committees provide oversight to ensure the program priorities are consistent with state strategic plans and statutory grant requirements. Without departmental staff support it would be extremely difficult for Review Committee members to ensure compliance with the complex and voluminous plans, regulations, guidelines and statutes associated with the various grant programs.

iv. Following the announcement of the budget cuts in August 2009, which impacted the CCPD and the STEPP programs, the Review Committees met several times in public sessions to decide how to apply the cuts. In both instances, an across-the-board cut was not utilized. Instead, the Review Committees developed guiding principles for the program staff to apply reductions. Utilizing the guiding principles, the program staff provided numerous options and funding scenarios for the Review Committees' deliberations. It is anticipated the Review Committees will utilize a similarly staff intensive process to respond to the FY 2010-11 cuts.

C. *State-level interventions may be impacted*

i. State staff serve as experts to internal, statewide, nationwide and external non-governmental partners. As an example, during this past year, state staff negotiated with the state's health insurers to cover the costs of their insured population for use of the Colorado QuitLine. This public-private partnership has helped offset the QuitLine budget reduction by $1.1 million.

Furthermore, a reduction in FTE will hinder the department's ability to provide grantee oversight. All grants funded with public funds through the State require appropriate monitoring to ensure:

1. Adequate progress is being made toward achieving the grant projects goals, objectives and targets.
2. Funds granted are expended in ways that meet provisions of pertinent statutes, regulations, administrative requirements and State Fiscal Rules.
3. Funding granted is used responsibly.

D. *Logistics of implementation are costly*

Finally, in item # 2 above, JBC staff indicates that the reductions are temporary, and that staffing will need to be restored starting in the second half of FY 2010-11. The department is concerned about the logistics of implementing these reductions. In the case of the STEPP program, as an example, a 2.0 FTE reduction for the year would require that the department lay off or reassign four employees on July 1. Four employees would need to be eliminated since the full 2.0 reduction would need to be accomplished in only half the year. Then, within a month or two, the department would need to begin the recruitment and hiring process to fill those four positions effective January 1. It is possible that the prior employee will be reinstated, however it is likely that the expertise will be lost and new staff will need to be trained.

In conclusion, the department believes that eliminating these FTE is an inefficient and inadvisable way to make additional reductions. The workload has not decreased significantly and the loss of staff expertise will negatively impact the grantees, the boards which oversee them and ultimately the citizens who benefit from services provided by grantees. Additionally, the time, effort and expense associated with layoffs and rehiring is significant. Rather than eliminating FTE, the department commits to reduce expenditures through vacancy savings, delayed hiring, filling positions at lower salaries, less frequent site visits and related travel to grantees, reduced grantee meetings and any other cost savings that can be identified.

E. *Counterproposal*

The Department will commit to saving $270,000 across the three programs through FY 2010-11, with a goal of saving $330,000. The savings generated will be directed into grants for the fiscal year.

The Health Disparities Program will reduce operating expenses by $30,000 for the fiscal year. This will generate 38% ($30,000/$79,000) of the JBC proposal. The Health Disparities Program is currently fully staffed, so the program will be unable to generate personal services savings without laying off, or reassigning, staff.

The STEPP programs will save a minimum of $130,000 with a goal of saving $150,000, and the CCPD program will save a minimum of $110,000 with a goal of $150,000. The appropriation changes are detailed in the chart above.