

MEMORANDUM

TO: Joint Budget Committee

FROM: John Ziegler, JBC Staff

SUBJECT: Options for Reducing General Fund Appropriations and/or Increasing General Fund Revenues

DATE: March 24, 2009

Attached are four lists that contain options for reducing appropriations and/or increasing revenues. The lists are being provided to you as a starting point for any additional balancing that needs to be done for the FY 2008-09 budget and FY 2009-10. The four lists contain the following information:

- Options for Increasing Revenue to the General Fund in FY 2008-09
- Options for Reducing General Fund Appropriations in FY 2008-09
- Options for Increasing Revenue to the General Fund in FY 2009-10
- Options for Reducing General Fund Appropriations in FY 2009-10

It is important to note that these items are not necessarily things that JBC staff would recommend doing in a normal year. They are options that are provided given the difficult budget position in which the State of Colorado finds itself. Some of the items were requested by the Governor and some were not. There is a key at the bottom of each section of the report to help you understand the origin of the action.

Options for Increasing Revenue to the General Fund in FY 2008-09

Department Division/Topic Cash Fund/Policy Option	General Fund Impact*	See Key			Comments
		Category	Over- laps	Bill	
Agriculture Transfer various cash fund balances to the General Fund	290,364	Staff Rec.	No	Yes	Transfers fund balances from various cash funds within the Department. Cash fund sources include Organic Certification Fund, Wine Development Fund, Phytosanitary Inspection Fund, Rodent Control Fund, Animal Protection Fund, Colorado Aquaculture Fund, Biological Pest Control Fund, Dangerous Dog Fund, Bee Inspection Fund, and Seal of Quality Fund.
Subtotal - Agriculture	290,364				
Education Temporarily re-direct state school lands moneys	0	Other	No	Yes	Temporarily redirect revenues related to school lands that are not needed for capital construction projects to the State Public School Fund to support recent expansion efforts (e.g., new preschool slots or supplemental full-day kindergarten funding). This would improve SEF solvency. Estimated maximum that could be redirected: \$24.6M in FY 2008-09. Action would reduce or eliminate growth in Permanent Fund Trust Fund balance.
Require districts to return any supplemental kindergarten funding not used to SEF	0	Other	No	Yes	A school district that does not use additional full-day kindergarten funds to expand programs is required to hold the moneys received in a reserve. The reserve is to be used in the future for expansion of full-day kindergarten or, for FY 2008-09 only, for planning and facility preparation necessary to provide full-day kindergarten. Potential impact on SEF is \$2,380,516.
Subtotal - Education	0				
Governor's Office Repeal effects of S.B. 09-217	18,700,000	Other	Yes	Yes	S.B. 09-217 modified the rules for the transfers from the limited gaming fund to four economic development funds in the Governor's Office. If the changes made by the bill were repealed, the transfer to the General Fund would increase by approximately \$18.7 million.
Reduce end-of-year transfer to Bioscience Discover Evaluation	4,500,000	Other	Yes	Yes	Current statute requires a transfer of \$4.5 million from the limited gaming fund to the Bioscience Discovery Evaluation Fund at the end of FY 2009-10. This transfer is in a separate class from those considered in H.B. 09-217 above. All or part of the transfer could be diverted to the GF.
Subtotal - Governor's Office	23,200,000				
Health Care Policy and Financing Transfer funding from the Breast and Cervical Cancer Treatment Fund	2,000,000	Other	No	Yes	The original fund transfer bill tried to transfer \$6.0 million. Staff would lower the transfer to \$2.0 million and then allow 100% of the state match costs to be funded in FY 2009-10, FY 2010-11, and FY 2011-12 from this fund.
Transfer Interest All Projected Interest Earnings from the Amendment 35 Funds into the General Fund	5,000,000	Other	No	Yes	Staff recommended a bill to do this for FY 2009-10, FY 2010-11, and FY 2011-12. This issue would draft the bill to do it for FY 2008-09 also.
Subtotal - Health Care Policy and Financing	7,000,000				

Options for Increasing Revenue to the General Fund in FY 2008-09

Department Division/Topic Cash Fund/Policy Option	General Fund Impact*	See Key			Comments
		Category	Over- laps	Bill	
Human Services					
Reduce Cash Funding for Senior Services	8,000,000	Other	Yes	Yes	The State Funding for Senior Services line item currently includes an appropriation of \$8.0 million cash funds from the Older Coloradans Fund. Moneys in the Older Coloradans cash fund are the result of a diversion of a portion of the transfer from the Old Age Pension Fund to the General Fund. Decreases in the diversion result in an increased transfer to the General Fund. The diversion could be eliminated and the transfer to the General Fund be increased by the same amount.
Electronic Benefits Transfer System User Fee	600,000	Other	No	Yes	During the previous recession, the State imposed a fee of one dollar per month on individuals whose public assistance was delivered through the Electronic Benefits Transfer system. When used previously, this fee generated approximately \$600,000 in annual revenue. This money could be credited to the General Fund.
Transfer LEAP Funds to the General Fund	5,950,000	Other	No	Yes	The department has not expended the moneys transferred to the low-income energy assistance fund. These funds could be transferred to the General Fund.
Buildings and Grounds Cash Fund	500,000	Other	No	Yes	The Committee approved a request to allow the Department to spend down \$500,000 of its fund balance in FY 2009-10. In lieu of this, it could transfer the balance to the General Fund. This fund is based on revenue from Department rental property & is used to pay for property maintenance costs. One-time option for FY 2008-09 or FY 2009-10.
Collaborative Management Incentives Cash Fund	1,700,000	Other	No	Yes	A fund balance of \$1.7 million is anticipated at the beginning of FY 2009-10. The Department expects to spend all but \$300,000 of this during FY 2009-10. Thus, taking the amount shown would reduce funding for FY 2009-10 from \$3.6 million appropriated to about \$2.2 million (the ongoing revenue stream). To avoid program reductions in FY 2009-10, only \$300,000 should be taken.
Traumatic Brain Injury Trust Fund	1,500,000	Other	No	Yes	The JBC previously attempted to transfer this balance to the General Fund per S.B. 08-208 but this was removed by amendment in the Senate and not restored in the House. Depending upon the fiscal situation, the JBC could attempt such a transfer again. This would need to be associated with a \$500,000 reduction to the FY 2009-10 appropriation approved during figure setting. One-time option for FY 2008-09 or FY 2009-10.
Transfer the Tier 2 tobacco dollars appropriated for mental health community programs to the General Fund	1,277,249	Other	Yes	Yes	This option transfers dollars associated with the two Mental Health / ADAD "Tier 2" programs, funded by tobacco litigation settlement funds, to the General Fund for the final quarter of FY 2008-09 (starting April 1, 2009, through June 30, 2009). These dollars were historically deposited directly into the General Fund prior to the creation of these programs in FY 2007-08. Diverting this revenue to the General Fund for the full FY 2009-10 would generate approximately \$5.5 million.
Subtotal - Human Services	19,527,249				
Judicial					
Transfer an additional amount from the Court Security Cash Fund	500,000	Other	No	Yes	The Judicial Department identified this additional transfer as an option for FY 2009-10. The G.A. could make this transfer in FY 2008-09 OR FY 2009-10. Transfer would reduce funds available for grants.
Transfer an additional amount from the Drug Offender Surcharge Fund	1,360,000	Other	No	Yes	The Judicial Department identified this additional transfer as an option for FY 2009-10. The G.A. could make this transfer in FY 2008-09 OR FY 2009-10. Transfer would cause fund balance to be insufficient to support planned increase in assessment, treatment, training, and research expenditures in FY 2010-11.
Transfer an additional amount from the Offender Services Fund	2,498,439	Other	No	Yes	The Judicial Department identified this additional transfer as an option for FY 2009-10. The G.A. could make this transfer in FY 2008-09 OR FY 2009-10. Transfer would require appropriations from Fund to remain flat through FY 2012-13 rather than increase with growing offender population.

Options for Increasing Revenue to the General Fund in FY 2008-09

Department Division/Topic Cash Fund/Policy Option	General Fund Impact*	See Key			Comments
		Category	Over- laps	Bill	
Subtotal - Judicial	4,358,439				
Law					
Transfer from the Defense Account of the Tobacco Litigation Settlement Cash Fund to the General Fund.	3,000,000	Other	No	Yes	The account has a balance of \$3.5 million as of January 1, 2009 and is currently being used to pay for (1) enforcement of the state's laws regarding non-participating tobacco manufacturers, (2) legal work in the dispute with tobacco manufacturers over the state's diligent enforcement of its non-participating manufacturer laws. Projected expenditures from the fund this year are \$486,000. These are necessary expenses that will have to be paid from the General Fund if the balance of the fund is transferred to the General Fund. The balance of this account was transferred to the General Fund during the last economic downturn and was subsequently repaid. The account has no sources of income; if its balance is transferred to the General Fund without a repayment, the fund will remain empty. The participating tobacco manufacturers may examine the state's use of this money when preparing for arbitration and could conceivably use it as a basis for one of their arguments concerning "diligent enforcement". If the bill making the transfer provided for repayment of the fund, that could weaken the argument.
Subtotal - Law	3,000,000				
Labor & Employment					
Transfer from Major Medical Insurance Fund.	26,500,000	Other	No	Yes	Currently the Committee has voted to make this transfer in FY 2009-10. The Committee could vote to make this transfer in FY 2008-09. If the Committee votes to make this transfer in FY 2008-09, the transfer in FY 2009-10 cannot be done.
Subtotal - Labor	26,500,000				
Local Affairs					
Transfer from the Local Government Mineral Impact Fund	3,265,000	Other	No	Yes	The Local Government FML Impact Fund has approximately \$3.3 million in uncommitted fund balance that could be transferred to the General Fund. The OSPB requested \$0 transfer, but had been considering an amount.
Transfer various cash funds to GF	23,200,000	Other	No	Yes	There is approximately \$23.1 million in fund balance in various cash funds that could be transferred to the General Fund. Fund sources include funding from such sources as severance tax revenues, limited gaming revenues, Housing Rehabilitation Revolving Loans Fund, Waste Tire Clean Up, Moffat Tunnel Cash Fund, and the Search and Rescue Fund.
Subtotal - Local Affairs	26,465,000				
Military and Veterans Affairs					
Transfer from the Veterans Trust Fund	4,500,000	Gov. Req.	No	Yes	Transferring fund balance from the Veterans Trust Fund. Recent bill increase spending from the transfer of tobacco settlement moneys, making interest earnings less important.
Subtotal - Military & Veterans Affairs	4,500,000				
Natural Resources					

Options for Increasing Revenue to the General Fund in FY 2008-09

Department Division/Topic Cash Fund/Policy Option	General Fund Impact*	See Key			Comments
		Category	Over- laps	Bill	
CWCB Constr. Fund #424 (Section 37-60-121, 37-60-119, C.R.S.)	5,465,272	Staff Rec.	Yes	Yes	The Committee already approved a \$10.25 million transfer into GF for FY 2008-09. This is additional amount remaining in fund that can be transferred out. Impact of this additional transfer would mean less funding available in FY 2009-10 for water project loans and non-reimbursable investments. This option overlaps with FY 2009-10, if this amount is transferred out in FY 2008-09, there will be \$5,465,272 less available for transfer in FY 2009-10. If the \$5.5 million is transferred out in FY 2008-09, staff estimates that there will be an additional \$22.7 million available to be transferred in FY 2009-10.
Perpetual Account (Section 37-60-119, 39-29-109(2)(a), C.R.S.)	23,344,753	Other	Yes	Yes	The Committee already approved a \$20.0 million transfer into GF for FY 2008-09. This is additional amount remaining in the fund that can be transferred out. Impact of this additional transfer would mean less funding available in FY 2009-10 for water project loans. This option overlaps with FY 2009-10, if this amount is transferred out in FY 2008-09, there will be \$23,344,753 less available for transfer in FY 2009-10. If the \$23.3 million is transferred out in FY 2008-09, staff estimates that there will be an additional \$23.3 million available to be transferred in FY 2009-10.
Subtotal - Natural Resources	28,810,025				
Public Health and Environment Hazardous Substance Response Fund	20,000,000	Flagged	No	Yes	The JBC approved a \$10 million transfer from the HSRF to the General Fund but flagged it for consideration of additional transfers if necessary to balance the budget. The transfer could grow significantly larger without immediate impacts on the Department's operations and the long-term impact could be minimized as long as the funds were paid back to the HSRF. In 2002, the General Assembly transferred \$30 million from the HSRF to the General Fund which was paid back in 2006. The Committee could consider either significantly increasing the transfer for FY 2008-09 or staging the transfers to allow another in FY 2009-10 or potentially beyond. Any transfers from the HSRF would require statutory change. Out year costs to the state superfund program would result from loss of fund balance if the transfer is not repaid and loss of interest if the transfer is repaid.
Stationary Sources Control Fund	2,000,000	Flagged	No	Yes	The Stationary Sources Control Fund, created in Section 25-7-114.7 (2) (b) (I), had accumulated a balance of \$1.4 million as of the end of FY 2007-08 and according to the November budget submission the balance is expected to grow to \$2.27 million by the end of FY 2008-09, under a fee bill passed last session (S.B. 08-55). A transfer to the General Fund would be possible although it would accelerate the necessary timing of the Department's next bill to increase fees.
Subtotal - Public Health and Environment	22,000,000				
Auto Theft Prevention Cash Fund	2,301,736	Other	No	Yes	The Auto Theft Prevention Cash Fund, created in Section 42-5-112 (4) (a), includes fees collected from the auto insurance industry pursuant to S.B. 08-60. The fund currently holds \$2.3 million in recent collections from the insurance industry that would be available for transfer to the General Fund, although doing so would require legislation. The funds are slated to be awarded as grants to local law enforcement agencies to aid auto theft prevention activities. The Department has not finalized a process to receive grant applications, and none of the funds have been allocated. The insurance industry would likely resist any transfer of these funds.

Options for Increasing Revenue to the General Fund in FY 2008-09

Department Division/Topic Cash Fund/Policy Option	General Fund Impact*	See Key			Comments
		Category	Over- laps	Bill	
Subtotal - Public Safety	2,301,736				
Tobacco					
Transfer to the GF tobacco settlement moneys diverted by the tobacco bill the JBC voted to carry.	6,900,000	Staff Rec.	Yes	No	The Committee has voted to carry a bill that will divert the recently-received \$7.4 million disputed tobacco settlement payment to a special cash fund. This \$7.4 million disputed payment is already here. The bill also caps the amount of settlement revenue allocated among tobacco programs at \$100 million, which is forecast to bring in another \$3 million, of which about \$2.5 million will arrive in April 2009 with the remaining half million dollars arriving in April 2010. The bill also directs \$3.5 million to the Children's Basic Health Plan Trust Fund. The HCPF analyst has indicated that CBHP would be okay if it received \$3.0 million now and received the remaining half million in April 2010. Thus approximately \$6.9 million would be available in FY 2008-09 or about \$7.4 million in FY 2009-10. A transfer requires a bill, but it could be done in the bill that the JBC has already voted to carry.
Transfer from the Short Term Innovative Health Programs Grant Fund to the General Fund	1,705,721	Staff Rec.	Yes	No	The next tobacco settlement payment is due in mid April. Approximately \$1.7 million of this payment will be transferred to the Short Term Innovative Health Programs Grant Fund. The Committee voted not to fund this program for FY 2009-10, meaning that the money will be available to support the General Fund when it arrives. This option overlaps somewhat with the bill that the JBC voted to carry to cap the amount of settlement money distributed among tobacco settlement programs at \$100 million.
Abolish several tobacco settlement programs	11,600,000	Staff Rec.	Yes	Yes	Permanently abolish several tobacco-settlement programs and use the resulting savings to support General Fund spending. After the recession ends, continue to accumulate tobacco settlement dollars and interest in a rainy day fund until the next recession. Staff recommended eliminating the Read-to-Achieve Grant Program, the Tony-Grampsas Youth Services Program, and Mental Health Services for Juvenile and Adult Offenders, programs with few public-health or health-care components. If the programs were eliminated for FY 2009-10, approximately 85% of the savings would be available to support the General Fund in <i>FY 2008-09</i> and 100% would be available in <i>FY 2009-10</i> . This option overlaps somewhat with the bill that the JBC voted to carry to cap the amount of settlement money distributed among tobacco settlement programs at \$100 million.
Subtotal - Tobacco	20,205,721				
Treasury					
Unclaimed Property Trust Fund	50,000,000	Staff Rec.	No	Yes	Transfer \$50 million from the trust fund in FY 2008-09 instead of FY 2009-10, as already planned in a bill that has been drafted. If the Committee votes to make this transfer in FY 2008-09, the transfer in FY 2009-10 cannot be done. If the Committee votes to make this transfer in FY 2008-09, the transfer in FY 2009-10 cannot be done.
Subtotal - Treasury	50,000,000				
GRAND TOTAL	238,158,534				

Flagged	22,000,000
Gov. Req.	4,500,000
Staff Rec.	75,961,357
Other	135,697,177

Options for Increasing Revenue to the General Fund in FY 2008-09

Department Division/Topic Cash Fund/Policy Option	General Fund Impact*	See Key			Comments
		Category	Over- laps	Bill	
					Summarizes the option and the rationale. Explains issues if one option overlaps with another. Highlights out-year costs.

NOTE: Some subtotals and the grand total may include options that overlap with others. If there is an either/or choice between two options, the tradeoff is explained in the comments section.

Key:

General Fund Impact = expressed as the difference from the JBC's actions to date. Positive numbers increase revenues to the General Fund.

Category:

Flagged = JBC flagged the item for possible later consideration

Gov. Req. = Governor's request was higher/(lower) than the JBC action

Staff Rec. = Staff recommendation was higher/(lower) than the JBC action

Other = Other ideas

Overlaps = A "yes" in this column indicates that the option overlaps with another and the interaction is explained in the comments section.

Bill = A "yes" in this column indicates that implementing the option would require legislation.

* General Fund reflects "net" General Fund, i.e., Medicaid adjustments in Human Services that drive General Fund savings in Health Care Policy and Financing are listed in the Department of Human Services.

Options for Reducing General Fund Appropriations in FY 2008-09

Department Division/Topic Program/Policy Option	General Fund Impact*	See Key			Comments
		Category	Over- laps	Bill	
Agriculture					
Eliminate Potato Inspection Subsidy	(200,000)	Other	No	Yes	The state pays \$200,000 of the Mandatory Fruit & Vegetable Inspection program's operational costs, with the remainder of the program costs paid with certificate fees.
Eliminate the Agricultural Markets Division	(102,405)	Other	No	No	This division provides marketing assistance and related support to Colorado agricultural-based businesses competing in local, national, and international arenas. Funding is estimated for the remaining 3 months of FY 2008-09. Full year costs are equal to \$409,620 General Fund.
Eliminate the Conservation Board Division	(262,130)	Other	No	No	This division is responsible for providing administrative and fiscal oversight to Colorado's 77 conservation districts. The Board also coordinates various federal programs related to natural resource issues, provides guidance on stream bank erosion, and assists farmers and ranchers in implementing a variety of water and energy practices. The funding reduction is estimated for the remaining 3 months of FY 2008-09. Full year costs are equal to \$1,048,522 General Fund.
Eliminate Fee Caps	(45,000)	Other	No	Yes	There are four programs that have fees capped in statute. Capped fees restrict the Department's ability to set fees to adequately collect a commensurate level of revenue to cover direct and indirect operating costs. When revenue levels are deficient to cover the total costs of the program, the shortfall is backfilled with General Fund. Programs include Seed Inspection, Brand Inspection, Groundwater Protection, and Aquaculture Inspection.
Eliminate Various Programs' General Fund	(281,204)	Other	No	No	There are eight programs in the Department that are funded in part with General Fund. Programs include the State Veterinarian, Disease Control, Biological Pest Control (Insectary), Noxious Weeds, Seed Inspections, Predator and Rodent Control, Bureau of Animal Protection, and Agricultural Statistics Bulletin. Annual appropriation is equal to \$1,124,815. Amount shown equal to last 3 months of the year.
Subtotal - Agriculture	(890,739)				
Corrections					
Reduce the Provider Rate to Private Prisons by 1.0 Percent	(265,892)	Other	No	No	This option would reduce the provider rate paid to private prisons by 1.0 percent. This rate could be further reduced with the above calculated savings for each 1.0 percent reduction. Staff notes that the private prison provider rate was decreased by 9.6 percent during the last economic downturn. The current FY 2008-09 approved rate of \$52.69 is below the FY 2001-02 rate of \$54.66.
Reduce the Reimbursement Rate to Local Jails by 1.0 Percent	(18,746)	Other	No	No	Local jails are reimbursed for housing offenders who are awaiting prison beds. This option would reduce the reimbursement rate paid to local jails by 1.0 percent. This rate could be further reduced with the above calculated savings for each 1.0 percent reduction. Staff notes that the local jails reimbursement rate was decreased by 10.0 percent during the last economic downturn. The current FY 2008-09 approved rate of \$50.44 is below the FY 2001-02 rate of \$51.65.
Reduce or Eliminate the Labor Subprogram	(1,374,092)	Other	No	No	The labor subprogram is responsible for the development and supervision of inmate work assignments involving physical labor to assist the Department with reclamation, landscaping, construction and other related projects. The Department identifies three components of the labor program: (1) intensive labor -- operated on an incentive basis so that the inmate is able to demonstrate that he or she is willing to modify his or her behavior; (2) inter-facility labor -- concentrated in the Canon minimum centers, using inmates for land reclamation and erosion control; and (3) off grounds labor -- usually reserved for minimum security facilities to provide off grounds inmate work crews for a variety of governmental projects. This option would reduce or eliminate this program. The savings would be dependent on the amount already spent year-to-date on the program.

Options for Reducing General Fund Appropriations in FY 2008-09

Department Division/Topic Program/Policy Option	General Fund Impact*	See Key			Comments
		Category	Over- laps	Bill	
Reduce or eliminate the Recreation Subprogram	(1,596,686)	Other	No	No	The recreation subprogram is responsible for developing, implementing, and supervising all recreational programs including leisure time activities and outdoor exercise. Most facilities (with the exception of Colorado State Penitentiary) have recreation programs. This option would reduce or eliminate this program. The savings would be dependent on the amount already spent year-to-date on the program.
Subtotal - Corrections	(3,255,416)				
Education					
Refinance CSAP with SEF	(15,719,422)	Flagged	No	Yes	The Department proposed eliminating the GF appropriation for CSAP and instead appropriating SEF. Staff cautions that this will have a significant impact on the solvency of the SEF, and will thus require other offsetting decreases in other SEF expenditures in future fiscal years.
Eliminate Military Dependent Supplemental Pupil Enrollment Aid	(1,818,517)	Gov. Req.	No	No	The JBC introduced a supplemental bill (SB 09-185) which would have eliminated this appropriation for FY 2008-09. The G.A. voted to restore this funding. If the JBC wants to try this proposal again, CDE would need to be requested to hold off on making payments to affected districts.
Reduce or eliminate funding for various grant programs	(1,200,000)	Staff Rec.	No	Yes	In addition to the requested reductions for various grant programs proposed by the Department, there are other grant programs which may offer additional savings if reduced, however further analysis needs to be performed before a staff recommendation can be made. The grant programs include, but are not limited to: School Counselor Corps Grants, Reduced Price Lunch Subsidies, Family Literacy Education, Dropout Prevention, Reading Assistance, Smart Start Nutrition, Declining Enrollment Study, and Regional Service Cooperatives.
Transfer Various	(1,000,000)	Staff Rec.	No	Yes	Transfers fund balances from various cash funds within the Department. As of January 30, 2009, staff has identified approximately \$1 million in fund balance that could potentially be transferred to the General Fund. Cash fund sources include the following: Online Education Cash Fund, Educator Licensure Cash Fund, Family Literacy Education Cash Fund, Reading Assistance Grant Fund, Financial Literacy Cash Fund, Non-public School Fingerprint, Science and Technology Education Cash Fund, Teacher Development Cash Fund, Closing the Achievement Gap Fund, and the National Academic Contest Fund.
Charter School Capital Construction	(1,500,000)	Gov. Req.	No	Yes	The JBC introduced S.B. 09-215 which would have reduced the SEF appropriation for this purpose from \$10,000,000 to \$5,135,000. The first conference committee report added back in \$1,500,000 General Fund. The House rejected this report, and asked that a second conference committee be formed. The JBC, acting as a second conference committee, could try to eliminate this \$1,500,000 General Fund appropriation (either with no offset, or with an offset from the SEF).
Subtotal - Education	(21,237,939)				
Governor					
Various line items	(14,500,000)	Other	No	No	The Governor holds approximately \$14.5 million in federal flexible funds. The Committee may be able to convince the Governor to backfill decreased GF appropriations with these monies.
Subtotal - Governor	(14,500,000)				
Health Care Policy and Financing					

Options for Reducing General Fund Appropriations in FY 2008-09

Department Division/Topic Program/Policy Option	General Fund Impact*	See Key			Comments
		Category	Over- laps	Bill	
General Fund Offset for Consumer Directed Care Waiver	(709,066)	Gov. Req.	No	No	Staff did not recommend because the waiver has not yet been approved and staff doubted that the savings would actually occur in the fiscal year.
Take Staff Recommendation for MSP Premiums supplemental	(6,060,408)	Staff Rec.	No	No	Staff had a negative GF supplemental recommendation compared to what was passed in S.B. 09-187. The Department voted to be more conservative and voted to keep the S.B. 09-187 supplemental. The Committee could revisit this decision and accept staff recommendation. (Staff's recommendation incorporates 8 months of data -- staff believes it is reasonable -- but tight).
Delay Managed Care Payments	(15,332,958)	Flagged	Yes	No	Staff does not recommend. Probably too late in the fiscal year to make the system changes now.
General Fund Savings from H.B. 08-1114	(3,980,710)	Gov. Req.	Yes	No	Staff does not recommend this number be used for balancing until approval is obtained. If approval is obtained before the Long Bill is through conference committee staff will recommend this savings amount.
Reduce Appropriation to Health Care Services Fund	(2,500,000)	Other	No	Yes	Reduce the \$15.0 million to the Health Care Services Fund by \$2.5 million (the May & June payment). This would take a bill.
Reduce Appropriations to Children's Hospital Clinic Program	(516,667)	Other	No	No	Reduce the \$3.1 million General Fund appropriation to clinics that participate in the indigent care program by 17% for FY 2008-09 (i.e. the last two months of funding).
Reduce Appropriations to Pediatric Specialty Hospital	(925,167)	Other	No	No	Reduce the \$5.5 million General Fund appropriation to Children's Hospital by 17% for FY 2008-09 (i.e. the last two months of funding).
Eliminate staff's safety net provider General Fund supplemental recommendation	(1,078,204)	Staff Rec.	No	No	Staff recommended an increase of \$1.1 million General Fund so that private hospitals would get a share of the increased federal funding for DSH. This recommendation would appropriate all of the extra DSH funding to public hospitals.
Allow \$3.0 million from the Supplemental OAP Medical Fund to pay for medical costs of OAP pension clients in the Medicaid Program.	(3,000,000)	Other	No	Yes	The JBC voted to carry a bill to do this in FY 2009-10 with \$6.0 million. This recommendation would allow \$3.0 million to be used in FY 2008-09.
County Administration	(1,667,924)	Other	No	No	The Committee voted to increase county administration if they sponsor the bill recommended by Amanda on Child Welfare county issues.
Subtotal - Health Care Policy and Financing	(35,771,103)				
Human Services					
<u>Developmental Disability Program Costs</u>					
Non Medicaid developmental disability funding	(1,000,000)	Other	Yes	No	There is currently \$31.5 million in non-Medicaid General Fund appropriations for developmental disability Program Costs. This includes, in particular, about \$6.5 million for the Family Support Services program, about \$8.0 million for non-Medicaid supported living services, and about \$1.7 million for the case management associated with these two program components. During the prior downturn, the General Assembly reduced the family support program by 50 percent and supported living General Fund rates by \$1.0 million. These reductions were subsequently restored. Funding includes \$300,000 for new Family Support Services resources added in FY 2008-09. Total shown represents approximately 3 percent of the non-Medicaid appropriation, about 13 percent of non-Medicaid funds remaining during the last quarter of the year, and about 25 percent of the funds remaining during the last quarter for Family Support and non-Medicaid supported living (where the cut would likely be taken). However, this represents only about 1.0 percent of total funding provided for developmental disability services for the last quarter. This option overlaps with the option below to eliminate FSSP.

Options for Reducing General Fund Appropriations in FY 2008-09

Department Division/Topic Program/Policy Option	General Fund Impact*	See Key			Comments
		Category	Over- laps	Bill	
Eliminate Family Support Services Program, effective last quarter of year	(1,823,666)	Other	Yes	Yes	Savings shown reflect eliminating all funding for this program for the final quarter of the year. Staff believes this cut could be implemented in FY 2008-09 prior to a bill (given that related funds would already have been paid out in FY 2008-09). However, staff believes a bill would be needed to continue the cut in FY 2009-10.
<u>Child Welfare</u>					
Refinance Child Welfare Services to eliminate Excess Federal Title IV-E "spill-over" to FY 2009-10	(600,000)	Other	No	No	The estimate of "Excess Federal Title IV-E" revenue for FY 2008-09 ranges from \$658,000 (Department) to \$935,000 (staff). After this action, if revenues are not earned as anticipated, this will result in a cut to the Child Welfare Services block.
Provider rate cut, final quarter of year	(787,855)	Gov. Req.	No	No	A provider rate reduction is still feasible for child welfare allocations for the last quarter of the year. The amount shown reflects eliminating the 1.5% increase for the last quarter. Because this is a block allocation, it would also be feasible to take a somewhat larger reduction; however, counties remain responsible for ensuring adequate service provision. The child welfare appropriation includes about \$335 million in state and federal funding allocated to counties, so this represents a cut of just under 1.0 percent for the last quarter of the year.
<u>Child Care</u>					
Early Childhood Councils	(250,000)	Other	No	No	Reflects removing 25% of the GF appropriation (1/12 of total appropriation of \$3.0 million, which includes GF & FF), i.e., 1/3 of funding for the last quarter of the year. If needed, up to \$500,000 could possibly be reduced.
Child Care Assistance Program	(1,000,000)	Other	No	No	The Child Care Assistance Program is funded with a combination of General Fund, federal block grant funds, county funds, and county transfers of TANF dollars. Counties have significant discretion over who qualifies for subsidies and the level of provider reimbursement and, historically, the size of the General Fund subsidy has seemed to have little impact on the overall scope of the program, particularly given that the program can grow or shrink by \$30 million, depending upon county TANF policies. Staff currently believes that some General Fund reduction could be taken without undue impact on the program. The program's current appropriation is \$78.1 million, including \$16.4 million General Fund. The amount shown represents a 1.3 percent reduction in the overall appropriation and might be compensated-for by county TANF-transfers. If accomplished via transfer of Title XX to Child Welfare & General Fund reduction there, it might be possible to avoid federal penalties.
<u>Self Sufficiency</u>					
Eliminate Promoting Responsible Fatherhood Grant	(222,222)	Other	No	No	In FY 2008-09, Colorado received the first year of a multi-year grant from the federal government for the purpose of developing programs to promote responsible fatherhood. The state is required to provide matching funds in order to draw down the federal grant. The state could terminate this program.
<u>County Administration</u>					
Eliminate County Tax Base Relief	(5,652,654)	Other	No	No	The CTBR GF appropriation is \$5.6million. This amount could be reduced. If the counties collectively earn more than the amount of the final appropriation, cuts will be made first in transfers to counties with the least need.
<u>Office of Information Technology</u>					
Reduce CBMS funding for change requests	(240,000)	Other	No	No	During figure setting for the FY 2007-08 Long Bill, the Joint Budget Committee increased the CBMS base by approximately \$1.5 million in an adjustment to the state's experience with the number of change requests that had to be processed each year. A portion of this increase could be taken back, with the result that change requests of lower priority would be delayed. A million dollar decrease to this line item will result in a \$240,000 reduction in net GF expenditures.

Options for Reducing General Fund Appropriations in FY 2008-09

Department Division/Topic Program/Policy Option	General Fund Impact*	See Key			Comments
		Category	Over- laps	Bill	
Division of Youth Corrections Reduce appropriation for S.B. 91-94 programs	unknown	Other	No	No	This option would reduce the appropriation available for S.B. 91-94 programs. These programs are designed to provide local communities with alternatives to incarceration for youth offenders. During the previous economic downturn, this funding was reduced substantially. However, staff believes it actually costs the State more to eliminate these programs than it saves because the alternatives to incarceration are generally less costly than commitment to the Division of Youth Corrections.
Reduce appropriation for parole program services	unknown	Other	No	No	This option would reduce the appropriation available for parole services. Currently, all youth offenders committed to the Division are required to complete six months of mandatory parole. This appropriation also was reduced substantially during the last downturn. Again, staff believes that it may cost the State more to reduce these services than it saves because a lack of parole services has been shown to increase recidivism. Given that the DYC commitment population has been declining in recent years, it may not be worth reducing this appropriation if it leads to an increasing commitment population in the future.
<u>Mental Health / ADAD</u> Shift the proposed 1.5% provider rate decrease from 09-10 to last quarter of 08-09 fiscal year	(192,946)	Other	Yes	No	This option moves up the proposed elimination of the 1.5 percent inflationary cost of living adjustment that community providers received for FY 2008-09. It shifts the reduction to April 1, 2009, to capture savings in the final quarter of FY 2008-09. As of 3-09-09, the Committee's action is to not reduce provider rates for FY 2009-10. However, if the Committee chooses to decrease the FY 2009-10 rates to the FY 2007-08 amount for the final quarter of FY 2008-09, this amount reflects the General Fund savings.
Reduce by one-third the appropriation for behavioral health stabilization services	(162,500)	Other	No	No	This option would reduce by one-third the additional funds that were appropriated specifically for the Colorado West Regional Mental Health Center for FY 2008-09. These funds were in addition to those that the community mental health centers typically receive through contracts with the State.
Reduce appropriation for indigent mentally ill clients by 10.0 percent for final quarter of FY 2008-09.	(836,000)	Other	No	No	This option would reduce the appropriation for the "Services for Indigent Mentally Ill Clients" line item. If the appropriation was reduced by 10.0 percent for the final quarter of FY 2008-09, it would generate \$836,000 GF savings.
Reduce appropriation for all community mental health programs by 10.0 percent for final quarter of FY 2008-09	(1,012,914)	Other	Yes	No	Reduces the appropriation for all community mental health services by 10.0 percent for the final quarter of FY 2008-09. This reduction would generate \$1.01 million General Fund savings, and includes the savings for reducing the "Services for Indigent Mentally Ill Clients" line item. The option annualizes to \$4.0 million General Fund for FY 2009-10.
Eliminate last quarter of additional funds for STIRRT	(167,400)	Other	No	No	The Department received an additional \$669,000 General Fund for FY 2008-09 to open an eight-bed unit for women. These are new beds, and their closure wouldn't impact long-term services. It is also possible that existing STIRRT funds, other cash funds, or additional contracts through the Treatment and Detoxification line item could support these operations. The program's effectiveness is impacted by the outpatient component, which has been underutilized to this point. Additionally, residential beds are significantly more expensive than intensive outpatient treatments. This option annualizes to \$669,600 General Fund in FY 2009-10.
Eliminate STIRRT program	(754,430)	Other	Yes	No	This item eliminates the STIRRT program during the last quarter of FY 2008-09. It will annualize to \$3.4 million (\$3.0 million General Fund) for FY 2009-10. Inpatient treatment is significantly more expensive than outpatient treatment. Additionally, the effectiveness of inpatient treatment depends upon follow-up outpatient services, which have been underutilized to this point. This item overlaps with the elimination of the new eight-bed unit added for FY 2008-09.
Reduce Treatment and Detoxification line item by 10.0 percent for final quarter of FY 2008-09	(289,209)	Other	No	No	Reduces the appropriation for the Treatment and Detoxification line item by 10.0 percent for the final quarter of FY 2008-09. Would annualize to \$1.15 million General Fund for FY 2009-10.

Options for Reducing General Fund Appropriations in FY 2008-09

Department Division/Topic Program/Policy Option	General Fund Impact*	See Key			Comments
		Category	Over- laps	Bill	
Subtotal - Human Services	(14,991,796)				
Judicial					
Furloughs	(727,195)	Other	No	No	Figure reflects estimated savings from one day of furlough (excludes all judges and justices)
Temporarily roll back rate increase for court appointed counsel	(272,000)	Other	No	No	Figure reflects estimated savings associated with one month of reducing hourly rate from \$65 to \$60. Consider allowing each agency to determine how to achieve savings (e.g., ADC may prefer to reduce rate for travel time only, while OCR may prefer eliminating mileage reimbursement).
Subtotal - Judicial	(999,195)				
Local Affairs					
Affordable Housing Construction Grants and Loans	(556,250)	Other	No	No	This program provides state funding for grants and loans for the rehabilitation, acquisition, and maintenance of affordable, safe, sanitary housing for low-income households. The FY 08-09 appropriation is \$2.25 million.
Eliminate MOE	(292,398)	Other	No	No	The state is required to provide maintenance of effort funding for the Community Services Block Grant, Emergency Management Performance Grants, and Pre-Disaster Mitigation Grant programs.
Subtotal - Local Affairs	(848,648)				
Personnel and Administration					
A 1.0 Percent Personal Services Reduction for All Departments	(6,914,265)	Staff Rec.	No	No	The General Assembly has built a 1.0 Percent Personal Services Reduction to account for turnover vacancy savings for FY 2008-09 for all departments (Departments of Corrections and Public Safety had a personal services reduction for lines with 20.0 or more FTE of 0.75 percent) with line items that have 20.0 or more FTE. The estimated General Fund savings of this policy is \$6.9 million. The General Assembly could choose to increase the personal services reduction for FY 2008-09 to a higher percentage. The down side to this policy is that as of March 23, 2009, there are only three months left till the end of FY 2008-09. As such, Departments may be forced to seek personal services reductions in areas other than existing turnover savings.
A One-day Furlough Savings	(1,755,008)	Staff Rec.	No	No	Staff estimates that a one-day furlough in FY 2008-09 will generate approximately \$1.8 million in General Fund savings. The furlough calculation completely excludes the Departments of Corrections, Human Services and Public Safety. Staff notes that not all employees in the three departments will be exempt from the furlough, however, the OSPB has not yet provided detailed calculations of exempt and non-exempt employees in the three departments. The OSPB has also not provided calculations of employees in other departments that may be exempt from a furlough.
Subtotal - Personnel & Administration	(8,669,273)				
Public Health and Environment					
Eliminate Hepatitis C program	(200,000)	Flagged	No	No	The Department requested elimination of its Hepatitis C program. The JBC made no decision but flagged it for budget balancing.

Options for Reducing General Fund Appropriations in FY 2008-09

Department Division/Topic Program/Policy Option	General Fund Impact*	See Key			Comments
		Category	Over- laps	Bill	
Water Quality Control Fund	(1,000,000)	Other	No	Yes	Transferring funds out of the Water Quality Control Fund, created in Section 25-8-502 (1) (c), would exhaust the fund balance and require increases in fees going forward. Doing so in FY 2008-09 would only make sense in the context of moving a fee bill to cash fund the water division in FY 2009-10 and going forward. Such a bill would allow the JBC to refinance some costs from the remainder of FY 2008-09 from General Fund to cash funds. Without such a bill, a transfer would deplete funds that the Department anticipates needing in FY 2009-10 and beyond.
Subtotal - Public Health and Environment	(1,200,000)				
Public Safety Division of Criminal Justice					
Reduce the provider rate to Community Corrections programs by 1.0 percent	(120,052)	Other	No	No	This option would reduce the provider rate paid to Community Corrections programs by 1.0 percent. This rate could be further reduced with the above calculated savings for each 1.0 percent reduction. Staff notes that the Community Corrections provider rate was decreased by 8.0 percent during the last economic downturn. The current department-adjusted rate of \$37.74 is just slightly above the FY 2001-02 rate of \$37.72.
Reduce the reimbursement rate to Community Corrections boards by 1.0 percent	(120,234)	Other	No	No	Pursuant to Section 17-27-108, C.R.S., the Division is authorized to allocate up to 5.0 percent of the appropriations for community corrections programs to the 23 Community Corrections boards to offset their administrative costs. Community Corrections boards currently receive an appropriation equal to 4.0 percent of the appropriations for Community Corrections programs. This option would reduce that percentage to 3.0 percent. This rate could be further reduced with the above calculated savings for each 1.0 percent reduction. During the previous economic downturn, this reimbursement rate was reduced from 5.0 percent to the current rate of 4.0 percent.
Reduce appropriation for juvenile diversion programs	(310,463)	Other	No	No	This option would reduce the appropriation for juvenile diversion programs. The Juvenile Diversion programs are supported jointly by state and local sources to provide community-based programs that serve as (1) an alternative to filing in juvenile court; (2) a supplement to high risk or high need juveniles on probation; or (3) a treatment/supervision resource for youth placed in communities by the Division of Youth Services. Over 3,500 youth are served annually by the programs. All programs that receive state diversion funds are required to provide at least 25 percent local matching funds. The Juvenile Diversion program line item was vetoed in FY 2002-03 (\$2,483,702 General Fund had been included in the Long Bill). In FY 2003-04, \$500,000 cash funds exempt (Tobacco Settlement Fund) were appropriated on a one-time basis. No appropriation was made for FY 2004-05 or FY 2005-06. In FY 2006-07, the JBC voted to restore \$1,241,851 General Fund to this line item. The current FY 2008-09 appropriation is \$1,241,851 General Fund.
Reduce or eliminate the appropriation for the transition mental health differential and diversion mental health differential	unknown	Other	No	No	These appropriations provide mental health services for offenders in Community Corrections programs. The current appropriations support a differential payment of \$32.53 for 85 transition clients and 20 diversion clients. This differential payment is in addition to the \$37.53 appropriated as a base per diem for Community Corrections beds. These line items were added during FY 2002-03.
Subtotal - Public Safety	(550,749)				
Regulatory Agencies					

Options for Reducing General Fund Appropriations in FY 2008-09

Department Division/Topic Program/Policy Option	General Fund Impact*	See Key			Comments
		Category	Over- laps	Bill	
Satellite Offices in Pueblo and Grand Junction	(28,450)	Other	No	No	Close the two satellite offices in Grand Junction and Pueblo. Offices are funded by GF and FF, and each has 1.5 FTE. The cost of the Pueblo office is \$109,148 and the cost of the Grand Junction office is \$103,100. The Pueblo office was opened August 2007 and the Grand Junction was opened August 2008.
Subtotal - Regulatory Agencies	(28,450)				
Statewide					
Reduce Year End Reserve to Zero	(148,500,000)	Other	Yes	Yes	The Governor has asked for the flexibility to allow the statutory reserve to fall to zero in FY 2008-09, but he has not requested that this action be included as part of the balancing in his request. The Committee could choose to lower the reserve to zero in FY 2008-09 as part of their balancing plan. Doing so would run the risk of not having a place to reduce expenditures without an actual reduction in programs should revenues drop further. This action combined with the item above would completely eliminate the statutory reserve for FY 2008-09. The amount is approximate based on level of appropriations.
Subtotal - Statewide	(148,500,000)				
GRAND TOTAL	(251,443,309)				

Flagged	(31,252,380)
Gov. Req.	(8,796,148)
Staff Rec.	(18,007,885)
Other	(193,386,896)

NOTE: Some subtotals and the grand total may include options that overlap with others. If there is an either/or choice between two options, the tradeoff is explained in the comments section.

Key:
General Fund Impact = expressed as the difference from the JBC's actions to date. Negative numbers decrease expenditures.
Category:
<i>Flagged = JBC flagged the item for possible later consideration</i>
<i>Gov. Req. = Governor's request was higher/(lower) than the JBC action</i>
<i>Staff Rec. = Staff recommendation was higher/(lower) than the JBC action</i>
<i>Other = Other ideas</i>
Overlaps = A "yes" in this column indicates that the option overlaps with another and the interaction is explained in the comments section.
Bill = A "yes" in this column indicates that implementing the option would require legislation.
* General Fund reflects "net" General Fund, i.e., Medicaid adjustments in Human Services that drive General Fund savings in Health Care Policy and Financing are listed in the Department of Human Services.

Options for Increasing Revenue to the General Fund in FY 2009-10

Department Division/Topic Cash Fund/Policy Option	General Fund Impact*	See Key			Comments
		Category	Over- laps	Bill	
Agriculture Transfer various cash fund balances to the General Fund	290,364	Staff Rec.	No	Yes	Transfers fund balances from various cash funds within the Department. Cash fund sources include Organic Certification Fund, Wine Development Fund, Phytosanitary Inspection Fund, Rodent Control Fund, Animal Protection Fund, Colorado Aquaculture Fund, Biological Pest Control Fund, Dangerous Dog Fund, Bee Inspection Fund, and Seal of Quality Fund.
Subtotal - Agriculture	290,364				
Education Temporarily re-direct state school lands moneys	0	Other	No	Yes	Temporarily redirect revenues related to school lands that are not needed for capital construction projects to the State Public School Fund to support recent expansion efforts (e.g., new preschool slots or supplemental full-day kindergarten funding). This would improve SEF solvency. Estimated maximum that could be redirected: \$39.0M in FY 2009-10. Action would reduce or eliminate growth in Permanent Fund Trust Fund balance.
Subtotal - Education	0				
Governor's Office Redirect Low-income energy assistance transfer from severance taxes	3,250,000	Other	No	Yes	The Governor's Energy Office receives an annual transfer from the operational account of the severance tax trust fund. This transfer could be diverted to the General Fund by a statutory change. The estimated transfer supported by severance tax revenues is \$3.25 million.
Redirect end-of-year transfers from limited gaming fund	27,900,000	Other	No	Yes	Several economic development funds in the Governor's Office receive an end-of-year transfer of funds from the limited gaming fund. These transfers could be diverted to the General Fund by a statutory change. The amount shown is the total estimated to be available at the end of FY 2009-10. Such a diversion would "prop up" the GF reserve.
Subtotal - Governor	31,150,000				
Health Care Policy and Financing Transfer Fund Balance from the HCE Fund to the General Fund	50,000,000	Other	Yes	Yes	Requires a two thirds vote on a resolution. This proposal would need to cut a population. Because of ARRA, the only population that could be cut would be CBHP from 185% to 205% (the population could remain in FY 2009-10 but need to be cut in FY 2010-11 under this recommendation) -- Medicaid populations from the fund could also be cut beginning January 1, 2011. Without some sort of permanent solution to the HCE revenue shortfall compared to the populations served on it, staff will have to make this recommendation two years from now anyway. This issue would provide short-term relief in this year and would also force the GA to come up with a creative solution on how to address the looming issue. This recommendation would replace the sweep the interest earning bill that staff has already recommended. Please note that the beginning balance in FY 2009-10 is projected at \$117 million. The beginning balance in FY 2010-11 is projected to be \$82.8. This would lower this beginning balance in FY 2010-11 to \$32.8 million. The fund would go into deficit spending in FY 2010-11 instead of FY 2011-12 with this recommendation. Also note, the Constitution allows this revenue to be used for this purpose -- it just requires a 2/3 vote.

Options for Increasing Revenue to the General Fund in FY 2009-10

Department Division/Topic Cash Fund/Policy Option	General Fund Impact*	See Key			Comments
		Category	Over- laps	Bill	
Transfer one Quarter of Revenue from Primary Care Fund	7,823,664	Other	Yes	Yes	In the same resolution as above, sweep one half of the Primary Care Fund. Use this fund in the Medicaid or CBHP program where it draws federal match.
Subtotal - Health Care Policy and Financing	57,823,664				
Human Services					
Refinance State Funding for Senior Services	8,000,000	Other	Yes	Yes	The State Funding for Senior Services line item currently includes an appropriation of \$8.0 million cash funds from the Older Coloradans Fund. Moneys in the Older Coloradans cash fund are the result of a diversion of a portion of the transfer from the Old Age Pension Fund to the General Fund. Decreases in the diversion result in an increased transfer to the General Fund. The remaining diversion could be eliminated and the program funded from the General Fund instead. This results in an increase in GF revenue, offset by the need for an increased GF appropriation for the program. There is no net savings, but GF revenues are increased. Alternatively, funding for the program could be cut. This item overlaps with decisions about GF funding for the line on the GF expenditure reductions tab.
Buildings and Grounds Cash Fund	500,000	Other	No	Yes	The Committee approved a request to allow the Department to spend down \$500,000 of its fund balance in FY 2009-10. In lieu of this, it could transfer the balance to the General Fund. This fund is based on revenue from Department rental property & is used to pay for property maintenance costs. One-time option for FY 2008-09 or FY 2009-10.
Collaborative Management Incentives Cash Fund	300,000	Other	No	Yes	A fund balance of \$1.7 million is anticipated at the beginning of FY 2009-10. The Department expects to spend all but \$300,000 of this during FY 2009-10. Thus, taking the amount shown would not reduce funding for FY 2009-10, but would affect funds available in FY 2010-11, when expenditures would need to fall to the level of revenue anticipated (\$2.2 million). An additional amount could be taken, up to the \$1.7 million available, but this would reduce FY 2009-10 funding available (\$3.6 million is appropriated for FY 2009-10). One-time option for FY 2008-09 or FY 2009-10.
Traumatic Brain Injury Trust Fund	1,500,000	Other	No	Yes	The Committee previously attempt to make this transfer through SB 09-208. It was removed via amendment. The Committee could consider attempting this change again, in light of the revenue situation. This adjustment can be made one time (in FY 2008-09 OR FY 2009-10). This would need to be associated with a \$500,000 appropriations reduction for FY 2009-10, based on action to-date.
Transfer the Tier 2 tobacco dollars appropriated for mental health community programs to the General Fund	5,250,000	Other	Yes	Yes	This option transfers dollars associated with the two Mental Health / ADAD "Tier 2" programs, funded by tobacco litigation settlement funds, to the General Fund for FY 2009-10. These dollars were historically deposited directly into the General Fund prior to the creation of these programs for FY 2007-08. Other line items within the Department fund services for the same populations. This option may overlap with initiatives proposed by the Tobacco fund analyst.
Move up the repeal of two programs funded by tobacco dollars, and transfer the dollars to the General Fund	485,017	Other	No	Yes	The Veterans Mental Health program is scheduled to be repealed at the end of FY 2009-10, and the Family Advocacy Demonstration Sites program is scheduled to be repealed at the end of FY 2010-11. If the Committee sponsored legislation to move up the repeal of these programs to the end of FY 2008-09, it could then transfer these tobacco litigation settlement dollars to the General Fund.

Options for Increasing Revenue to the General Fund in FY 2009-10

Department Division/Topic Cash Fund/Policy Option	General Fund Impact*	See Key			Comments
		Category	Over- laps	Bill	
Use the additional cash funds appropriated for FY 2009-10 to supplant General Fund within the Division.	321,706	Other	No	No	This option would use the additional cash funds that were appropriated for FY 2009-10 to supplant General Fund within the Alcohol and Drug Abuse Division. Specifically, the cash funds are \$250,000 from the Drug Offender Surcharge Fund (DOS) and \$71,706 from the Persistent Drunk Driver Cash Fund. The DOS cash funds are administered by the Judicial Department, and it is possible that other initiatives could impact the use of the DOS cash funds.
Divert transfer of low-income energy assistance funds	1,625,000	Other	No	Yes	The department receives a transfer of moneys from the operational account of the severance tax trust fund. This transfer could be diverted to the General Fund. The amount shown is the estimated size of the transfer that will be supported by severance tax revenues in FY 2009-10.
Subtotal - Human Services	17,981,723				
Judicial					
Transfer an additional amount from the Court Security Cash Fund	500,000	Other	No	Yes	The Judicial Department identified this additional transfer as an option for FY 2009-10. The G.A. could make this transfer in FY 2008-09 OR FY 2009-10. Transfer would reduce funds available for grants.
Transfer an additional amount from the Drug Offender Surcharge Fund	1,360,000	Other	No	Yes	The Judicial Department identified this additional transfer as an option for FY 2009-10. The G.A. could make this transfer in FY 2008-09 OR FY 2009-10. Transfer would cause fund balance to be insufficient to support planned increase in assessment, treatment, training, and research expenditures in FY 2010-11.
Transfer an additional amount from the Offender Services Fund	2,498,439	Other	No	Yes	The Judicial Department identified this additional transfer as an option for FY 2009-10. The G.A. could make this transfer in FY 2008-09 OR FY 2009-10. Transfer would require appropriations from Fund to remain flat through FY 2012-13 rather than increase with growing offender population.
Subtotal - Judicial	4,358,439				
Law					
Refinance GF approp to Securities Fraud Unit	129,000	Other			The Securities Fraud Unit is partially funded by the General Fund plus reappropriated funds that are initially appropriated from the Division of Securities Cash Fund to the Division of securities in the Department of Regulatory Agencies on the Securities Fraud Prosecution line and are then transferred to the Department of Law. The amount of the transfer from DORA could be increased.
Refinance CERCLA appropriation with a surcharge tipping fee	365,300	Other			"Tipping fees" are paid by trucks when they dump at land fills. During the last economic downturn, a tipping fee surcharge of 2 cents per cubic yard on commercial waste hauling financed much of the CERCLA appropriation until it automatically sun setted. Note that tipping fees are already in place; they support the Hazardous Substance Response Fund. This surcharge would be in addition to the existing fee.

Options for Increasing Revenue to the General Fund in FY 2009-10

Department Division/Topic Cash Fund/Policy Option	General Fund Impact*	See Key			Comments
		Category	Over- laps	Bill	
Transfer from the Defense Account of the Tobacco Litigation Settlement Cash Fund to the General Fund.	3,000,000	Other	No	Yes	The account has a balance of \$3.5 million as of January 1, 2009 and is currently being used to pay for (1) enforcement of the state's laws regarding non-participating tobacco manufacturers, (2) legal work in the dispute with tobacco manufacturers over the state's diligent enforcement of its non-participating manufacturer laws. Projected expenditures from the fund this year are \$486,000. These are necessary expenses that will have to be paid from the General Fund if the balance of the fund is transferred to the General Fund. The balance of this account was transferred to the General Fund during the last economic downturn and was subsequently repaid. The account has no sources of income; if its balance is transferred to the General Fund without a repayment, the fund will remain empty. The participating tobacco manufacturers may examine the state's use of this money when preparing for arbitration and could conceivably use it as a basis for one of their arguments concerning "diligent enforcement". If the bill making the transfer provided for repayment of the fund, that could weaken the argument.
Subtotal - Law	3,494,300				
Local Affairs					
Transfer from the Local Government Mineral Impact Fund	3,265,000	Other	No	Yes	The Local Government FML Impact Fund has approximately \$3.3 million in uncommitted fund balance that could be transferred to the General Fund. The OSPB requested \$0 transfer, but had been considering an amount.
Transfer from the Local Government Severance Tax Fund	34,795,449	Gov. Req.	No	Yes	The Governor had requested a transfer of \$15 million in FY 2008-09, which the JBC denied and requested a transfer of \$15 million in FY 2009-10. Staff has learned that there is an additional \$19.8 million available for transfer to the General Fund.
Transfer from Limited Gaming Impact Fund	1,000,000	Gov. Req.	No	Yes	The Governor had requested a transfer of \$950,000 in FY 2008-09, which the JBC approved and requested a transfer of \$1 million in FY 2009-10.
Transfer various cash funds to GF	3,300,000	Other	No	Yes	There is approximately \$23.1 million in fund balance in various cash funds that could be transferred to the General Fund. Fund sources include funding from such sources as , Housing Rehabilitation Revolving Loans Fund, Waste Tire Clean Up, Moffat Tunnel Cash Fund, and the Search and Rescue Fund.
Subtotal - Local Affairs	42,360,449				
Military and Veterans Affairs					
Transfer from the Veterans Trust Fund	4,500,000	Gov. Req.	No	Yes	Transfer from the Veterans Trust Fund to the General Fund, approximately \$4.5 million.
Subtotal - Military & Veterans Affairs	4,500,000				
Natural Resources					
CWCB Constr. Fund #424 (Section 37-60-121, 37-60-119, C.R.S.)	22,684,289	Staff Rec.	Yes	Yes	The Committee already approved a \$10.25 million transfer into GF for FY 2008-09. This is additional amount remaining in fund that can be transferred out. Impact of this additional transfer would mean less funding available in FY 2009-10 for water project loans and non-reimbursable investments. This option overlaps with FY 2008-09. Staff recommends transferring an additional \$5,465,272 in FY 2008-09, if \$5.5 million is transferred in FY 2008-09, then there will be an additional \$22.7 million available to be transferred out in FY 2009-10. If the \$5.5 million is not transferred out in FY 2008-09, then there will be an additional \$27.9 million available to be transferred out in FY 2009-10.

Options for Increasing Revenue to the General Fund in FY 2009-10

Department Division/Topic Cash Fund/Policy Option	General Fund Impact*	See Key			Comments
		Category	Over- laps	Bill	
Perpetual Account (Section 37-60-119, 39-29-109(2)(a), C.R.S.)	23,253,827	Staff Rec.	Yes	Yes	The Committee already approved a \$20.0 million transfer into GF for FY 2008-09. This is additional amount remaining in the fund that can be swept out. Impact of this additional transfer would mean less funding available in FY 2009-10 for water project loans. This option overlaps with FY 2008-09. Staff recommends transferring an additional \$23,344,753 in FY 2008-09, if \$23.3 million is transferred in FY 2008-09, then there will be an additional \$23.3 million available to be transferred out in FY 2009-10. If the \$23.3 million is not transferred out in FY 2008-09, then there will be an additional \$46.6 million available to be transferred out in FY 2009-10.
Subtotal - Natural Resources	45,938,116				
Public Health and Environment Hazardous Substance Response Fund	20,000,000	Flagged	No	Yes	The JBC approved a \$10 million transfer from the HSRF to the General Fund but flagged it for consideration of additional transfers if necessary to balance the budget. The transfer could grow significantly larger without immediate impacts on the Department's operations and the long-term impact could be minimized as long as the funds were paid back to the HSRF. In 2002, the General Assembly transferred \$30 million from the HSRF to the General Fund which was paid back in 2006. The Committee could consider either significantly increasing the transfer for FY 2008-09 or staging the transfers to allow another in FY 2009-10 or potentially beyond. Any transfers from the HSRF would require statutory change. Out year costs to the state superfund program would result from loss of fund balance if the transfer is not repaid and loss of interest if the transfer is repaid.
Stationary Sources Control Fund	2,000,000	Flagged	No	Yes	The Stationary Sources Control Fund, created in Section 25-7-114.7 (2) (b) (I), had accumulated a balance of \$1.4 million as of the end of FY 2007-08 and according to the November budget submission the balance is expected to grow to \$2.27 million by the end of FY 2008-09, under a fee bill passed last session (S.B. 08-55). A transfer to the General Fund would be possible although it would accelerate the necessary timing of the Department's next bill to increase fees.
Subtotal - Public Health and Environment	22,000,000				
Department of State Department of State Cash Fund	Unknown	Other	No	Yes	It is possible that additional cash funds may be available to transfer from the Department of State Cash Fund to the General Fund, which would require legislation. There may also be a small amount of funds available to transfer from the Address Confidentiality Program cash fund, but this would also require legislation.
Subtotal - Department of State					
Tobacco					

Options for Increasing Revenue to the General Fund in FY 2009-10

Department Division/Topic Cash Fund/Policy Option	General Fund Impact*	See Key			Comments
		Category	Over- laps	Bill	
Transfer to the GF tobacco settlement moneys diverted by the tobacco bill the JBC voted to carry.	7,400,000	Other	Yes	Yes	The Committee has voted to carry a bill that will divert the recently-received \$7.4 million disputed tobacco settlement payment to a special cash fund. This \$7.4 million disputed payment is already here. The bill also caps the amount of settlement revenue allocated among tobacco programs at \$100 million, which is forecast to bring in another \$3 million, of which about \$2.5 million will arrive in April 2009 with the remaining half million dollars arriving in April 2010. The bill also directs \$3.5 million to the Children's Basic Health Plan Trust Fund. The HCPF analyst has indicated that CBHP would be okay if it received \$3.0 million now and received the remaining half million in April 2010. Thus approximately \$6.9 million would be available in FY 2008-09 or about \$7.4 million in FY 2009-10. A transfer requires a bill, but it could be done in the bill that the JBC has already voted to carry.
Transfer from the Short Term Innovative Health Programs Grant Fund to the General Fund	2,132,151	Staff Rec.	Yes	No	The Committee voted not to fund the Short Term Innovative Health Programs Grant program for FY 2009-10, meaning that the money will be available to support the General Fund. This option overlaps somewhat with the bill that the JBC voted to carry to cap the amount of settlement money distributed among tobacco settlement programs at \$100 million.
Abolish several tobacco settlement programs	11,600,000	Staff Rec.	Yes	Yes	Permanently abolish several tobacco-settlement programs and use the resulting savings to support General Fund spending. After the recession ends, continue to accumulate tobacco settlement dollars and interest in a rainy day fund until the next recession. Staff recommended eliminating the Read-to-Achieve Grant Program, the Tony-Grampas Youth Services Program, and Mental Health Services for Juvenile and Adult Offenders, programs with few public-health or health-care components. If the programs were eliminated for FY 2009-10, approximately 85% of the savings would be available to support the General Fund in FY 2008-09 and 100% would be available in FY 2009-10. This option overlaps somewhat with the bill that the JBC voted to carry to cap the amount of settlement money distributed among tobacco settlement programs at \$100 million.
Subtotal - Tobacco	21,132,151				
Capital Higher Ed FML Revenues Fund	10,000,000	Other	No	Yes	The JBC adopted the staff recommendation to appropriate \$26.6 million from the Capital Construction Fund to the Higher Ed FML Revenues Fund to cover the FY 2008-09 and FY 2009-10 lease purchase payments for academic buildings, due to uncertainty about the FML revenues. The JBC could reduce this appropriation and assume that some federal money will come into the Higher Ed FML Revenues Fund. This would make it possible to transfer more money from the Capital Construction Fund to the General Fund. However, if the FML revenue doesn't materialize, a FY 2009-10 supplemental would be required to avoid defaulting on the lease purchase agreements. The March LCS Forecast projected \$17.9 million federal funds to the Higher Education FML Revenues Fund in FY 2008-09 and \$0.0 in FY 2009-10. If the JBC pursues this policy option, staff recommends reducing the \$26.6 million appropriation by \$10.0 million, rather than the full \$17.9 million, to provide some cushion for forecast error with a historically variable and difficult to predict funding stream.
Fort Lupton Readiness Center Construction	5,661,451	Gov. Req.	No	Yes	The JBC approved this project that was not prioritized by the Governor. Eliminating it would allow a larger transfer from the Capital Construction Fund to the General Fund.
Subtotal - Capital	15,661,451				
GRAND TOTAL	266,690,657				

Options for Increasing Revenue to the General Fund in FY 2009-10

Department Division/Topic Cash Fund/Policy Option	General Fund Impact*	See Key			Comments Summarizes the option and the rationale. Explains issues if one option overlaps with another. Highlights out-year costs.
		Category	Over- laps	Bill	
Flagged	22,000,000				
Gov. Req.	45,956,900				
Staff Rec.	59,960,631				
Other	138,773,126				

NOTE: Some subtotals and the grand total may include options that overlap with others. If there is an either/or choice between two options, the tradeoff is explained in the comments section.

Key:

General Fund Impact = expressed as the difference from the JBC's actions to date. Positive numbers increase revenues to the General Fund.

Category:

Flagged = JBC flagged the item for possible later consideration

Gov. Req. = Governor's request was higher/(lower) than the JBC action

Staff Rec. = Staff recommendation was higher/(lower) than the JBC action

Other = Other ideas

Overlaps = A "yes" in this column indicates that the option overlaps with another and the interaction is explained in the comments section.

Bill = A "yes" in this column indicates that implementing the option would require legislation.

* General Fund reflects "net" General Fund, i.e., Medicaid adjustments in Human Services that drive General Fund savings in Health Care Policy and Financing are listed in the Department of Human Services.

Options for Reducing General Fund Appropriations in FY 2009-10

Department Division/Topic Program/Policy Option	FY 2009-10 General Fund Impact*	See Key			Comments
		Category	Over- laps	Bill	
Multiple Departments					
Return provider rates to FY 2007-08 levels for "common policy" provider areas in DHS and COR	(12,444,926)	Gov. Req.	Yes	No	Does not include adjustments to programs administered in HCPF, but does include programs administered in DHS with Medicaid funding.
Agriculture					
Refinance Inspection and Consumer Services Programs with Cash Funds	(1,239,341)	Other	No	Yes	There are six programs in the Inspection and Consumer Services (ICS) sub-division that are funded with a mix of General Fund and Cash Funds. Funding was set by a JBC bill in 2007 based on how much each program benefits the "common good". Programs include: Commercial Feed, Commercial Fertilizer, Large Scale Measurement, Commodity Handlers, Metrology Lab, and Farm Products.
Eliminate Indirect Cost Caps	(595,736)	Other	No	Yes	The Department has four programs that have statutory caps on the amount the Department can collect for both agency and statewide overhead costs. During the last economic downturn, legislation was passed making it possible for the Department to collect the fullest amount of indirect costs applicable to a given division. This request is for the same. Programs with indirect cost caps include: Brand Inspection & Alternative Livestock, Mandatory Fruit & Vegetable, and Chemigation.
Eliminate Potato Inspection Subsidy	(200,000)	Other	No	Yes	The state pays \$200,000 of the Mandatory Fruit & Vegetable Inspection program's operational costs, with the remainder of the program costs paid with certificate fees.
Eliminate the Agricultural Markets Division	(446,927)	Other	No	No	This division provides marketing assistance and related support to Colorado agricultural-based businesses competing in local, national, and international arenas.
Eliminate the Conservation Board Division	(843,862)	Other	No	No	This division is responsible for providing administrative and fiscal oversight to Colorado's 77 conservation districts. The Board also coordinates various federal programs related to natural resource issues, provides guidance on stream bank erosion, and assists farmers and ranchers in implementing a variety of water and energy practices.
Eliminate Fee Caps	(45,000)	Other	No	Yes	There are four programs that have fees capped in statute. Capped fees restrict the Department's ability to set fees to adequately collect a commensurate level of revenue to cover direct and indirect operating costs. When revenue levels are deficient to cover the total costs of the program, the shortfall is backfilled with General Fund. Programs include Seed Inspection, Brand Inspection, Groundwater Protection, and Aquaculture Inspection.
Eliminate Various Programs' General Fund	(1,200,000)	Other	No	No	There are eight programs in the Department that are funded in part with General Fund. Programs include the State Veterinarian, Disease Control, Biological Pest Control (Insectary), Noxious Weeds, Seed Inspections, Predator and Rodent Control, Bureau of Animal Protection, and Agricultural Statistics Bulletin.
Subtotal - Agriculture	(17,015,792)				
Corrections					
Remove the provider rate increase added by the Committee for private prisons	(4,787,192)	Other	No	No	This option would remove the provider rate increase added by the Committee for private prisons. The current FY 2008-09 rate is \$52.69, and the Committee voted to increase that rate to \$54.93 for FY 2009-10. This represents a 4.25 percent increase over the current FY 2008-09 rate.
Remove academic and vocational instructor increase approved by the Committee	(3,023,021)	Other	No	No	This option would remove the approved decision item for additional academic and vocational instructors. The Committee approved funding for 17 additional academic instructors and 21 vocational instructors.
Remove therapeutic community program increase approved by the Committee	(2,090,308)	Other	No	No	This option would remove the approved decision item for additional therapeutic community programs within prisons. The Committee approved funding for five programs and 33.9 FTE.
Remove increase for TASC	(333,000)	Other	No	No	This option would remove the approved increase for the TASC program.

Options for Reducing General Fund Appropriations in FY 2009-10

Department Division/Topic Program/Policy Option	FY 2009-10 General Fund Impact*	See Key			Comments
		Category	Over- laps	Bill	
Remove parole wrap-around services	(1,800,000)	Other	No	No	This option would remove the restoration of the parole wrap-around services.
Reduce the provider rate to private prisons by 1.0 percent	(1,132,684)	Other	No	No	This option would reduce the provider rate paid to private prisons by 1.0 percent, assuming a rate of \$52.69. This rate could be further reduced with the above calculated savings for each 1.0 percent reduction. Staff notes that the private prison provider rate was decreased by 9.6 percent during the last economic downturn. The current department-requested rate of \$52.69 is below the FY 2001-02 rate of \$54.66.
Reduce the reimbursement rate to local jails by 1.0 percent	(83,536)	Other	No	No	Local jails are reimbursed for housing offenders who are awaiting prison beds. This option would reduce the reimbursement rate paid to local jails by 1.0 percent. This rate could be further reduced with the above calculated savings for each 1.0 percent reduction. Staff notes that the local jails reimbursement rate was decreased by 10.0 percent during the last economic downturn. The current department-requested rate of \$50.44 is below the FY 2001-02 rate of \$51.65.
Reduce or eliminate the Labor Subprogram	(5,608,784)	Other	No	No	The labor subprogram is responsible for the development and supervision of inmate work assignments involving physical labor to assist the Department with reclamation, landscaping, construction and other related projects. The Department identifies three components of the labor program: (1) intensive labor -- operated on an incentive basis so that the inmate is able to demonstrate that he or she is willing to modify his or her behavior; (2) inter-facility labor -- concentrated in the Canon minimum centers, using inmates for land reclamation and erosion control; and (3) off grounds labor -- usually reserved for minimum security facilities to provide off grounds inmate work crews for a variety of governmental projects. This option would reduce or eliminate this program. The savings would be dependent on whether the program were reduced or eliminated. The amount shown is the amount approved for FY 2009-10.
Reduce or eliminate the Recreation Subprogram	(6,428,102)	Other	No	No	The recreation subprogram is responsible for developing, implementing, and supervising all recreational programs including leisure time activities and outdoor exercise. Most facilities (with the exception of Colorado State Penitentiary) have recreation programs. The amount shown is the amount approved for FY 2009-10.
Change various criminal sentencing laws or conditions of parole	unknown	Other	No	Yes	The caseload in the Department of Corrections could be reduced by changing various criminal sentencing laws or by reducing or eliminating mandatory parole.
Subtotal - Corrections	(25,286,627)				
Education					
Refinance CSAP with SEF	(15,727,544)	Flagged	No	Yes	The Department proposed eliminating the GF appropriation for CSAP and instead appropriating SEF. Staff cautions that this will have a significant impact on the solvency of the SEF, and will thus require other offsetting decreases in expenditures in future fiscal years.
Allow up to four (rather than five) years of enrollment averaging.	0	Gov. Req.	No	Yes	Staff recommended approving the request to reduce school finance expenditures by \$9,403,814 cash funds (SEF). This would improve SEF solvency.
Enrollment averaging	0	Other	No	Yes	The General Assembly could reduce the school finance expenditures by further reducing or eliminating enrollment averaging, up to a maximum of \$23,771,961 cash funds (SEF). This would improve SEF solvency.
Hold-harmless Full-day Kindergarten Funding	0	Staff Rec.	No	Yes	Staff recommended modify the calculation of hold-harmless funding, limiting funding to ensure that districts receive sufficient funding to provide full-day kindergarten to the same number of students who were supported through the Colorado Preschool Program in FY 2007-08. This change would reduce SEF expenditures by \$6,654,889. This would improve SEF solvency.

Options for Reducing General Fund Appropriations in FY 2009-10

Department Division/Topic Program/Policy Option	FY 2009-10 General Fund Impact*	See Key			Comments
		Category	Over- laps	Bill	
Modify calculation of part-time and full-time funding for each student	0	Other	No	Yes	The General Assembly could require that the number of hours of instruction required for a district to receive per pupil funding for a student (or some fraction of such funding for part-time students) mirror the number of hours of instruction districts are required to provide pursuant to Section 22-32-109 (1) (n), C.R.S. Existing hourly thresholds used for funding, as a percent of statutory hour requirements, range from 17.0 % to 83%. This would improve SEF solvency and/or ensure students receive statutorily required hours of instruction.
Reduce or eliminate additional funding to expand full-day kindergarten programs	0	Other	No	Yes	The Committee approved the Department's request to maintain supplemental kindergarten funding at 0.08 FTE, at a total cost of \$34,818,702 cash funds (SEF). This funding could be reduced or eliminated. This would improve SEF solvency.
Reduce or eliminate additional funding to provide half-day preschool for at-risk students	0	Other	No	Yes	The General Assembly could reduce or eliminate funding for the Colorado Preschool Program. Current law authorizes funding for 20,160 half-day slots at a cost of \$67,152,278 cash funds (SEF). This would improve SEF solvency.
Charter School Capital Construction	0	Gov. Req.	No	Yes	The Department proposed reducing the annual SEF appropriation for charter school capital construction from \$5,000,000 to \$2,500,000. This would improve SEF solvency.
Make permissible CSDB Teacher Pay Alignment with El Paso District 11	(157,279)	Staff Rec.	No	Yes	Statute requires that CSDB Teachers be compensated at the pay scale set by the El Paso District 11 school district for the previous year. The bill could add permissive language such that if JBC doesn't approve salary survey or performance-based pay, then CSDB teacher compensation would not be required.
Eliminate minimum statutory appropriation to Child Nutrition School Lunch Protection Program	0	Staff Rec.	No	Yes	Statute requires a minimum appropriation of \$850,000. The JBC approved this amount from SEF. By eliminating this requirement the JBC can redistribute the difference to offset GF expenditures. Bill would make annual appropriation from GA permissive.
Eliminate minimum statutory appropriation to Start Smart Nutrition Program Fund	(700,000)	Staff Rec.	No	Yes	Statute requires a minimum appropriation of \$700,000. The JBC approved this amount from GF. Bill would make annual appropriation from the GA permissive.
Suspend funding for the School Leadership Academy Program	(75,000)	Staff Rec.	No	No	Staff recommended fully funding this program with any gifts, grants, and donations received, however the JBC acted to fund with \$75,000 GF and \$75,000 SEF.
Suspend Counselor Corps Grant Program	0	Staff Rec.	No	No	Staff recommended suspending funding for this program (\$5.0 million from SEF), which the JBC approved (Mar 9) then later OSPB sought to restore the funding, which the JBC approved (Mar 19). This would improve SEF solvency.
Reduce GF appropriation for Colorado Virtual Library	(1,000,000)	Staff Rec.	No	No	Beginning in FY 2008-09, the JBC approved a \$1.0 million increase for this line item. Reducing by this amount, the line will be restored to funding equal to that which was appropriated two fiscal years prior.
Subtotal - Education	(17,659,823)				
Governor					
Various line items	(14,500,000)	Other	No	No	The Governor holds approximately \$14.5 million in federal flexible funds. The Committee may be able to convince the Governor to backfill decreased GF appropriations with these monies.
Reduce or eliminate funding for Economic Development Programs	(5,463,631)	Other	No	No	The Governor's Office includes a variety of economic development programs which are slated to receive \$5.5 million GF in FY 2009-10. The programs could be reduced or eliminated.
Remove increase Committee made to Economic Development Commission	(500,000)	Flagged	No	No	The JBC voted to increase the GF appropriation to the Economic Development Commission by \$500,000 for FY 2009-10.

Options for Reducing General Fund Appropriations in FY 2009-10

Department Division/Topic Program/Policy Option	FY 2009-10 General Fund Impact*	See Key			Comments
		Category	Over- laps	Bill	
Subtotal - Governor					
Health Care Policy and Financing					
General Administration Special Projects	(220,982)	Staff Rec.	No	No	The JBC voted for the Department's request which was higher than the staff's recommendation for two projects: (1) \$150,000 to begin a survey of Medicaid benefits; and (2) \$70,982 for a client survey regarding their health outcomes.
County Administration	(1,955,569)	Other	No	No	The Committee voted to increase county administration if they sponsor the bill recommended by Amanda on Child Welfare county issues. (Please remember that this funding is in addition to the \$800,000 total funds (\$400,000 cash fund) increase staff already recommended for county administration).
Refinance some of county administration with Health Care Expansion Fund	(409,962)	Other	No	No	Staff recommended an increase of \$409,962 to county administration from the Health Care Expansion Fund. Instead of giving this funding in addition, the Committee could use all or a portion of this funding to reduce the General Fund. This would be a continuation recommendation for county administration (or perhaps a slight increase if not all of the funding is used to offset).
Eliminate any increase in FTE not associated with annualization of FTE from last year	(164,032)	Other	No	No	This would eliminate 3.0 FTE positions that staff recommended to help administer some of the Department's new policy directions. Eliminating the FTE positions would shift the burden of saving initiatives following to existing staff. This recommendation basically provides continuation funding for the Department.
Change timeline for ASO Project to Clients enrolling in July 2010 instead of April 2010	(172,537)	Staff Rec.	No	No	The Committee voted for the Department request rather staff recommendation
Eliminate increase to Colorado Benefits Management System Realignment Project	(686,267)	Other	No	No	This is the increase over the funding in FY 2008-09. This would stretch the project over 4 years instead of 3 years. It may end up making the overall project more expensive but would reduce the costs in any one year.
Take the Department base forecast instead of staff	(14,716,251)	Gov. Req.	No	No	The Committee voted for staff's base recommendation which was \$14.7 million GF higher than the Department's forecast.
Change the Provider Rate 1.5% reduction to July 2009 instead of April 2010.	(8,561,557)	Other	No	No	The Committee voted a 1.5% provider rate reduction beginning April 2010. This would move this provider rate reduction to July 2009. (This option is added in the HCPF total -- other similar options are not). The amount shown is the incremental reduction in addition to the Committee's action.
Increase the Provider Rate reduction to 2.5 beginning in April 2010	(1,236,669)		Yes	No	Not included in total because it overlaps with a previous item.
Increase the Provider Rate reduction to 2.5 beginning in July 2010	(13,508,234)		Yes	No	Not included in total because it overlaps with a previous item.
Increase the Provider Rate reduction to 4.3 beginning in July 2010 -- as the Department requested	(27,901,130)		Yes	No	Not included in total because it overlaps with a previous item. This was the GF savings (in addition to the Committee's action) from the Department's request. This is a 4.33% rate reduction on most acute care providers and a 2.17% rate reduction on HCBS providers.
Eliminate the General Fund increase staff recommended in FY 2008-09 that carries forward into FY 2009-10 for private hospitals	(1,078,204)	Other	No	No	Staff recommended an increase of \$1.1 million General Fund so that private hospitals would get a share of the increased federal funding for DSH. This recommendation would appropriate all of the extra DSH funding to public hospitals.
Eliminate the Colorado Health Care Services Fund	(11,943,000)	Other	No	Yes	This fund receives \$15.0 million. The Committee has already voted to reduce this fund's GF appropriation to \$11.9 million to capture the extra FMAP (i.e. at \$11.9 million the fund will hold providers harmless). This fund expires in FY 2010-11. This option would just move the expiration of the fund up one year.

Options for Reducing General Fund Appropriations in FY 2009-10

Department Division/Topic Program/Policy Option	FY 2009-10 General Fund Impact*	See Key			Comments
		Category	Over- laps	Bill	
Eliminate the Pediatric Specialty Hospital Fund -- and automatic appropriations into it.	(684,222)	Other	No	Yes	Summarizes the option and the rationale. Explains issues if one option overlaps with another. Highlights out-year costs. All options are subject to the 6% limit unless otherwise noted here. The fund provides some (but not the majority) of the funding for Children's Hospitals extra payment. The Committee has already voted to reduce this fund based on ARRA. This would option would just eliminate the fund entirely (the amount shown in in addition to the Committee's previous decision). The Committee already has two vehicle bills where this option could be added to.
Eliminate Pediatric Specialty Hospital Line Item	(5,551,000)	Other			This appropriation was added during the recovery period after the last recession. It did not exist prior to FY 2004-05.
Subtotal - Health Care Policy and Financing	(46,143,583)				Total does not reflect the three options above that overlap.
Higher Education					
Reduce Governing Boards and Local District Junior Colleges by an amount equal to the projected new revenue from tuition rate increases	(103,287,361)	Staff Rec.	No	No	Staff recommended that to be consistent with the common policies for other state agencies (no base personal services or operating increases), the higher education institutions should not realize a net gain from the combination of General Fund reductions and tuition rate increases.
Reduce CU by an amount equal to the new tobacco money in FY 2009-10	(9,000,000)	Staff Rec.	Yes	No	The Department proposed reducing the governing boards based on the new state funds provided in FY 2008-09, but did not include the tobacco money for CU in the calculation. This amount is contained in the \$103.3 million figure above, but could be justified based on a different criteria and thus could be done separately, if the JBC does not adopt the \$103.3 million reduction.
Remove need based aid for grad students	(5,902,827)	Flagged	No	No	The Governor proposed eliminating General Fund for need based aid for graduate students.
Subtotal - Higher Ed	(118,190,188)				
Human Services					
<u>Office of Operations</u>					
Operating Expenses	(327,459)	Other	No	No	Do not fund the Department's Decision Item #5 to address ongoing capital outlay/maintenance costs for department of Human Services facilities. The request, and JBC action, included a requested \$145,723 for an ongoing increase and \$164,250 effective in FY 2009-10 and FY 2010-11 only.
<u>Child Welfare</u>					
Child Welfare Administration	(270,938)	Staff Rec.	No	No	Do not fund requested new 9.0 FTE for DI #6. Savings annualize to \$468,304 GF in FY 2010-11. Committee approved request, except funded for six months in FY 2009-10. An alternative, to fund 4.0 FTE, would save \$157,076
Training	(497,833)	Other	No	No	Do not fund training academy. Savings annualize to \$887,653 in FY 2010-11. An alternative, to fund additional training, but less of it, would save \$237,240 General Fund in FY 2009-10 and \$521,269 in FY 2010-11.
Eliminate new FTE added in FY 2008-09 for child welfare administration	(365,160)	Other	No	No	This is the amount added for 6.0 FTE. As most of these positions have been filled, staff assumes that the reduction would need to be taken via attrition or position layoffs for these new positions or other positions.
Child Welfare Services	(8,057,128)	Gov. Req.	No	Yes	Change sunset date for S.B. 08-216 (i.e., require counties to pay 20%, rather than 10% of residential child care center facility costs starting FY 2009-10 rather than FY 2010-11).
Functional Family Therapy	(2,632,599)	Other	No	No	Do not fund increase for Decision Item #4 (functional family therapy).
Return rates to FY 2007-08 levels (reduces block grant & child and family services)	(3,151,421)	Gov. Req.	Yes	No	Overlaps with "multi department" amount reflected at beginning of spreadsheet.

Options for Reducing General Fund Appropriations in FY 2009-10

Department Division/Topic Program/Policy Option	FY 2009-10 General Fund Impact*	See Key			Comments
		Category	Over- laps	Bill	
Population increase for child welfare services	(2,707,436)	Other	No	No	Reflects the 1.3 percent population increase provided for child welfare services. Counties remain responsible for providing appropriate services.
Additional 1.0 percent cut to child welfare services	(1,854,118)	Other	No	No	Figure would be slightly lower if S.B. 08-216 sunset change, population & other rates adjustments were taken. Additional percentages could be taken; however, counties would remain responsible for ensuring appropriate child welfare services.
<u>Child Care</u>					
Early Childhood Councils	(1,006,161)	Other	No	No	Through H.B. 07-1062 the General Assembly expanded the previous Consolidated Child Care Pilots to additional locations throughout the State (estimated at 30). The bill added \$1 million in FF and \$1 million GF from the Child Care Assistance Program line item. This effectively reduces funding available for child care quality initiatives. The federal stimulus package includes a substantial increase in funding for child care quality. An associated federal penalty is possible.
Child Care Assistance Program	(1,000,000)	Other	No	No	The Child Care Assistance Program is funded with a combination of General Fund, federal block grant funds, county funds, and county transfers of TANF dollars. Counties have significant discretion over who qualifies for subsidies and the level of provider reimbursement and, historically, the size of the General Fund subsidy has seemed to have little impact on the overall scope of the program, particularly given that the program can grow or shrink by \$30 million, depending upon county TANF policies. Staff currently believes that some General Fund reduction could be taken without undue impact on the program. The program's current appropriation is \$78.1 million, including \$16.4 million General Fund. The amount shown represents a 1.3 percent reduction in the overall appropriation and might be compensated-for by new federal stimulus funds and county TANF-transfers. To limit the risk of federal penalties, staff would recommend that this be implemented via a FF (Title XX) reduction to Child Care and refinance of GF in Child Welfare with Title XX FF. The net result would still be a reduction in Child Care.
Child Care Assistance Program	(14,354,221)	Other	No	No	The amount shown reflects the entire remaining General Fund appropriation for CCAP of \$15.4 million. Staff assumes that cuts above the \$1.0 million shown in the prior item will result in federal penalties, likely the loss of funds on a 1:1 basis, so a total loss of funding for the state on the order of \$30 million. Staff does NOT recommend a cut on this level but wishes to show the maximum available.
<u>Developmental Disability Program Costs</u>					
Reduce Medicaid and General Fund rates by amounts of SSI room and board increase	(799,339)	Staff Rec.	No	No	Staff recommended that the Committee federal SSI room and board increases with GF and Medicaid rate reductions in developmental disability program costs. The Committee initially approved this, but later reversed this action.
Return rates to FY 2007-08 levels	(2,808,549)	Gov. Req.	Yes	No	Overlaps with "multi department" amount reflected at beginning of spreadsheet.
Community Programs - reduce non Medicaid developmental disability funding	(4,500,000)	Other	Yes	No	There is currently \$31.5 million in non-Medicaid General Fund appropriations for developmental disability Program Costs. This includes, in particular, about \$6.5 million for the Family Support Services program and about \$8.0 million for non-Medicaid supported living services. During the prior downturn, the General Assembly reduced the family support program by 50 percent and supported living General Fund rates by \$1.0 million. These reductions were subsequently restored. Funding includes \$300,000 for new Family Support Services resources added in FY 2008-09. Total shown represents approximately 14 percent of the non-Medicaid appropriation and a 2.4 percent reduction to the net General Fund in this line item. Staff believes this is the best option for balancing DD Program costs; the staff recommendation for DD program costs was about \$3.6 million net GF greater than the request (excluding an adjustment related to the regional centers).
Community Programs - Eliminate family support services program	(7,294,662)	Other	Yes	Yes	The amount shown is savings associated with eliminating the FSSP program entirely. This overlaps with the option above, which would simply reduce FSSP funding.

Options for Reducing General Fund Appropriations in FY 2009-10

Department Division/Topic Program/Policy Option	FY 2009-10 General Fund Impact*	See Key			Comments
		Category	Over- laps	Bill	
Community Programs - Eliminate non-Medicaid case management functions	(900,000)	Other	Yes	No	The amount shown overlaps with the non-Medicaid reduction option reflected above.
Community Programs, reduce non-Medicaid supported living	(4,000,000)	Other	Yes	No	Reflects over half of the non-Medicaid SLS appropriation. Would cut rates and placements.
Community Programs - non-Medicaid comprehensive services	(1,700,000)	Other	Yes	No	Reduces about 70 percent of the non-Medicaid comprehensive appropriation. Would cut rates and placements.
Community Programs - fund only 50 percent of requested new developmental disability transition placements (for foster care to comprehensive and Children's Extensive Support to adult supported living). Support balance out of placements that become available due to turnover.	(417,848)	Other	No	No	The Committee approved the Department's request to fund 37 new comprehensive placements and 29 new supported living placements, both for an average of six months, based on the number of individuals transitioning from foster care to comprehensive services and from the Children's Extensive Support program to supported living services. The option shown would reduce this number to 19 comprehensive and 15 supported living placements. The Department has estimated that 80 comprehensive and 62 supported living placements turn over each year; staff anticipates that the balance of 18 comprehensive and 14 supported living placements not funded would be absorbed within this turnover. Savings shown would double in FY 2010-11.
Community Programs - Medicaid waiver rates and benefits	(4,694,103)	Other	No	No	Reductions in waiver program benefits could be one route for reducing costs in FY 2009-10 and future years.. This might include, for example, reducing the maximum units of certain kinds of services that can be billed for an individual with a specific severity level. An example would be a reduction to the number of hours of day habilitation provided to individuals on the waiver programs (\$3.6 million in possible savings) or to transport (\$1.0 million in possible savings). A 1.0 percent cut to Medicaid appropriations in the Program Costs line item would result in a saving of \$1,564,701 General Fund; a 10 percent cut would result in savings of \$15,647,012 General Fund. The amount shown reflects a 3.0 percent cut.
<u>Regional Centers</u>					
Regional Centers - Do not add 10 new FTE	(159,021)	Other	No	No	The Department requested 43.0 FTE for Decision Item #1 (add regional center staff); the Committee approved 10.0 FTE plus funding for 20 new community-based placements for six months (for individuals transitioning from the regional centers). The amount shown is the savings if these 10.0 FTE are not funded.
Regional Centers -Reduce by additional 20 FTE	(318,042)	Other	No	No	The Department has received over 95 new FTE in recent years to address various regional center problems. Downsizing is nonetheless planned. Staff assumes that an additional FTE reduction/not fully annualizing FY 2008-09 increases would drive further/more rapid downsizing.
Regional Centers - Do not provided requested capital outlay increase	(82,125)	Other	No	No	The Committee approved the requested and recommended Decision Item #5 increase for capital outlay at the regional centers. The amount shown is the savings if this increase is not funded.
Regional Centers - Close Pueblo Regional Center	unknown	Other	No	Yes	This is the only regional center without a campus, i.e., without a secure facility (the type in greatest demand). As the regional centers downsize, at some point it may be more efficient to close an entire facility than to simply downsize three facilities. Related savings would take time to quantify and to realize. Staff does not have an estimate of FY 2009-10 savings at this time. In a past report, the Department asserted that no savings would be realized; but staff found the analysis to be flawed.
<u>Vocational Rehabilitation/Independent Living</u>					

Options for Reducing General Fund Appropriations in FY 2009-10

Department Division/Topic Program/Policy Option	FY 2009-10 General Fund Impact*	See Key			Comments
		Category	Over- laps	Bill	
Independent Living Centers	(1,000,000)	Other	No	No	The state's ten independent living centers received less than \$400,000 total General Fund per year until the passage of referendum C, when \$1.0 million General Fund was added to the base. An additional \$100,000 was added in FY 2008-09, so that the General Fund appropriation is almost \$1.5 million (out of \$1.9 million total in the Long Bill). In light of the state's budget situation, the JBC could consider reducing the level of General Fund support <u>or eliminating the entire \$1.5 million.</u>
<u>State and Veterans Nursing Homes</u>					
Nursing home consulting services	(195,627)	Other	No	No	The General Assembly currently provides \$1.2 million in direct and indirect General Fund operating subsidies for the state and veterans nursing homes. This is a small share of the homes' combined operating budgets of over \$50 million. Of the total subsidy, \$195,627 (shown above) is for nursing home consulting services and was originally anticipated to be temporary. In addition to this amount, \$186,130 General Fund is provided to assist Homelake Domiciliary and \$800,000 represents the approximate value of indirect costs for the nursing homes that are covered by the General Fund.
Eliminate subsidy for Homelake Domiciliary	(186,130)	Other	No	No	This is a small shared of the combined vets nursing home operating budgets of over \$50 million.
<u>County Administration</u>					
Reduce appropriation for County Tax Base Relief	(5,652,654)	Other	No	No	The CTBR GF appropriation is \$5.6 million. The amount could be reduced or eliminated.
<u>Adult Assistance</u>					
Reduce GF appropriation for State Funding for Senior Services	(1,000,000)	Other	Yes	No	The Committee reduced the GF appropriation for this line from \$2.0 million to \$1.0 million. The remaining GF appropriation could be reduced or eliminated. This item overlaps with decisions to change to cash fund portion of the appropriation, which is described in the GF revenue increases tab.
<u>Division of Youth Corrections</u>					
Reduce appropriation for S.B. 91-94 programs	(13,297,406)	Other	No	No	This option would reduce the appropriation available for S.B. 91-94 programs. These programs are designed to provide local communities with alternatives to incarceration for youth offenders. During the previous economic downturn, this funding was reduced substantially. However, staff believes it actually costs the State more to eliminate these programs than it saves because the alternatives to incarceration are generally less costly than commitment to the Division of Youth Corrections. The amount shown is the amount approved for FY 2009-10.
Reduce appropriation for parole program services	(4,543,898)	Other	No	No	This option would reduce the appropriation available for parole services. Currently, all youth offenders committed to the Division are required to complete six months of mandatory parole. This appropriation also was reduced substantially during the last downturn. Again, staff believes that it may cost the State more to reduce these services than it saves because a lack of parole services has been shown to increase recidivism. Given that the DYC commitment population has been declining in recent years, it may not be worth reducing this appropriation if it leads to an increasing commitment population in the future. Alternatively, the Committee could consider reducing or even eliminating mandatory parole; however, this would require a statutory change. The amount shown is the amount approved for FY 2009-10.
<u>Mental Health / ADAD</u>					

Options for Reducing General Fund Appropriations in FY 2009-10

Department Division/Topic Program/Policy Option	FY 2009-10 General Fund Impact*	See Key			Comments
		Category	Over- laps	Bill	
Reduce funds for community mental health programs by 10.0 percent	(4,051,657)	Other	Yes	No	This option overlaps with the elimination of the additional \$325,000 for the Colorado West Mental Health Center and the 1.5 percent reduction for the community provider rate. If the two prior options are adopted, this option's General Fund impact would decrease by \$109,678. This option applies to all of the line items within the (8)(B)(1) Mental Health Community Programs, Mental Health Services for the Medically Indigent section of the Long Bill.
Reduce the FY 2009-10 provider rates by 1.5 percent	(771,784)	Gov. Req.	Yes	No	This option reduces the community provider rate by 1.5 percent, to its FY 2007-08 amount, and is a part of the Department's FY 2009-10 budget balancing package. This item overlaps with the option to reduce funds for community mental health programs by 10.0 percent.
Reduce the additional appropriation for behavioral health stabilization services added for FY 2008-09.	(325,000)	Other	No	No	An additional \$325,000 General Fund was appropriated for the Colorado West Mental Health Center for FY 2008-09, and the amount is included in the mental health center's base funds for FY 2009-10. This option removes the additional funds added for FY 2008-09, but it does not impact funds the center receives through other community mental health line items.
Eliminate the computers for the Enhanced Mental Health Pilot for Detained Youth program.	(265,927)	Other	Yes	No	The Enhanced Mental Health Pilot for Detained Youth is administered by two mental health centers. Staff's understanding is that these centers receive \$265,927 for <i>computers</i> for former DYC youth who have been released to the community. This does not fit the core function of the program, and based upon staff's tours of the centers, it appears that they already have computers available for patients. This action would limit the amount of funds that are eligible for the provider rate reduction.
Reduce Ft. Logan adolescent unit from 18 beds to 12 beds	(305,005)	Other	No	No	Ft. Logan's adolescent beds are chronically underutilized. Since FY 2003-04, the greatest average daily census has been 13.0 (in FY 2004-05), and it has decreased annually since then. It is estimated that the unit's average daily census for FY 2008-09 will be 10.0. The recommendation is to reduce the unit's capacity from 18 beds to 12 beds. This will generate \$305,000 General Fund savings for FY 2009-10, which annualizes to \$340,564 General Fund for FY 2010-11.
Close the Therapeutic Residential Child Care Facility (TRCCF) at Ft. Logan	(416,982)	Gov. Req.	No	No	This item was a part of the Governor's budget-balancing package. The JBC's motion was to keep the unit open. According to the Department, adequate capacity exists within other TRCCF's, both across the State and in the Denver metro area, to serve this population.
Reduce the Mental Health Institute - Pueblo's adolescent unit capacity from 16 beds to 10 beds.	(207,956)	Other	No	No	This option reduces the Colorado Mental Health Institute - Pueblo's locked adolescent unit from 16 beds to 10 beds. These beds are chronically underutilized, and the average daily census has not exceeded 10.5 full beds for each of the prior six years. The savings annualize to \$247,419 General Fund for FY 2010-11.
Eliminate the additional funds for the STIRRT program's new eight-bed women's unit.	(669,600)	Other	Yes	No	This option eliminates the additional \$669,000 General Fund that the Department received for FY 2008-09 to open an eight-bed unit for women. These are new beds, and their closure wouldn't impact long-term services. It is also possible that existing STIRRT funds, other cash funds, or other contracts through the Alcohol and Drug Abuse Division could support these operations. Additionally, residential beds are significantly more expensive than intensive outpatient treatments.
Eliminate the STIRRT program	(3,017,721)	Other	Yes	No	This option overlaps with the elimination of the eight-bed women's unit. The Short-Term Intensive Residential Rehabilitation Treatment (STIRRT) program is a 2-week, inpatient diversion program for offenders with substance-use problems. Research on this type of program has found that long-term, outpatient treatment impacts its effectiveness, and STIRRT's continuing care outpatient component has been underutilized. Additionally, inpatient treatment is significantly more expensive than outpatient services. The \$383,316 cash funds portion of STIRRT's appropriation could be transferred to the Treatment and Detoxification line item to offset General Fund. The additional General Fund offset is not included with this amount, but would result in an additional \$383,316 cash fund savings.

Options for Reducing General Fund Appropriations in FY 2009-10

Department Division/Topic Program/Policy Option	FY 2009-10 General Fund Impact*	See Key			Comments
		Category	Over- laps	Bill	
Eliminate the "Comprehensive services for the co-occurring population"	(700,000)	Other	No	No	Summarizes the option and the rationale. Explains issues if one option overlaps with another. Highlights out-year costs. All options are subject to the 6% limit unless otherwise noted here. This was a special JBC action in 2006-07, and the funds are targeted to a specific treatment provider. The Department is limited in how it can distribute the funds, so it is unclear whether they serve the population with the greatest need. Additionally, federal funds are available to provide treatment services to this population. If the Committee selects this option, it would decrease the amount of funds in the Treatment and Detoxification line item that would be subject to the savings generated by the 10% reduction.
Eliminate treatment services for female offenders	(395,000)	Other	No	No	This program was added through special JBC action in FY 2007-08, but it is unclear to staff whether it is an efficient use of resources. These funds are targeted for a specific provider, but the same population is served by numerous providers through the Treatment and Detox line item.
Reduce funds for the Treatment and Detoxification line item by 10.0 percent	(1,136,836)	Other	No	No	Reduces the General Fund appropriation for the Treatment and Detoxification line item by 10.0 percent for FY 2009-10. The reduction includes the \$340,000 General Fund transferred to this line item for FY 2009-10 from the continuing care component of STIRRT.
Eliminate the Provider Performance Monitoring System (PPMS)	(200,000)	Other	No	No	Eliminates funds for PPMS, which were added for FY 2009-10. The PPMS is an IT information system to improve the performance of substance abuse treatment providers, and the program also provides financial incentives as a component of provider reimbursements. It is an initiative of the Signal Behavioral Health network.
Subtotal - Human Services	(102,237,346)				

Options for Reducing General Fund Appropriations in FY 2009-10

Department Division/Topic Program/Policy Option	FY 2009-10 General Fund Impact*	See Key			Comments
		Category	Over- laps	Bill	
Judicial					
Community mediation grants	(60,000)	Other	No	No	Since FY 2004-05, the Department has used \$60,000 of the General Fund appropriation for Trial Court Programs to provide seed money for development of local conflict resolution and restorative justice programs. The G.A. could reduce or eliminate this funding.
CASA contracts	(480,000)	Flagged	No	No	The General Assembly increased funding for CASA programs from \$20,000 in FY 2007-08 to \$500,000 in FY 2008-09. The General Assembly could reduce the appropriation for FY 2009-10.
Staff for El Paso GAL office	(64,900)	Staff Rec.	No	No	The Committee approved an OCR request for funding to add one attorney to the El Paso guardian ad litem (GAL) office to address workload increases. Staff recommended against the request, as the caseload for this office has actually declined in recent years, data is not available to quantify workload increases, and the OCR Director has the authority to transfer funds from the Court Appointed Counsel line item to add resources for this office if necessary.
Statutorily limit the appointment of a guardian ad litem (GAL) in truancy proceedings, and pilot the use of non-attorney services in truancy cases	(97,000)	Staff Rec.	No	Yes	Effective July 1, 2009: Statutorily limit the appointment of a GAL in truancy proceedings to "exceptional and extraordinary circumstances". Earmark \$500,000 of additional funding already allocated for the Department of Education's Expelled and At-risk Student Services Grant Program (EARSS) for FY 2009-10 to annually fund pilot programs designed to reduce the number of truancy cases requiring court involvement and/or to offer appropriate alternatives to GAL representation.
Make statutory changes to reduce the costs of state-paid Child and Family Investigators (CFI) in domestic relations cases.	(151,700)	Staff Rec.	No	Yes	Effective September 1, 2009: Eliminate state payment for attorneys to serve as a CFI, and increase the state rate for non-attorney CFIs from \$25 to \$40 (delay effective date to allow SCAO time to publish new rate and recruit sufficient number of non-attorney CFIs). Effective July 1, 2009: Clarify how the court should determine whether the parties in the case are indigent (and thus warrant a state paid CFI); and authorize OCR to fund a pilot program to evaluate the use of an "Early Neutral Assessment" program in domestic relations cases (excluding those involving child abuse, domestic violence, mental health, or addiction). <i>Alternatively, eliminate state payments for all CFIs and Child's Legal Representatives for indigent parties in domestic relations cases, saving an estimated \$600,000 General Fund</i>
Statutorily clarify GAL appointments in delinquency cases.	unknown	Staff Rec.	No	Yes	Statutorily clarify that a GAL appointment in a delinquency case ends at conclusion of sentencing (and that a GAL may be reappointed in probation revocation proceedings). Make a statutory exception preserving a GAL appointment in cases where a youth is sentenced to an out-of-home placement as a condition of probation (these cases resemble dependency and neglect cases).
Family Violence Justice Grants	(250,000)	Other	No	No	In FY 2008-09, the General Assembly increased state funding for grants to organizations that provide civil legal services to indigent Colorado residents from \$500,000 to \$750,000. These grant funds may be used to provide legal advice, representation, and advocacy for and on behalf of indigent clients who are victims of family violence. The General Assembly could reduce or eliminate this funding increase.
Criminal code changes proposed by State Public Defender	(5,447,000)	Other	No	Yes	The State Public Defender has proposed a series of changes to the Colorado Criminal Code that would reduce his office' caseload and workload. Preliminary information indicates that these changes would reduce costs for the Public Defender and the ADC in FY 2009-10 by \$5,447,000; these changes are estimated to save \$9.7 million and \$14.3 million in FY 2010-11 and FY 2011-12, respectively, due to the impact on the DOC's average daily population.
Day reporting services	(393,078)	Other	No	No	The JBC voted to transfer \$393,078 from the Dept. of Public Safety, Division of Criminal Justice to the Probation Division in the Judicial Department to allow Probation to contract directly for day reporting services for offenders on probation. This funding could be reduced or eliminated.
SB 02-218 Community Treatment Funding	(220,000)	Other	No	No	The G.A. appropriated \$2.2 million General Fund for this purpose beginning in FY 2007-08 based on the realization of at least \$2.2 million in cost-avoidance based on sentencing changes enacted through SB 03-318. Figure reflects 10 percent reduction in funding for community treatment services.

Options for Reducing General Fund Appropriations in FY 2009-10

Department Division/Topic Program/Policy Option	FY 2009-10 General Fund Impact*	See Key			Comments
		Category	Over- laps	Bill	
Roll back rate increase for court appointed counsel	(696,223)	Other	No	No	Figure reflects estimated savings associated with each dollar of hourly rate reduction, effective for all 12 months in FY 2009-10. Rates were most recently increased from \$65 to \$60. Committee may want to consider allowing flexibility for each agency to determine how to achieve targeted reduction.
Furloughs	(727,195)	Other	No	No	Figure reflects estimated savings from one day of furlough (excludes all judges and justices)
Subtotal - Judicial	(8,587,096)				
Local Affairs					
Affordable Housing Construction Grants and Loans	(2,725,000)	Other	No	No	This program provides state funding for grants and loans for the rehabilitation, acquisition, and maintenance of affordable, safe, sanitary housing for low-income households. The FY 08-09 appropriation is \$2.25 million.
Eliminate MOE	(292,398)	Other	No	No	The state is required to provide maintenance of effort funding for the Community Services Block Grant, Emergency Management Performance Grants, and Pre-Disaster Mitigation Grant programs.
Property Tax <i>Exemption</i> Application and Reporting Fees	(147,900)	Staff Rec.	No	Yes	The Governor's request included a budget amendment to change the statutory application and reporting fees for property tax exemption. Staff modified the request from the Department to add permissive language for annual appropriation, allow the Property Tax Administrator (PTA) to assess fee levels commensurate to program expenditures, and allow the PTA to waive filing fees under certain circumstances.
Subtotal - Local Affairs	(3,165,298)				
Military and Veterans Affairs					
Cash funding part of Division of Veterans Affairs	(250,000)	Staff Rec.	No	No	Use portion of the transfer from the tobacco settlement moneys to the Veterans Trust Fund to offset GF in the Division of Veterans Affairs, such as the GF costs of the Western Slope Cemetery and Veterans Service Operations
Subtotal - Military & Veterans Affairs	(250,000)				
Personnel and Administration					
A 1.0 Percent Personal Services Reduction for All Departments	(6,914,265)	Staff Rec.	No	No	The Joint Budget Committee has <u>not</u> built a Personal Services Reduction to account for turnover vacancy savings for FY 2009-10 for departments. The estimated General Fund savings of a 1.0 percent personal services reduction for line items with 20.0 or more FTE is \$6.9 million. The General Assembly could choose to include a personal services reduction of 1.0 or more percent for FY 2009-10 to account for turnover personal services savings.
A One-day Furlough Savings	(1,755,008)	Staff Rec.	No	No	Staff estimates that a one-day furlough in FY 2009-10 will generate approximately \$1.8 million in General Fund savings. The furlough calculation completely excludes the Departments of Corrections, Human Services and Public Safety. Staff notes that not all employees in the three departments will be exempt from the furlough, however, the OSPB has not yet provided detailed calculations of exempt and non-exempt employees in the three departments. The OSPB has also not provided calculations of employees in other departments that may be exempt from a furlough.
Subtotal - Personnel & Administration	(8,669,273)				

Options for Reducing General Fund Appropriations in FY 2009-10

Department Division/Topic Program/Policy Option	FY 2009-10 General Fund Impact*	See Key			Comments
		Category	Over- laps	Bill	
Public Health and Environment					
Eliminate Hepatitis C program	(200,000)	Gov. Req.	No	No	The Department requested elimination of its Hepatitis C program. The JBC funded the program.
Cash Fund the Water Quality Control Program	(2,690,266)	Other	No	Yes	The Department is requesting and staff has recommended a General Fund appropriation of \$2.7 million to the Water Quality Control Division. However, during the last downturn the General Assembly enacted S.B. 03-276 to cash fund the entire division and eliminate the General Fund appropriation. The Committee could consider doing so again for FY 2009-10 and going forward.
Water Quality Control Fund	(1,000,000)	Other	No	Yes	Transferring funds out of the Water Quality Control Fund, created in Section 25-8-502 (1) (c), would exhaust the fund balance and require increases in fees going forward. Doing so in FY 2008-09 would only make sense in the context of moving a fee bill to cash fund the water division in FY 2009-10 and going forward. Such a bill would allow the JBC to refinance some costs from the remainder of FY 2008-09 from General Fund to cash funds. Without such a bill, a transfer would deplete funds that the Department anticipates needing in FY 2009-10 and beyond.
Cash Fund the Consumer Protection Division Dairy Program	(675,000)	Other	No	Yes	The Dairy Program is entirely funded with General Fund (approximately \$675,000 per year, including laboratory expenses) and could be cash funded through fees on the dairy industry. The Committee could consider partial or complete cash funding of the program. Doing so would require legislation. Staff is aware of a proposal to increase the program's overall funding by charging a fee that would not supplant any of the existing General Fund. Staff has not received an official request from the Department.
Subtotal - Public Health and Environment	(4,565,266)				
Public Safety					
Reduce CSP Capitol Security Funding	Unknown	Other	No	No	The request and staff recommendation provide roughly \$2.5 million General fund for the Executive and Capitol Complex Security Program in FY 2009-10. During the last downturn, the GA reduced the capitol security operation by \$100,000 and 2.0 FTE. Given recent investments in improving security for the Capitol building (the Department received an additional \$840,000 in FY 2008-09), a significant reduction would be possible.
Reduce CSP Homeland Security Funding	Unknown	Other	No	No	The JBC approved a requested reduction of \$158,880 General Fund and \$75,800 federal funds to curtail the operations of the OPS Critical Infrastructure Assessment (Rubicon) Team. After the reduction, the CSP's FY 2009-10 budget still includes roughly \$650,000 General Fund allocated to homeland security activities, primarily for the Colorado Information Analysis Center (CIAC). The GA could further reduce the homeland security appropriations.
Eliminate the School Safety Resource Center	(445,106)	Other	No	No	The School Safety Resource Center was created by S.B. 08-1, and the JBC has approved the creation of a new line item to fund the center in FY 2009-10. The GA could eliminate the program and save \$445,106 General Fund in FY 2009-10. The Department would strongly oppose any such reduction.
Eliminate NFIRS and ERM programs funded through FY 2008-09 decision items	(147,785)	Other	No	No	The GA approved decision items in FY 2008-09 to fund the OPSFS's implementation of the National Fire Incident Reporting System and the Emergency Resource Mobilization Program with General Fund. The decision items backfilled declining federal funds with State General Fund. The combined FY 2009-10 appropriation would be \$147,785 General Fund and 2.0 FTE. The Committee could reverse those decisions and eliminate funding for the programs for FY 2009-10.
Division of Criminal Justice					

Options for Reducing General Fund Appropriations in FY 2009-10

Department Division/Topic Program/Policy Option	FY 2009-10 General Fund Impact*	See Key			Comments
		Category	Over- laps	Bill	
Reduce the provider rate to Community Corrections programs by 1.0 percent	(490,584)	Other	No	No	Summarizes the option and the rationale. Explains issues if one option overlaps with another. Highlights out-year costs. All options are subject to the 6% limit unless otherwise noted here. This option would reduce the provider rate paid to Community Corrections programs by 1.0 percent. This rate could be further reduced with the above calculated savings for each 1.0 percent reduction. Staff notes that the Community Corrections provider rate was decreased by 8.0 percent during the last economic downturn. The current department-adjusted rate of \$37.74 is just slightly above the FY 2001-02 rate of \$37.72.
Reduce the reimbursement rate to Community Corrections boards by 1.0 percent	(488,017)	Other	No	No	Pursuant to Section 17-27-108, C.R.S., the Division is authorized to allocate up to 5.0 percent of the appropriations for community corrections programs to the 23 Community Corrections boards to offset their administrative costs. Community Corrections boards currently receive an appropriation equal to 4.0 percent of the appropriations for Community Corrections programs. This option would reduce that percentage to 3.0 percent. This rate could be further reduced with the above calculated savings for each 1.0 percent reduction. During the previous economic downturn, this reimbursement rate was reduced from 5.0 percent to the current rate of 4.0 percent.
Reduce appropriation for juvenile diversion programs	(1,241,851)	Other	No	No	This option would reduce the appropriation for juvenile diversion programs. The Juvenile Diversion programs are supported jointly by state and local sources to provide community-based programs that serve as (1) an alternative to filing in juvenile court; (2) a supplement to high risk or high need juveniles on probation; or (3) a treatment/supervision resource for youth placed in communities by the Division of Youth Services. Over 3,500 youth are served annually by the programs. All programs that receive state diversion funds are required to provide at least 25 percent local matching funds. The Juvenile Diversion program line item was vetoed in FY 2002-03 (\$2,483,702 General Fund had been included in the Long Bill). In FY 2003-04, \$500,000 cash funds exempt (Tobacco Settlement Fund) were appropriated on a one-time basis. No appropriation was made for FY 2004-05 or FY 2005-06. In FY 2006-07, the JBC voted to restore \$1,241,851 General Fund to this line item. The current FY 2009-10 approved appropriation is \$1,241,851 General Fund.
Reduce or eliminate the appropriation for the transition mental health differential and diversion mental health differential	(1,265,492)	Other	No	No	These appropriations provide mental health services for offenders in Community Corrections programs. The current appropriations support a differential payment of \$33.02 for 85 transition clients and 20 diversion clients. This differential payment is in addition to the \$37.74 appropriated as a base per diem for Community Corrections beds. These line items were added during FY 2002-03. The current FY 2009-10 approved appropriation is \$1,265,492 General Fund.
Refinance the Instacheck program to cash funds by instituting a fee for background checks on firearm purchases.	(1,721,706)	Other	No	Yes	The Governor is proposing an Instacheck fee to take effect in FY 2009-10. Fully funding the program for a full fiscal year would save roughly \$1.7 million General Fund. However, the General Fund impact in FY 2008-09 depends on the effective date of the proposed bill and other actions taken by the Committee. An earlier effective date would generate more revenue and save additional General Fund. The Committee has already approved other reductions to Instacheck's General Fund appropriation for FY 2008-09. Leaving those in place and cash funding the remainder would reduce the necessary fee but would also reduce the General Fund savings.
Subtotal - Public Safety	(5,800,541)				
Regulatory Agencies Satellite Offices in Pueblo and Grand Junction	(113,801)	Other	No	No	Close the two satellite offices in Grand Junction and Pueblo. Offices are funded by GF and FF, and each has 1.5 FTE. The cost of the Pueblo office is \$109,148 and the cost of the Grand Junction office is \$103,100. The Pueblo office was opened August 2007 and the Grand Junction was opened August 2008.
Subtotal - Regulatory Agencies	(113,801)				

Options for Reducing General Fund Appropriations in FY 2009-10

Department Division/Topic Program/Policy Option	FY 2009-10 General Fund Impact*	See Key			Comments
		Category	Overlaps	Bill	
Revenue Partial cash funding of Drivers License Program with HUTF	(10,000,000)	Staff Rec.	No	Yes	Reallocate moneys from Driver's license fees that goes into the HUTF to the Licensing Services Cash Fund to fund the driver's license program and offset GF. (Impact is estimate)
Subtotal - Revenue	(10,000,000)				
Treasury Suspend Senior and Disable Vet Homestead Exemption	(91,400,000)	Gov. Req.	No	Yes	Eliminate the Senior Citizen and Disabled Veteran Homestead Exemption.
Subtotal - Treasury	(91,400,000)				
Statewide Reduce Year End Reserve to 2.0 Percent	(138,300,000)	Other	Yes	Yes	The Governor has asked for the flexibility to allow the statutory reserve to fall to zero in FY 2008-09, but he has not requested that this action be included as part of the balancing in his request. The Committee could choose to lower the reserve to zero in FY 2008-09 as part of their balancing plan. Doing so would run the risk of not having a place to reduce expenditures without an actual reduction in programs should revenues drop further. This action combined with the item above would completely eliminate the statutory reserve for FY 2008-09. The amount is approximate based on level of appropriations.
Subtotal - Statewide	(138,300,000)				
GRAND TOTAL	(617,848,266)				

Flagged	(22,610,371)
Gov. Req.	(133,967,041)
Staff Rec.	(135,064,209)
Other	(326,206,645)

NOTE: Some subtotals and the grand total may include options that overlap with others. If there is an either/or choice between two options, the tradeoff is explained in the comments section.

<p>Key: General Fund Impact = expressed as the difference from the JBC's actions to date. Negative numbers decrease expenditures. Category: <i>Flagged</i> = JBC flagged the item for possible later consideration <i>Gov. Req.</i> = Governor's request was higher/(lower) than the JBC action <i>Staff Rec.</i> = Staff recommendation was higher/(lower) than the JBC action <i>Other</i> = Other ideas Overlaps = A "yes" in this column indicates that the option overlaps with another and the interaction is explained in the comments section. Bill = A "yes" in this column indicates that implementing the option would require legislation. * General Fund reflects "net" General Fund, i.e., Medicaid adjustments in Human Services that drive General Fund savings in Health Care Policy and Financing are listed in the Department of Human Services.</p>
