John W. Hickenlooper
Governor

Henry Sobanet
Director, OSPB

EXECUTIVE BUDGET REQUEST

Statewide Budget Overview
FY 2012-13

Major Budget Highlights -- FY 2012-13 General Fund Revenue Augmentation Issues
(in Millions)

Issue	General Fund Revenue Augmentation
Transfer funding from the Perpetual Base Account into the General Fund	$33.9
Transfer Local Government Severance Tax Cash Fund into the General Fund	30.0
Transfer Towner Line Sale Proceeds to the General Fund	9.3
TOTAL	**$73.2**

FY 2012-13 Major Budget Highlights
(in Millions, except for FTE)

Budget Balancing Actions	GF /1	TF	FTE	Budget Balancing Actions Continued	GF /1	TF	FTE
K-12 Reduction to Formula /2	($350.40)	($89.00)	0.00	Refinance Child Care & Child Support in DHS	(1.18)	(0.37)	0.0
Senior Homestead Exemption	(96.77)	(96.77)	0.00	Higher Ed COF to Private Institutions	(0.54)	(0.54)	0.0
Medicaid Budget Reductions	(30.47)	(29.70)	0.00	Public Health Reductions	(0.46)	(0.46)	(1.0)
Higher Ed Reduction	(29.10)	(57.59)	0.00	Higher Ed lifetime credit hour limit	(0.33)	(0.33)	0.0
Higher Ed Need Based Grants	(24.62)	(24.62)	0.00	Higher Ed CCHE Administration	(0.19)	(0.19)	0.0
Revenue Refinance of Motor Vehicle	(22.68)	(0.08)	0.00	Statewide Mail Service	(0.11)	(0.11)	0.0
Adjustment to General Fund Reserve	(19.52)	(19.52)	0.00	Higher Ed WICHE Optometry	(0.04)	(0.04)	0.0
Statewide - HLD Cost Sharing Limit	(18.04)	(29.72)	0.00	Governor's Office Reduction	(0.03)	(0.03)	(1.0)
Higher Ed Work-study Program	(5.48)	(5.48)	0.00	**Current Law Obligation Changes**	**GF**	**TF**	**FTE**
Severance Tax Collection	(1.60)	0.00	0.00	Base Budget Changes	118.67	67.2	(73.7)
Volunteer Firefighter Pension Plan	(1.52)	(1.52)	0.00	Common Policy Issues (excluding HLD)	20.94	34.4	0.0
Cost Sharing in Medicaid and CHP	(1.44)	(3.41)	0.00	Mandatory Funding and Caseload Issues	174.51	286.8	(11.2)
Refinance in Agriculture ICS Program	(1.26)	0.08	0.00	All Other (excluding balancing issues)	(5.54)	238.30	114.7

/1 Includes General Fund within the statutory limit and General Fund exempt from the statutory limit and the adjustment to the General Fund Reserve based on the requested reductions.

/2 Reflects the increase to the negative factor in the K-12 formula and the total program reduction proposed for K-12.

FY 2012-13 Operating Budgets Request -- November 1, 2011
(in Millions)

General Fund

Department	FY 2011-12 Approp	FY 2012-13 Request	$ Change /2
Agriculture	$5.16	$5.81	$0.65
Corrections	634.93	658.16	23.23
Education	2,833.70	2,834.90	1.20
Governor	11.18	12.44	1.26
-- Economic Development Initiatives	0.00	6.00	6.00
Health Care Policy and Financing	1,669.16	1,854.73	185.57
Higher Education	623.96	563.69	(60.27)
Human Services	614.65	633.45	18.80
Judicial /3	340.24	347.95	7.71
Labor and Employment	0.00	0.00	0.00
Law /3	9.39	10.25	0.86
Legislature /3	34.68	35.68	1.00
Local Affairs	10.38	9.04	(1.34)
Military and Veterans Affairs	5.42	5.70	0.28
Natural Resources	23.42	23.43	0.01
Personnel and Administration	5.08	5.61	0.53
Public Health and Environment	27.48	27.28	(0.20)
Public Safety	82.68	84.60	1.92
Regulatory Agencies	1.60	1.65	0.05
Revenue	72.75	71.82	(0.93)
State /3	0.00	0.00	0.00
Transportation	0.00	0.00	0.00
Treasury /3	7.90	12.51	4.61
TOTAL /2	**$7,013.78**	**$7,204.70**	**$190.92**

Total Funds

Department	FY 2011-12 Approp	FY 2012-13 Request	$ Change /2
Agriculture	$38.96	$39.19	$0.23
Corrections	720.39	745.10	24.71
Education	4,336.04	4,238.91	(97.13)
Governor	183.73	199.32	15.59
-- Economic Development Initiatives	0.00	6.00	6.00
Health Care Policy and Financing	5,098.18	5,444.38	346.20
Higher Education	2,881.77	2,804.96	(76.81)
Human Services	2,061.39	2,079.84	18.45
Judicial /3	473.72	482.32	8.60
Labor and Employment	158.05	160.40	2.35
Law /3	54.35	55.78	1.43
Legislature /3	35.97	36.97	1.00
Local Affairs	363.44	362.31	(1.13)
Military and Veterans Affairs	221.21	222.00	0.79
Natural Resources	242.54	226.97	(15.57)
Personnel and Administration	157.01	159.43	2.42
Public Health and Environment	442.33	474.38	32.05
Public Safety	264.52	274.84	10.32
Regulatory Agencies	76.74	77.82	1.08
Revenue	294.73	297.68	2.95
State /3	18.80	18.90	0.10
Transportation	1,108.12	1,119.55	11.43
Treasury /3	366.42	371.06	4.64
TOTAL /2	**$19,598.44**	**$19,898.13**	**$299.69**

/2 May not add due to rounding errors. See page 2 for more details regarding changes.

/3 Placeholder assumption contained in the Governor's Request.

Other General Fund Issues -- Currently Outside of Operating and Revenue Requests
(in Millions)

Issue	Approp	Request	$ Change /2
Other General Fund Adjustments Outside Operating Budgets (e.g. cigarette rebates; Old Age Pension Fund; Property Tax, Heat, and Rent Credit; Volunteer Firefighter Pension Plan, Amendment 35 General Fund, Interest on school loans, Homestead Exemption, and Governor Initiatives for Senior Property and Educator Effectiveness)	$100.09	$122.76	22.67
Capital Construction	49.30	63.82	14.52
Placeholder for potential January Budget Amendments	0.00	(1.03)	(1.03)
TOTAL	**$149.39**	**$185.55**	**$36.16**
Total FY 2012-13 General Fund Request (operating request plus items outside of operating request)	**$7,163.17**	**$7,390.26**	**$227.08**

Major Changes in FY 2012-13

Reflects changes to Current FY 2011-12 Appropriations

Issue	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	Total Funds	FTE
Department of Corrections						
Base Budget Issues	($6,835,425)	($437,381)	$132,218	$0	($7,140,588)	(90.7)
Common Policy	10,800,535	303,433	0	0	11,103,968	0.0
External Capacity Estimate	13,916,129	0	0	0	13,916,129	0.0
Medical / POPM Estimate	4,722,804	0	0	0	4,722,804	0.0
Community / Community ISP Estimate	(22,101)	0	0	0	(22,101)	0.0
Parole / Parole ISP Estimate	(994,460)	0	0	0	(994,460)	(11.2)
All Other	1,635,582	1,488,619	0	0	3,124,201	59.4
Total Changes Requested for DOC	**$23,223,064**	**$1,354,671**	**$132,218**	**$0**	**$24,709,953**	**(42.5)**
Department of Education						
Base Budget Issues	$330,162	$669,820	$56,458	$32,812	$1,089,252	6.2
Common Policy	182,442	124,805	23,445	548,599	879,291	0.0
Placeholder for Total Program General Fund	676,815	(109,821,266)	0	0	(109,144,451)	0.0
Categoricals	0	8,242,694	0	0	8,242,694	0.0
All Other	3,623	1,800,000	0	0	1,803,623	0.0
Total Changes Requested for K-12 Education	**$1,193,042**	**($98,983,947)**	**$79,903**	**$581,411**	**($97,129,591)**	6.2
Department of Health Care Policy and Financing						
Base Budget Issues	$75,274,445	($60,231,014)	($3,353,740)	($4,574,013)	$7,115,678	0.5
Common Policy	135,466	(91,440)	71,450	(122,688)	(7,212)	0.0
Medicaid Premiums Caseload and Cost Forecast	129,303,556	36,238,486	303,982	164,960,231	330,806,255	0.0
Medicaid Mental Health Caseload and Cost Forecast	21,388,240	(3,087,673)	(13,544)	18,327,285	36,614,308	0.0
Medicare Modernization Act State Contribution Payment	5,518,142	0	0	0	5,518,142	0.0
Children's Basic Health Plan Forecast	0	(862,887)	0	(2,571,569)	(3,434,456)	0.0
Medicaid Budget Reductions	(30,471,105)	15,496,446	0	(14,724,663)	(29,699,322)	0.0
Medicaid & CHP Cost-Sharing	(1,438,020)	91,841	0	(2,061,015)	(3,407,194)	0.0
Federally Mandated CHIPRA Quality	(15,036,785)	0	0	15,036,785	0	0.0
All Other (including DHS impacts)	887,666	(27,989)	1,392	1,827,866	2,688,935	1.8
Total Changes Requested for HCPF	**$185,561,605**	**($12,474,230)**	**($2,990,460)**	**$176,098,219**	**$346,195,134**	**2.3**
Department of Higher Education						
Base Budget Issues	$41,484	($1,032,752)	$11,020,202	$25,460	$10,054,394	0.0
Common Policy	0	156,432	47,005	76,692	280,129	0.0
Operational funding reduction to HED	(29,104,400)	0	(28,485,035)	0	(57,589,435)	0.0
Reduction to need-based grants	(24,620,447)	0	0	0	(24,620,447)	0.0
Reduction to work-study program	(5,482,078)	0	0	0	(5,482,078)	0.0
Other budget balancing issues in HED	(1,105,654)	0	0	0	(1,105,654)	0.0
CDE Categorical Required Increase	0	0	562,100	0	562,100	0.0
All Other Requested Changes	0	1,088,482	0	0	1,088,482	3.5
Total Changes Requested for Higher Education	**($60,271,095)**	**$212,162**	**($16,855,728)**	**$102,152**	**($76,812,509)**	**3.5**
Department of Human Services						
Base Budget Issues	$15,877,614	$3,095,917	$3,795,298	($12,927,140)	$9,841,689	(1.7)
Common Policy	3,708,868	860,552	1,950,815	1,822,696	8,342,931	0.0
Child Care Assistance Program General Fund Refinance	(817,511)	0	0	817,511	0	0
Refinance Child Support Enforcement Programs	(365,260)	0	0	0	(365,260)	0
Developmental Disability Waiver Slots	0	0	4,877,540	0	4,877,540	0
TANF Long-Term Reserve Solvency	0	(889,547)	0	(5,392,975)	(6,282,522)	(1.0)
All Other Requested Changes (including HCPF impacts)	395,682	638,896	591,122	411,351	2,037,051	0.2
Total Changes Requsted for Human Services	**$18,799,393**	**$3,705,818**	**$11,214,775**	**($15,268,557)**	**$18,451,429**	**(2.5)**
All Other Departments						
Base Budget Issues	$33,979,373	($6,108,661)	$8,687,076	$9,696,122	$46,253,910	12.0
Common Policy	9,523,168	5,506,513	329,904	1,894,708	17,254,293	0.0
Budget Balancing Issues	(27,666,627)	25,550,452	313	0	(2,115,862)	(2.0)
Mandatory Funding and Caseload Issues	0	0	0	0	0	0.0
All Other Requested Changes	6,572,418	14,182,065	2,387,223	(255,960)	22,885,746	50.8
Total All Other Department Changes	**$22,408,332**	**$39,130,369**	**$11,404,516**	**$11,334,870**	**$84,278,087**	**60.8**
Total Statewide Operating Budget Request						
Base Budget Issues	$118,667,653	($64,044,071)	$20,337,512	($7,746,759)	$67,214,335	(73.7)
Common Policy	24,350,479	6,860,295	2,422,619	4,220,007	37,853,400	0.0
Budget Balancing Issues	(121,071,102)	41,138,739	(28,484,722)	(15,968,167)	(124,385,252)	(2.0)
Mandatory Funding and Caseload Issues	174,509,125	(69,290,646)	852,538	180,715,947	286,786,964	(11.2)
All Other Requested Changes	(5,541,814)	18,280,526	7,857,277	11,627,067	32,223,056	114.7
Total Statewide Changes	**$190,914,341**	**($67,055,157)**	**$2,985,224**	**$172,848,095**	**$299,692,503**	**27.8**
Outside the Operating Request (change amount only)						
GF Transfers to Capital Construction	14,525,177	0	0	0	14,525,177	0.0
Governor's Initiative - Senior Property Tax Relief	9,500,000	0	0	0	9,500,000	0.0
Governor's Initiative - Educator Effectiveness (S.B. 10-191)	7,700,000	0	0	0	7,700,000	0.0
General Fund Forecasted expenditures outside operating budgets (i.e. OAP, cigarette rebates, interest on school loans, etc.)	3,848,206	0	0	0	3,848,206	0.0
Statewide Adjustment - Eliminate Biweekly Paydate Shift	1,618,572	4,363,261	538,347	1,879,655	8,399,835	0.0
Department of Education - Factor Funding /1	0	0	0	0	0	0.0
Placeholder for January Budget Amendments	(1,025,955)	0	0	0	(1,025,955)	0.0
Total Outside the Operating Request	**$36,166,000**	**$4,363,261**	**$538,347**	**$1,879,655**	**$42,947,263**	**0.0**

/1 The request does not recommend any increase for K-12 factors. This results in a reduction to the K-12 formula funding $350.40 million as noted on page 1 under major budget balancing issues. The K-12 total program reduction, including local share, is estimated at $89.0 million.

TOTAL FY 2012-13 Funding Request Change from the current FY 2011-12 Appropriation	**$227,080,341**	**($62,691,896)**	**$3,523,571**	**$174,727,750**	**$342,639,766**	**27.8**