



COLORADO FISCAL POLICY INSTITUTE

Justice and Economic Security for *all* Coloradans

Long Bill Update April 2008

Budget Process

- HB08-1320 – Eliminate Cash Fund Exempt Designation. The bill eliminated the term “cash fund exempt” and replaced it with “reappropriated funds” in the Long Bill. The intent was to better track funds transferred from one department to another. Non-transferred funds under the old “cash fund exempt” label will be referred to as “cash funds.” The new nomenclature has been applied in the recently introduced Long Bill.
- HB08-1321 – Long Bill Headnote Definitions. In response to the Governor’s veto of certain headnotes and the subsequent override of the veto by the General Assembly, the two branches agreed to resolve this issue through legislation. The terms of the legislation are based on *Colorado General Assembly v. Owens*, 136 P.3d (Colo. 2006). The legislation defines certain headnotes in statute and defines the use of footnotes. Footnotes are restricted to legislative intent and cannot contain any provision of substantive law or require any administrative action be taken in connection with any appropriation. In addition, the General Assembly will request information through separate letters to the departments instead of through footnotes as it had in the past.

Revenue Situation

Since last December, with a slowing economy and expected reduction in state income receipts, Legislative Council decreased its five-year forecasts in March. The overall decrease in forecast-period revenues is around 1.3%, with a decrease in \$486.7 million in General Revenue and \$207.1 million in Cash Fund Revenue for the forecast period. In the short term, General Fund revenue will decrease by \$169.6 million for FY 2007-08 and \$148.6 million for FY 2008-09.

The implications of these reduced General Fund estimates are most acute in transportation and capital construction. For transportation, the SB-1 transfer for FY 2008-09 was reduced by \$77.7 million and the HB-1310 transfer declined to \$0. For capital construction funding through HB-1310, the amount also declined to \$0. Capital Construction transfer rose from \$7.6 million to \$22.4 million for FY 200809. An

additional \$45 million, however, was appropriated to the Capital Construction Fund for FY 2007-08 through HB08-1376.

General Overview

The Colorado House of Representatives passed the Long Bill, which authorizes a budget \$17.6 billion for state operations for Fiscal Year 2008-09, a 6.7 percent increase from the current year, FY 07-08. The budget proposal includes an 8.6 percent increase (\$64.6 million) for higher education, a 5 percent increase (\$152 million) for K-12 education, and a 4.7 percent increase (\$68.1 million) for state health care programs. Corrections is slated for an 8.3 percent increase (\$51.7 million). If the bill is passed and signed into law, the state will add 1,334 full-time employees to the ranks, most of which would be in corrections (268), higher education (524), and the courts (221).

Among the highlights:

- The provision of health-care coverage for an additional 50,000 low-income children.
- A \$30 million boost in support services for Coloradans with developmental disabilities.
- \$10 million in need-based aid and \$53 million to expand the College Opportunity Fund to more than 30,000 Coloradans was included in the budget.
- 22,000 more 5-year-olds can attend full-day kindergarten.
- A \$2 million incentive program in the Governor's Energy Office to help consumers afford photovoltaic and solar thermal systems.

Amendments

- Senate Amendment 12:
The Senate amendment reinstated the original funding and FTE recommendations cut by House Amendment 23 to the Health Disparities Program in the Department of Public Health.
- Senate Amendment 35:
Senate Amendment 35 reinstated the original funds cut by House Amendment 41 to the Department of Human Services' Alcohol and Drug Division, Community Programs, Treatment and Services, Treatment and Detoxification. House Amendment 41 had transferred the money to the Judicial Department's Trial Courts, Trial Court Programs line item for the purpose of family and youth drug courts in rural areas.
- Senate Amendment 8:
Rejected the original Senate Amendment 8, which sought to increase state funding for the federal school lunch program by \$850,000 from the General Fund. Modified the amendment to make a direct appropriation from the State Education Fund to finance school lunches rather than from the General Fund through a refinance of the State Education Fund.
- Senate Amendment Bill 31

Modified a footnote to change the requirement that a majority vote of an entire student body approve a tuition premium or fee increase for faculty retention or compensation, or facility construction, to a requirement that only a majority of those students voting approve the increase.

- Senate Amendment 49(Footnote):
Added footnote 52a to specify the intent of the General Assembly that the Pollution Prevention Advisory Board prioritize the reduction of waste tire stockpiles in making Recycling Resources Economic Opportunity Program grants.
- Senate Amendment 50(Footnote):
Added footnote 52b to specify the intent of the General Assembly that the Pollution Prevention Advisory Board prioritize the reduction of waste tire stockpiles in awarding Advanced Technology Research Grants.
- Senate Amendment 65(Footnote):
Added a footnote expressing the intent of the General Assembly that the Department of Local Affairs consider making a grant from federal mineral lease revenues to the Community Colleges for faculty and the development of community college-level curricula on alternative, renewable, and existing energies.
- 3rd Reading Amendment L.013(Footnote):
Added a footnote expressing legislative intent that State funding shall not be allocated to local governments that have not enforced the provisions of House Bill 06S-1023.