

JOINT BUDGET COMMITTEE

STAFF BUDGET BRIEFING SUMMARY



FY 2023-24

STATE OF COLORADO

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MEMORANDUM

TO: Members of the General Assembly

FROM: Joint Budget Committee

SUBJECT: FY 2023-24 Budget Briefing Summary

DATE: January 9, 2023

For the past two months, Joint Budget Committee (JBC) staff have been briefing the JBC on each executive and judicial department's budget request for FY 2023-24. The staff briefing is a written and oral presentation aimed at stimulating discussion about each department's operations and budget, issues of efficiency and effectiveness, and the budget-related policy issues. During the briefing, JBC members identify issues they want to discuss during a formal hearing with each department's executive director. This hearing allows the department to discuss its budget and policy priorities with the Committee. We thank all of you who joined us for these staff briefings and department hearings.

This report summarizes departments' operating budget requests for FY 2023-24, as well as the Governor's requests for capital projects. Individual sections for each department provide:

- an overview of the department's responsibilities;
- the department's FY 2023-24 operating budget request compared to FY 2022-23 appropriations, including a brief description of each requested incremental funding change; and
- a summary of issue briefs presented by JBC staff.

For more detailed information, you can access individual staff briefing documents online: <http://leg.colorado.gov/content/budget>

We have also included a JBC staff assignment list at the end of this report. JBC staff are available to help you with any questions you might have about department budgets and operations. We hope this budget briefing summary will help you become familiar with the FY 2023-24 budget requests and major issues that impact the State budget. We look forward to working with you over the next few months to craft the State budget for FY 2023-24.

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OVERVIEW OF FY 2023-24 BUDGET REQUESTS

SUBMISSION OF BUDGET REQUESTS

On November 1, 2022, the Governor submitted his FY 2023-24 budget request. The Governor’s annual request is a comprehensive plan that is comprised of several elements:

- Amounts requested by Executive Branch agencies for ongoing operations, to be appropriated through the annual general appropriation act (the “Long Bill”);
- Placeholders for amounts that will be appropriated for ongoing operations of the Legislative Branch, the Judicial Branch, and those Executive Branch agencies that operate under another elected official (i.e., the Departments of Law, State, and Treasury);
- Amounts the Governor is requesting to fund state facilities and infrastructure;
- Amounts that will be distributed or transferred pursuant to existing constitutional or statutory requirements; and
- Placeholders for amounts that the Governor is proposing be appropriated or transferred through separate legislation.

The Governor’s budget request is predicated on the September 2022 revenue forecast prepared by the Office of State Planning and Budgeting (OSPB).

Each of the Judicial Branch agencies, the Attorney General, the Secretary of State, and the State Treasurer all submit their own budget requests for the ongoing operations of their respective agencies. These requests are not reviewed by OSPB, and they typically differ from the placeholder amounts that are included in the Governor’s budget request.

DEPARTMENT REQUESTS FOR ONGOING OPERATIONS

BASELINE: EXISTING FY 2022-23 OPERATING APPROPRIATIONS

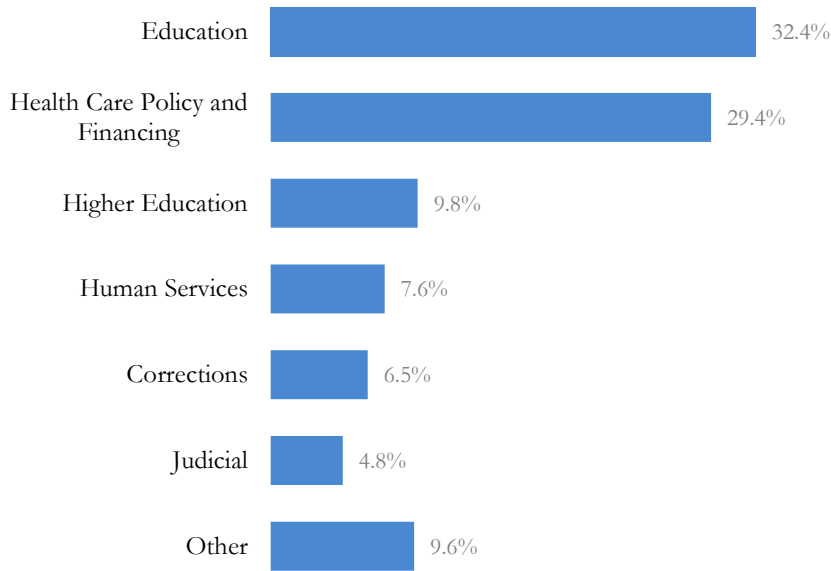
The existing FY 2022-23 budget that supports state government operations includes *General Fund* appropriations totaling \$13.9 billion. This represents an increase of \$1.7 billion (13.5 percent) from the \$12.2 billion adjusted appropriation for FY 2021-22. *Total appropriations* (from all fund sources) increased by \$2.4 billion (6.6 percent) from \$36.9 billion in FY 2021-22 to \$39.3 billion in FY 2022-23.

As illustrated in the first graphic on the next page, over **90 percent of General Fund appropriations are concentrated in six of the 23 departments.**

When all fund sources that are reflected in the State budget are included, the distribution changes due to other sources of state funding and federal funding available to some departments. The second graphic on the next page illustrates the distribution of *total funds* appropriations.

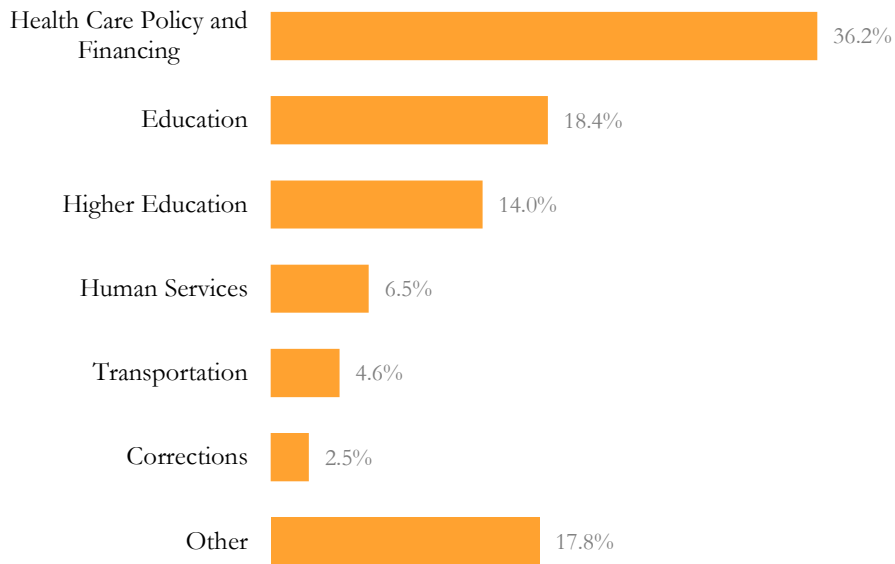
- The two departments with the largest share of appropriations change places due to the significant amount of federal funds that support the Medicaid program, which is administered by the Department of Health Care Policy and Financing (HCPF). Thus, HCPF is ranked first in total appropriations. However, please note that local tax revenues provide significant support for public schools, and these funds are not reflected in the State budget. For example, the FY 2022-23 appropriation for the State Share of Districts’ Total Program Funding was predicated on \$3.4 billion in local tax revenues being available for public school operations.
- The Department of Transportation ranks fifth in total appropriations, and the Judicial Branch ranks eighth.

Distribution of **General Fund** by Department



Based on the FY 2022-23 appropriation.

Distribution of **Total Funds** by Department



Based on the FY 2022-23 appropriation.

From a legislative process perspective, most of the annual funding for state government operations is appropriated through the annual Long Bill (e.g., H.B. 22-1329) and the annual appropriation bill for the Legislative Branch (e.g., H.B. 22-1286). These two bills provide funding for the ongoing operations of all departments based on current law. The remaining appropriations are included in separate bills that also make statutory changes. In most years, these other bills add a relatively small amount of funding to the budget (e.g., appropriations in other bills comprised 3.8 percent of total appropriations for FY 2022-23).

MID-YEAR CHANGES TO FY 2022-23 OPERATING APPROPRIATIONS

The Governor’s budget request reflects a \$201.7 million decrease in General Fund appropriations for the current fiscal year that began July 1, 2022. This is comprised of two types of mid-year adjustments:

- An increase of \$6.3 million General Fund for the interim operating requests that were approved by the Joint Budget Committee in 2022.
- A decrease of \$208.0 million General Fund for anticipated supplemental operating requests. This includes a \$228.7 million decrease in General Fund appropriations to the Department of Health Care Policy and Financing (HCPF) based on the most recent projections of Medicaid program expenses. The remaining \$14.3 million is to cover potential requests from other departments to increase existing General Fund appropriations.

REQUESTS FOR FY 2023-24 FOR ONGOING OPERATIONS

Table 1 summarizes the current operating budget for FY 2022-23, and the incremental changes requested by each department for FY 2023-24. The table is sorted by the General Fund changes requested by each agency, with those agencies requesting the largest dollar increases listed first.

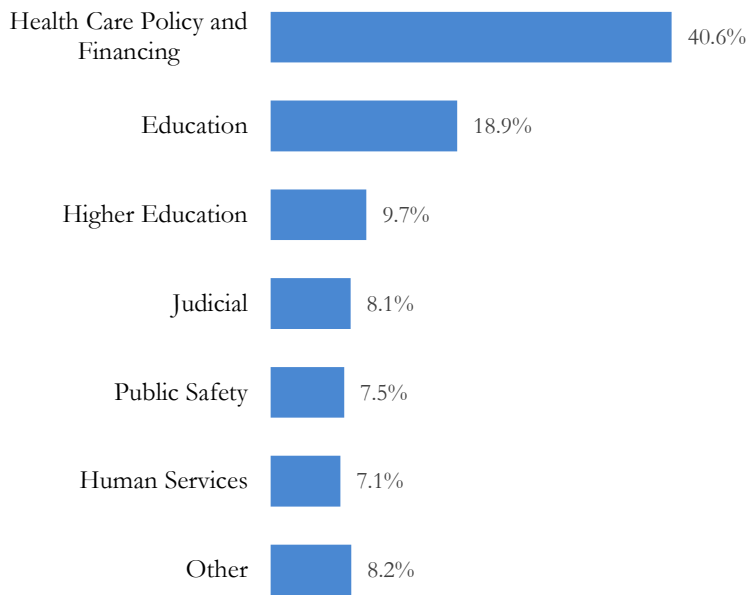
TABLE 1 REQUESTED CHANGES IN APPROPRIATIONS FOR FY 2023-24, BY DEPARTMENT AND FUND SOURCE SORTED BY INCREMENTAL GENERAL FUND CHANGE						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2022-23 APPROPRIATION:						
TOTAL	\$39,277,720,177	\$13,903,373,049	\$11,099,719,208	\$2,468,964,872	\$11,805,663,048	63,257.3
FY 2023-24 REQUESTED APPROPRIATION:						
FY 2022-23 Appropriation	\$39,277,720,177	\$13,903,373,049	\$11,099,719,208	\$2,468,964,872	\$11,805,663,048	63,257.3
Health Care Policy and Financing	673,106,415	345,995,107	(105,204,195)	10,300,903	422,014,600	11.1
Education	525,506,106	160,910,768	356,683,012	6,518,451	1,393,875	1.2
Higher Education	158,815,293	82,615,241	8,339,479	67,158,382	702,191	(1.4)
Judicial	79,627,610	68,972,756	10,697,373	(42,519)	0	120.0
Public Safety	107,402,760	63,525,870	10,702,946	32,557,267	616,677	226.6
Human Services	(231,041,544)	60,237,278	(303,060,867)	1,023,670	10,758,375	99.3
Corrections	52,753,468	55,319,293	(3,335,920)	455,722	314,373	7.5
Personnel	47,639,477	34,841,110	6,095,636	6,702,731	0	105.3
Early Childhood	248,446,166	16,463,556	275,095,023	5,311,872	(48,424,285)	10.4
State	15,884,195	11,602,276	4,404,844	(122,925)	0	14.1
Treasury	(165,178,797)	9,985,450	(157,516,688)	(17,647,559)	0	4.0
Military and Veterans Affairs	5,955,650	5,674,793	38,603	(14,748)	257,002	3.6
Local Affairs	(63,617,647)	3,695,318	(102,328,681)	(7,041,258)	42,056,974	16.4
Natural Resources	(103,214,062)	3,538,083	(47,392,556)	(59,675,760)	316,171	92.8
Legislature	3,336,982	3,336,982	0	0	0	0.0
Law	9,837,504	3,069,295	1,426,867	4,790,376	550,966	23.1
Agriculture	2,466,099	1,207,284	1,206,105	16,101	36,609	4.4

TABLE 1
REQUESTED CHANGES IN APPROPRIATIONS FOR FY 2023-24, BY DEPARTMENT AND FUND SOURCE
SORTED BY INCREMENTAL GENERAL FUND CHANGE

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Regulatory Agencies	5,025,187	260,792	4,488,585	107,884	167,926	12.9
Transportation	(4,300,087)	0	(761,701)	0	(3,538,386)	0.0
Revenue	17,063,684	(1,315,936)	18,981,414	(875,739)	273,945	10.9
Labor and Employment	67,069,091	(1,473,486)	43,373,993	3,840,156	21,328,428	357.1
Governor	9,018,459	(10,625,407)	55,776	18,724,257	863,833	19.9
Public Health and Environment	(54,704,442)	(66,054,038)	(37,686,902)	(17,231,891)	66,268,389	114.0
TOTAL	\$40,684,617,743	\$14,755,155,434	\$11,084,021,354	\$2,523,820,245	\$12,321,620,711	64,510.5
INCREASE/(DECREASE)	\$1,406,897,566	\$851,782,385	(\$15,697,854)	\$54,855,373	\$515,957,663	1,253.3
Percentage Change	3.6%	6.1%	-0.1%	2.2%	4.4%	2.0%

Overall, the total appropriations requested from all fund sources for FY 2023-24 represent an increase of \$1.4 billion (3.6 percent) compared to FY 2022-23 appropriations. This change includes increases of \$851.8 million General Fund (6.1 percent), \$516.0 million federal funds, and \$54.9 million reappropriated funds. These increases are offset by a \$15.7 million decrease in cash funds. The following graphic illustrates that **more than 90 percent of the requested General Fund increases are concentrated in six departments.**

Distribution of Requested **General Fund** Increase



Based on November 1 budget requests for FY 2023-24.

In most years, each department's requested increase in General Fund appropriations is proportionate to its current share of General Fund appropriations. **For FY 2023-24, the requests from HCPF, Judicial Branch agencies, and the Department of Public Safety are significantly larger than their current shares of General Fund appropriations. The Department of Education's request for General Fund appropriations is proportionately smaller than its current share of General Fund appropriations.**

- *Health Care Policy and Financing (HCPF):* About half of HCPF's requested \$346.0 million General Fund increase is based on HCPF's projections of the number of individuals eligible for Medicaid throughout FY 2023-24, the utilization and cost of medical services provided to eligible individuals, and the State's share of funding for these services. A total of \$177.9 million General Fund is requested through HCPF's first five prioritized requests (R1 through R5) for this purpose. Another 40 percent of HCPF's requested increase (\$142.3 million) concerns provider rate increases that were approved last session, and increases that are proposed for FY 2023-24.
- *Judicial Branch:* Judicial agencies are requesting a relatively large increase of \$69.0 million (10.3 percent) in General Fund appropriations for FY 2023-24. Across all Judicial Branch agencies, approximately two-thirds of the requested General Fund increases relate to employee salary increases and rate increases for contractors (attorneys and other professionals).
- *Department of Public Safety:* The Department is requesting a relatively large increase of \$63.5 million (26.3 percent) in General Fund appropriations for FY 2023-24. The most significant prioritized General Fund requests include the following:
 - \$11.3 million for fire aviation resources, including staffing and operational funding for a second Firehawk helicopter, additional contract aviation resources, additional staff resources, and increased salaries (R-03);
 - \$9.0 million for the Law Enforcement Workforce Recruitment, Retention and Tuition Grant Program and the Multidisciplinary Crime Prevention and Crisis Intervention Grants Program, which were established through S.B. 22-145 (R-05);
 - \$7.9 million to combat auto theft by augmenting the capacity of the Colorado Auto Theft Prevention Authority and the existing multi-jurisdictional task forces (R-01);
 - \$6.0 million for the School Security Disbursement Program (R-04); and
 - \$4.7 million to expand training for local fire districts (R12).
- *Department of Education:* The Department is requesting a \$525.5 million increase in total appropriations for FY 2023-24, but only \$160.9 million of this increase is requested from the General Fund. This is primarily due to the requested for the state share of funding for public schools (R-01). The Department is requesting an increase of \$473.5 million, including \$150.0 million from the General Fund and \$323.5 million from two cash funds. This short-term financing proposal spends down some of the General Fund that the General Assembly transferred to the State Education Fund and the State Public School Fund. Once these transfers are spent down, the General Fund appropriation will need to increase to sustain the proposed level of state funding for public schools.

Finally, all department requests reflect two statewide common policies proposed by the Governor for FY 2023-24:

- The Governor is proposing a 5.0 percent across-the-board salary increase for state employees, plus additional funding to ensure that all employees are paid a minimum of \$15.75 per hour or the minimum salary based on the adjusted salary range for their position.
- The Governor is proposing a 3.0 percent across-the-board increase in community provider rates. In some instances, departments are requesting additional funding to make targeted increases in salaries for certain groups of employees or for certain types of service providers.

PROPOSALS AND REQUESTS THAT REQUIRE STATUTORY CHANGES

The State Constitution requires that the annual general appropriation bill (called the “Long Bill”) include only appropriations for agency expenses that are authorized under current law¹. Most of the funding requested by departments for FY 2023-24 is for purposes authorized under current law, and, if approved, will be included in the 2023 Long Bill that is sponsored by the JBC. **When a proposal within the budget request is contingent on a statutory change, the Governor typically includes a “placeholder” to set aside funding for that purpose.** The required funds would then be appropriated or transferred through separate legislation that includes the necessary statutory changes. The JBC is often asked to consider sponsoring some of these bills.

In addition, the Governor may include placeholders to set aside funding for future requests for mid-year budget adjustments or amendments to the November 1 budget request.

Table 2 summarizes all of the Governor’s General Fund placeholders. These placeholders would reduce appropriations for FY 2022-23 by \$208.0 million, and increase appropriations for FY 2023-24 by \$128.0 million. These placeholders would increase transfers out of the General Fund in FY 2023-24 by \$446.7 million. None of the proposed transfers are intended to continue into FY 2024-25. The Governor’s budget proposal also includes a placeholder of \$100.0 million to account for potential increases in projections of cash fund revenues collected in FY 2023-24, which would increase the General Fund obligation for taxpayer refunds.

DESCRIPTION	FY 2022-23	FY 2023-24
<i>Appropriations:</i>		
Supplemental requests and budget amendments (includes refinance of certain operating appropriations with appropriations from the Revenue Loss Restoration Fund (will be requested through budget amendments)	(\$208,044,719)	\$113,000,000
Separate legislation requiring a General Fund appropriation	0	15,000,000
Subtotal: Appropriations	(\$208,044,719)	\$128,000,000
<i>TABOR Refund:</i>		
Potential adjustments to TABOR Surplus based on changes in cash fund revenue estimates	\$0	\$100,000,000
Subtotal: TABOR Refund	\$0	\$100,000,000
<i>Transfers:</i>		
Transportation	\$0	\$0
Capital Construction and Information Technology Projects	0	282,695,304
Other	0	164,000,000
Subtotal: Transfers	\$0	\$446,695,304
TOTAL	(\$208,044,719)	\$674,695,304

Table 3 provides a detailed list of the items within the Governor’s budget proposal that would require separate legislation. The top portion of the table identifies items that relate to appropriations, and the bottom portion includes items that involve transfers between funds. If a proposal was submitted as part of a department’s prioritized operating budget requests, the priority number and title of that request is noted in the “description” column.

¹Article V, Section 32 of the State Constitution specifies the general appropriation bill “shall embrace nothing but appropriations for the expense of the executive, legislative and judicial departments of the state, state institutions...and for public schools. All other appropriations shall be made by separate bills, each embracing but one subject.”

TABLE 3
GOVERNOR'S FY 2023-24 DECISION ITEMS AND PROPOSALS THAT REQUIRE STATUTORY CHANGES

DEPARTMENT	DESCRIPTION	TOTAL FUNDS	GENERAL FUND	OTHER FUNDS
Appropriation Changes:				
Early Childhood	R-03: Universal Preschool Provider Bonuses	\$5,000,000	\$5,000,000	\$0
Early Childhood	R-08: Records and Reports Cash Fund Solution	(271,135)	0	(271,135)
Education	R-01: State Share of District Total Program Increase (portion of request that reduces budget stabilization factor from 3.7 percent to 3.0 percent)	35,000,000	0	35,000,000
Education	R-02: Categorical Programs Inflation Increase (portion of request concerning special education programs)	29,020,152	0	29,020,152
Governor	OEDIT R-01: Reauthorize Advanced Industries Accelerator Grant	0	0	0
Health Care Policy and Financing	R-07: Provider Rate Adjustments (portion of request related to copay changes and nursing facility rates)	45,892,214	20,906,282	24,985,932
Human Services	DHS R02: Preventing Youth Homelessness (portion of request related to creation of a new housing voucher for foster youth)	1,086,800	1,086,800	0
Human Services	DHS R-13: Sustaining ReHire Colorado	102,904	102,904	0
Human Services	Behavioral Health Administration R-05: Technical Adjustments (Care Navigation Program and 988 National Suicide Prevention Lifeline)	0	0	0
Judicial	Courts and Probation R-04: Judicial Security Office and Security Grant Funding Reinstatement	1,094,776	1,094,776	0
Labor and Employment	R-01: Employment Support Fund	0	0	0
Labor and Employment	R-03: Wage Theft Enforcement Workers Payments	201,252	0	201,252
Labor and Employment	R-04: Business Enterprise Program for People Who Are Blind (request for continuous appropriation)	0	0	0
Military and Veterans Affairs	R-01: Cash Fund Restoration (this request to reverse a previous transfer to the General Fund was requested as an appropriation, but should be done through a statutory transfer)	4,908,395	4,908,395	0
Military and Veterans Affairs	R-04: Technical Funding Adjustment (Veterans Trust Fund and Real Estate Proceeds Cash Fund)	0	0	0
Natural Resources	R-04: Continue Wildfire Mitigation and Workforce Grants	5,000,000	0	5,000,000
Personnel	R-01: Center for Organizational Effectiveness Common Policy	0	(467,374)	467,374
Public Health and Environment	R-02: Water Infrastructure State Revolving Fund Match (expand eligible uses of Small Communities Water and Wastewater Grant Fund)	0	0	0
Public Safety	R-02: Create Office of School Safety	2,093,313	2,093,313	0
Public Safety	R-03: Fire Aviation Resources (portion of request for operating expenses related to the finance purchase of a Firehawk)	2,830,000	2,830,000	0
Public Safety	R-10: Resources for Fire Investigation and Data	3,243,155	3,243,155	0
Subtotal: Appropriations		\$135,201,826	\$40,798,251	\$94,403,575
Transfers Out:				
Governor	OSPB R-01: Infrastructure Investment and Jobs Act Cash Fund	91,000,000	91,000,000	0
n/a	Transfer \$50.0 million General Fund to the State Emergency Reserve Cash Fund	0	50,000,000	0
State	Transfer to the Secretary of State Cash Fund to reduce business filing fees	9,000,000	9,000,000	0
Natural Resources	R-03: Wildfire Mitigation Investment Package	0	9,000,000	(9,000,000)
Natural Resources	R-07: Support for Winter Recreation and Avalanche Safety	1,108,178	0	1,108,178
Natural Resources	R-17: Water Plan Grant Program Legislative Placeholder	5,000,000	5,000,000	0
Revenue	R-06: Marijuana Enforcement Division Cash Fund Solvency (\$2.1 million transfer from Marijuana Tax Cash Fund to Marijuana Cash Fund)	2,100,000	0	2,100,000

TABLE 3
GOVERNOR'S FY 2023-24 DECISION ITEMS AND PROPOSALS THAT REQUIRE STATUTORY CHANGES

DEPARTMENT	DESCRIPTION	TOTAL FUNDS	GENERAL FUND	OTHER FUNDS
Education	Partially delay statutory transfers from Marijuana Tax Cash Fund to the Public School Capital Construction Assistance Fund for the Building Excellent Schools Today (BEST) Program (shift of \$10.0 million from FY 2022-23 to following two fiscal years)	0	0	0
Subtotal: Transfers Out		\$108,208,178	\$164,000,000	(\$5,791,822)
TOTAL		\$243,410,004	\$204,798,251	\$88,611,753

Finally, Table 4 provides details related to the Governor's proposed transfers for infrastructure investments.

TABLE 4
GOVERNOR'S PROPOSED FY 2023-24 GENERAL FUND TRANSFERS FOR INFRASTRUCTURE

DEPARTMENT	DESCRIPTION	GENERAL FUND
<i>Capital Construction:</i>		
Controlled Maintenance	Levels I and II	\$129,408,559
Various	Capital Construction Projects (14)	92,853,717
Public Safety	Finance Purchase of Firehawk (requires legislation)	2,000,000
Higher Education	COP - Fort Lewis College, Colorado State University, University of Colorado	1,926,018
Higher Education	COP - Colorado State University for National Western Campus	17,499,348
Higher Education	Adjustment to avoid double-counting COP payment (reflected in OSPB forecast as part of infrastructure transfers)	<u>(17,499,348)</u>
Adjusted Subtotal: Capital Construction		\$226,188,294
Various	Subtotal: Capital Information Technology Projects (4)	\$56,507,010
TOTAL		\$282,695,304

SUMMARY

Based on the budget requests submitted November 1, 2022, the General Assembly will be considering proposed changes in General Fund appropriations or transfers totaling \$1.2 billion during the 2023 legislative session. Table 5 summarizes these changes based on the nature of the request. The next section of this document provides more detail concerning the \$851.8 million in requested appropriation changes for FY 2023-24.

TABLE 5
SUMMARY OF REQUESTED GENERAL FUND CHANGES REFLECTED IN THE BUDGET REQUESTS SUBMITTED BY THE GOVERNOR, INDEPENDENT ELECTED OFFICIALS, AND JUDICIAL BRANCH AGENCIES¹

FY 2022-23: Proposed Mid-year Changes	
Interim Supplemental Operating Requests Approved by the Joint Budget Committee	\$6,347,178
Governor's Planned FY 2021-22 Supplemental Operating Requests	(208,044,719)
Subtotal	(\$201,697,541)
FY 2023-24: Incremental Changes Requested	
Requested Changes in Appropriations for FY 2023-24 (Table 1)	\$851,782,385
Governor's Placeholder for Potential Amendments to FY 2023-24 Operating Requests (Table 2)	113,000,000
Governor's Placeholder for Other Bills That Require a General Fund Appropriation (Table 2)	15,000,000
Governor's Placeholders for Legislative Proposals That Transfer Money Out of the General Fund in FY 2023-24 (Table 3)	164,000,000
Governor's Requests for FY 2023-24 for Capital Projects (Table 4)	282,695,304
Subtotal	\$1,426,477,689
TOTAL	\$1,224,780,148

1/ This table excludes General Fund changes that are required under current law, including rebates and expenditures and transfers.

Department of Agriculture

The Department of Agriculture regulates, promotes and supports various agricultural activities throughout Colorado. Department personnel perform a wide range of services including: regulatory and inspection services relating to agriculture; investigations and hearings; standardizing, grading, inspecting, labeling, handling, storage, and marketing of agricultural products; and agriculture-related policy analysis. Recently, the Department has taken on several new program areas including community food access, agricultural labor, soil health, drought and climate resilience, and lending. The Department’s FY 2022-23 appropriation represents approximately 0.2 percent of statewide operating appropriations and 0.1 percent of statewide General Fund appropriations.

FY 2022-23 APPROPRIATION AND FY 2023-24 REQUEST

DEPARTMENT OF AGRICULTURE						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROP. FUNDS	FEDERAL FUNDS	FTE
FY 2022-23 APPROPRIATION:						
HB 22-1329 (Long Bill)	\$63,207,573	\$14,449,738	\$42,187,409	\$2,623,496	\$3,946,930	306.7
Other Legislation	8,284,766	313,133	7,971,633	0	0	4.0
TOTAL	\$71,492,339	\$14,762,871	\$50,159,042	\$2,623,496	\$3,946,930	310.7
FY 2023-24 REQUESTED APPROPRIATION:						
FY 2022-23 Appropriation	\$71,492,339	14,762,871	\$50,159,042	\$2,623,496	\$3,946,930	310.7
R1 Climate drought-smart agriculture marketing specialist	245,831	245,831	0	0	0	0.9
R2 Commissioners office support	156,848	156,848	0	0	0	0.9
R3 Fruit and vegetable fund adjustments	10,000	10,000	0	0	0	0.0
R4 Insectary lab technician	71,023	0	71,023	0	0	1.0
R5 Inspection and consumer services funds adjustments	0	(300,000)	300,000	0	0	0.0
R6 Animal health and welfare	238,505	238,505	0	0	0	0.9
Non-prioritized decision items	899,350	231,456	667,801	195	(102)	0.0
Indirect cost assessment	213,036	0	162,137	14,188	36,711	0.0
Centrally appropriated line items	793,129	822,555	(29,426)	0	0	0.1
Annualize prior year budget actions	(38,217)	(74,505)	34,570	1,718	0	0.4
Annualize prior year legislation	(123,406)	(123,406)	0	0	0	0.2
TOTAL	\$73,958,438	\$15,970,155	\$51,365,147	\$2,639,597	\$3,983,539	315.1
INCREASE/(DECREASE)	\$2,466,099	\$1,207,284	\$1,206,105	\$16,101	\$36,609	4.4
Percentage Change	3.4%	8.2%	2.4%	0.6%	0.9%	1.4%

R1 CLIMATE DROUGHT-SMART AGRICULTURE MARKETING SPECIALIST: The request includes an increase of \$245,831 General Fund and 0.9 FTE to hire a Marketing and Communications Specialist to create and amplify market opportunities for Colorado producers who grow climate and drought-smart commodities. The request annualizes to \$248,677 General Fund and 1.0 FTE in FY 2024-25 and beyond. The Department identified this request as evidence-informed.

R2 COMMISSIONER’S OFFICE SUPPORT: The request includes an increase of \$156,849 General Fund and 0.9 FTE in FY 2023-24 to fund the newly created Deputy Commissioner of Operations position in the Commissioner’s office. The request annualizes to \$162,787 General Fund and 1.0 FTE in FY 2024-25 and beyond. The Deputy Commissioner’s responsibilities include providing oversight to the Department’s daily operations including the new programming areas of community food access, agricultural labor, soil health, drought and climate resilience, and lending.

R3 FRUIT AND VEGETABLE FUNDS ADJUSTMENTS: The request includes a \$10,000 General Fund increase in FY 2023-24 to the Fruit and Vegetable Program. The request annualizes to \$10,000 General Fund in FY 2024-25 and beyond. The increase in funding would restore the Fruit and Vegetable Program’s pre-pandemic total appropriation of \$200,000 General Fund and would allow the CDA’s Fruit and Vegetable Program inspectors to attend annual required refresher trainings provided by the United States Department of Agriculture. The Department identified this request as evidence-informed.

R4 INSECTARY LAB TECHNICIAN: The request includes \$71,023 in cash funds from the Plant Health, Pest Control, and Environmental Protection Cash Fund and 1.0 FTE for FY 2023-24 to hire a Lab Technician at the Palisade Insectary’s Request-a-Bug service to use natural techniques to mitigate invasive pests’ spread in the community and agriculture industry. The request annualizes to \$71,023 in cash funds from the Plant Health, Pest Control, and Environmental Protection Cash Fund and 1.0 FTE in FY 2024-25 and beyond. The Department identified this request as evidence-informed.

R5 INSPECTION AND CONSUMER SERVICES FUNDS ADJUSTMENT: The request includes an increase of \$300,000 in cash fund spending authority and a \$300,000 reduction in General Fund from the Inspection and Consumer Services Division (ICS). The Department believes this to be an appropriate realignment in spending authority due to a healthy cash fund balance and because the realignment will not result in increasing fees for the commercial scales, feed, and fertilizer programs. The request annualizes to the same \$300,000 shift in spending authority from General Fund to cash fund in FY 2024-25 and beyond.

R6 ANIMAL HEALTH AND WELFARE: The request includes an increase of \$238,505 in General Fund and 0.9 FTE to hire a full-time Western Slope Compliance Investigator, a social service and mental health contractor, and additional operational funding to the Bureau of Animal Protection (BAP). The request annualizes to \$239,045 General Fund and 1.0 FTE in FY 2024-25 and beyond. The Department identified this request as evidence-informed.

NON-PRIORITIZED DECISION ITEMS: The request includes an increase of \$899,350 total funds, including \$231,456 General Fund, for adjustments related to budget requests from the Department of Personnel for its legal allocations, COE common policy, transfer of performance budgeting to DPA, and an annual fleet vehicle request. *These request items will be addressed in separate staff briefings for the Department of Personnel and the Governor’s Office.*

NON-PRIORITIZED DECISION ITEMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROP. FUNDS	FEDERAL FUNDS	FTE
NP5 Legal allocations	\$771,710	\$145,776	\$625,934	\$0	\$0	0.0
NP4 OIT Budget request package	127,049	82,328	44,721	0	0	0.0
NP1 COE Common Policy	6,229	6,229	0	0	0	0.0
NP2 Transfer of performance budgeting to DPA	1,788	243	1,350	195	0	0.0
NP3 Annual fleet vehicle request	(7,426)	(3,120)	(4,204)	0	(102)	0.0
TOTAL	\$899,350	\$231,456	\$667,801	\$195	(\$102)	0.0

CENTRALLY APPROPRIATED LINE ITEMS: The request includes adjustments to centrally appropriated line items for the following line items.

CENTRALLY APPROPRIATED LINE ITEMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROP. FUNDS	FEDERAL FUNDS	FTE
Health, life, and dental	\$641,662	\$500,945	\$140,717	\$0	\$0	0.0
Salary survey	508,653	264,814	243,839	0	0	0.0
AED	88,271	110,231	(21,960)	0	0	0.0
SAED	88,271	110,231	(21,960)	0	0	0.0
Workers' compensation	22,650	4,027	18,623	0	0	0.0
DPS Digital trunk radio	20,222	13,144	7,078	0	0	0.0
ALJ services	4,928	0	4,928	0	0	0.0
Short-term disability	2,048	3,092	(1,044)	0	0	0.0
PERA direct distribution	(232,323)	31,526	(263,849)	0	0	0.0
Payments to OIT	(189,753)	(122,960)	(66,793)	0	0	0.0
Payment to risk management and property funds	(154,071)	(93,398)	(60,673)	0	0	0.0
CORE adjustment	(8,018)	(1,090)	(6,928)	0	0	0.0
Shift differential	(883)	521	(1,404)	0	0	0.0
TOTAL	\$791,657	\$821,083	(\$29,426)	0	0	0.0

ANNUALIZE PRIOR YEAR BUDGET ACTIONS: The FY 2023-24 request includes a net decrease of \$38,217 total funds for prior year budget actions, summarized in the following table.

ANNUALIZE PRIOR YEAR BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROP. FUNDS	FEDERAL FUNDS	FTE
FY 22-23 Salary survey	\$628,110	\$211,167	\$416,943	\$0	\$0	0.0
FY 22-23 R1 Agriculture emergency coordinator	3,190	(246)	1,718	1,718	0	0.1
FY 22-23 R6 Improve agricultural pest response	909	0	909	0	0	0.1
FY 22-23 R5 San Luis Valley well monitoring	(385,000)	0	(385,000)	0	0	0.0
FY 22-23 Rural mental health programs	(200,000)	(200,000)	0	0	0	0.0
FY 22-23 AG Leadership program	(75,000)	(75,000)	0	0	0	0.0
FY 22-23 R2 Enhancing resources for bureau	(10,426)	(10,426)	0	0	0	0.2
TOTAL	(\$38,217)	(\$74,505)	\$34,570	\$1,718	0	0.4

ANNUALIZE PRIOR YEAR LEGISLATION: The request includes a net decrease of \$121,394 total funds to reflect the FY 2023-24 impact of bills passed in previous sessions, summarized in the following table.

ANNUALIZE PRIOR YEAR LEGISLATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROP. FUNDS	FEDERAL FUNDS	FTE
SB 22-206 Disaster preparedness	\$1,472	\$1,472	\$0	\$0	\$0	0.1
HB 22-1353 Public safety communications transfer	0	0	0	0	0	0.0
HB22-1053 Blockchain agriculture	(66,568)	(66,568)	0	0	0	0.0
HB22-1308 Agriculture workforce	(52,314)	(52,314)	0	0	0	0.0
HB 21-1181 Soil health program	(3,260)	(3,260)	0	0	0	0.1
SB22-209 Meat processing grant	(1,264)	(1,264)	0	0	0	0.1
TOTAL	(\$121,934)	(\$121,934)	\$0	\$0	\$0	0.3

SUMMARY OF ISSUES PRESENTED TO THE JOINT BUDGET COMMITTEE

ONE-TIME FUNDING AUTHORIZED IN RECENT LEGISLATIVE SESSIONS: This issue discusses one-time funding allocated in General Fund and federal Coronavirus State Fiscal Recovery Funds (ARPA funds) by the General Assembly during the 2021 and 2022 legislative sessions. The Department received a total of \$84 million in one-time funding through six bills over the previous two years.

R1 CLIMATE DROUGHT-SMART AGRICULTURE MARKETING SPECIALIST: This issue discusses the Department's request for \$245,831 General Fund and 0.9 FTE in FY 2023-24 and \$248,677 General Fund and 1.0 FTE in FY 2024-25 and ongoing to work on the creation and promotion of a climate and drought-smart commodities market in Colorado. The Marketing Specialist's work would build on both state and federal investments made into a recently created soil health program in Colorado.

R2 COMMISSIONER'S OFFICE SUPPORT: This issue discusses a requested increase of \$156,849 General Fund and 0.9 FTE in FY 2023-24 and \$162,787 General Fund and 1.0 FTE in FY 2024-25 and beyond to fund the newly created Deputy Commissioner of Operations position in the Commissioner's office. With the expansion of the department's program areas to include community food access, agricultural labor, soil health, drought and climate resilience, and lending the Department has hired a Deputy Commissioner of Operations to lead their implementation and seeks to make the position permanent.

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Department of Corrections

The Department of Corrections is responsible for the following activities:

- Managing, supervising, and controlling the correctional facilities operated and supported by the State;
- Supervising the population of offenders placed in the custody of the Department, including inmates in prison, parolees, and transition inmates who are placed into community corrections programs and other community settings;
- Planning for the projected, long-range needs of the institutions under the Department's control; and
- Developing educational programs, treatment programs, and correctional industries within the facilities that have a rehabilitative or therapeutic value for inmates and supply necessary products for state institutions and other public purposes, as provided by law.

SUMMARY: FY 2022-23 APPROPRIATION & FY 2023-24 REQUEST

DEPARTMENT OF CORRECTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2022-23 APPROPRIATION:						
HB 22-1329 (Long Bill)	\$993,358,324	\$900,633,923	\$45,318,981	\$44,473,298	\$2,932,122	6,311.3
Other legislation	2,138,902	(839,571)	2,978,473	0	0	0.0
TOTAL	\$995,497,226	\$899,794,352	\$48,297,454	\$44,473,298	\$2,932,122	6,311.3
FY 2023-24 REQUESTED APPROPRIATION:						
FY 2022-23 Appropriation	\$995,497,226	899,794,352	\$48,297,454	\$44,473,298	\$2,932,122	6,311.3
R01 Food service inflation	2,833,263	2,833,263	0	0	0	0.0
R02 Utilities operating increase	1,368,721	1,295,878	72,843	0	0	0.0
R03 Facilities maintenance increase	1,438,844	1,438,844	0	0	0	0.0
R04 Corrections training academy	387,268	387,268	0	0	0	0.0
R05 Inmate clothing cost increase	391,736	391,736	0	0	0	0.0
R06 FTE realignment	0	0	0	0	0	0.0
R07 Provider rate common policy	3,532,135	3,414,955	0	117,180	0	0.0
R08 Sober recovery homes for reentry	5,000,000	5,000,000	0	0	0	0.0
R09 Fugitive apprehension unit	395,600	395,600	0	0	0	0.9
R10 Gang disengagement unit	500,000	500,000	0	0	0	2.7
R11 Virtual reality career training	845,814	845,814	0	0	0	3.7
Centrally appropriated line items	36,744,625	37,183,393	(434,022)	(4,746)	0	0.0
Impacts driven by other agencies	3,028,734	3,020,616	7,934	184	0	0.0
Indirect cost assessment	339,391	(339,391)	21,305	343,104	314,373	0.0
Technical adjustments	198,908	198,908	0	0	0	0.0
Annualize prior year legislation	(2,948,162)	51,838	(3,000,000)	0	0	0.0
Annualize prior year budget actions	(1,303,409)	(1,299,429)	(3,980)	0	0	0.2
TOTAL	\$1,048,250,694	\$955,113,645	\$44,961,534	\$44,929,020	\$3,246,495	6,318.8
INCREASE/(DECREASE)	\$52,753,468	\$55,319,293	(\$3,335,920)	\$455,722	\$314,373	7.5
Percentage Change	5.3%	6.1%	(6.9%)	1.0%	10.7%	0.1%

R01 FOOD SERVICE INFLATION: The Department requests an increase of \$2,833,263 General Fund starting in FY 2023-24. The request accounts for increasing food costs. Per the request, inflationary pressures increased the cost per meal by 27.9 percent between June 2021 and May 2022. A reduced prison population has helped the Department absorb recent costs increases, but expected growth in the prison population will limit the Department’s ability to continue to do so.

R02 UTILITIES OPERATING INCREASE: The Department requests an increase of \$1.4 million total funds, including \$1,295,878 General Fund and \$72,843 cash funds, starting in FY 2023-24. The request accounts for increasing utility costs.

JBC staff expects that a larger increase will be requested and/or recommended. That is because utility rate increases had a \$3,400,050 impact in FY 2021-22. There has also been a significant change in the bulk natural gas purchase price for the DOC’s Canon City facilities, resulting in a \$1,644,300 increase in costs. Thus total impact of utilities rate changes over the last year or so is closer to \$5.0 million.

R03 FACILITIES MAINTENANCE INCREASE: The Department requests an increase of \$1.4 million General Fund starting in FY 2023-24. The request aims to address increasing costs for maintenance-related goods and services, as shown in the table below (taken from the request).

Table 2: Requested Funding Calculation for Facilities Maintenance Operating Budget

Expense Category	% of Funding Spend	FY 2022-23 Funding	Price Increase	Price Incr. Source	Requested Increase
Electrical	24.5%	\$1,713,271	22.5%	Vendors	\$385,486
Maintenance	23.2%	\$1,623,261	15.0%	Vendors	\$243,489
HVAC	13.2%	\$923,951	15.0%	Vendors	\$138,593
Plumbing	13.2%	\$923,951	12.0%	Vendors	\$110,874
Janitorial	12.2%	\$853,943	15.0%	Vendors	\$128,091
Vehicle	7.8%	\$543,908	62.0%	DPA	\$337,223
Grounds	3.9%	\$271,569	30.0%	Blend	\$81,471
Other	1.9%	\$136,169	10.0%	Blend	\$13,617
TOTALS/Avg.	100.0%	\$6,990,024	20.6%		\$1,438,844

Source: FY 23-24 R03 Facilities maintenance increase

R04 CORRECTIONS TRAINING ACADEMY: The Department requests an increase of \$387,268 General Fund starting in FY 2023-24. The request would allow the Department to relocate its training academy from Canon City to its headquarters in Colorado Springs. It would also allow the Department to pay food and lodging costs for trainees who must travel further than 50 miles. The amount requested consists of an increase of \$648,454 related to the move and a decrease of \$261,186 that results from ending the lease at the current facility.

Per the request, the current training facility experiences “persistent structural and sanitary issues.” Issues include leaking roofs, heating and air conditioning failures, flooding, vermin, etc. The Department has also experienced issues

with lodging recruits in the Canon City and Pueblo area. Recruits were experiencing unsanitary conditions at the Canon City hotel that historically lodged recruits, deterring some from continuing their training. The Department contracted with Colorado State University-Pueblo in late 2019 for lodging in dorms, but that situation is no longer tenable.

R05 INMATE CLOTHING COST INCREASE: The Department requests an increase of \$391,736 General Fund starting in FY 2023-24. The request aims to offset inflationary cost increase for textiles use for inmate clothing.

R06 FTE REALIGNMENT: The Department requests a net-zero realignment of 48.0 FTE between multiple divisions. This realignment primarily stems from the closure or downsizing of various programs within the Colorado Correctional Industries division. Per the request, this did not lead to layoffs. Rather, the FTE working in these programs filled vacancies elsewhere in the Department. This request accounts for these changes.

R07 PROVIDER RATE COMMON POLICY: The Department requests an increase of \$3.4 million General Fund and \$117,180 reappropriated funds related to the 3.0 percent provider rate common policy request.

R08 SOBER RECOVERY HOMES FOR REENTRY: The Department requests an increase of \$5.0 million General Fund in FY 2023-24, which annualizes to on-going funding of \$377,000 per year through FY 2028-29. The initial \$5.0 million would be distributed as grants to community organizations to acquire sober living homes. Ongoing funding would support maintenance of those homes.

Per the request, the DOC currently works with about 60 different sober living/transitional housing organizations. The request asserts that “landlords are reluctant to lease to the re-entry community and averse to specific populations which often have the greatest need for housing.” Thus the request aims to facilitate the purchase of properties by community reentry organizations.

R09 FUGITIVE APPREHENSION UNIT: The Department requests an increase of \$395,600 General Fund and 0.9 FTE in FY 2023-24, which annualizes to \$227,550 and 1.0 FTE in FY 2024-25. The request aims to modernize the Fugitive Apprehension Unit with body cameras, specialized weapons, and specialized training. The funds will also support job classification changes for existing staff, shifting them from Community Parole Officers to Criminal Investigators. The request also shifts funding from the Parole Subprogram to the Inspector General Subprogram.

The larger purpose of the request is two-fold. First, it aims to reduce the absconder population (fugitive parolees). At the end of October 2022, this population stood at 1,253, which is 14.5 percent of the total parole population. This compares to an average of 618 between June 30, 2015 and June 30, 2019 (6.8 percent).

The second purpose relates to the first. Per the request, additional funding would allow the Department “to attract and retain staff by hiring into higher level and better compensated positions, leading to greater success finding and apprehending absconders.”

R10 GANG DISENGAGEMENT UNIT: The Department requests an increase of \$500,000 General Fund and 2.7 FTE to create a Gang Disengagement Unit (GDU), starting in FY 2023-24. The request is driven by “widespread” gang-affiliation within DOC prisons. Per the request, about one-third of the total inmate population are known or suspected gang members.

The new GDU would “deliver programming designed to reduce the recidivism rate for program participants and reduce penal code violations within DOC facilities.” Programming in this case refers a curriculum developed with community partners—the Second Chance Center and the Community Justice Center. The curriculum includes peer mentoring, counseling, and cognitive and life-skills development. It would be delivered at the following facilities, which house disproportionately large gang populations:

- Buena Vista Correctional Complex
- Centennial Correctional Facility
- Colorado State Penitentiary
- Fremont Correctional Facility
- Limon Correctional Facility
- Youthful Offender System at Pueblo

R11 VIRTUAL REALITY CAREER TRAINING PROGRAM: The Department requests an increase of \$845,814 General Fund and 3.7 FTE in FY 2023-24. This annualizes to \$576,711 General Fund and 4.0 FTE in FY 2024-25. The request would support a pilot program for virtual reality career training in career fields like manufacturing, electrical, and other trade skills. The purpose of this pilot program is to prepare inmates for job opportunities after prison.

CENTRALLY APPROPRIATED LINE ITEMS: The request includes a net increase of \$36.7 million total funds for centrally appropriated line items.

CENTRALLY APPROPRIATED LINE ITEMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Salary survey	\$29,876,108	\$29,457,276	\$418,832	\$0	\$0	0.0
Payments to OIT	2,904,036	2,892,420	11,616	0	0	0.0
Risk management and property funds	1,882,631	1,840,837	41,794	0	0	0.0
Health, life, and dental	1,757,813	1,994,822	(237,009)	0	0	0.0
PERA Direct Distribution	1,253,149	1,483,581	(230,432)	0	0	0.0
Leased space	232,520	212,433	20,087	0	0	0.0
Legal services	65,780	64,320	1,460	0	0	0.0
Shift differential	36,595	280,291	(243,696)	0	0	0.0
Workers’ compensation	(535,409)	(523,523)	(11,886)	0	0	0.0
AED	(197,636)	(108,862)	(88,774)	0	0	0.0
SAED	(197,636)	(108,862)	(88,774)	0	0	0.0
Vehicle lease payments	(124,464)	(121,701)	(2,763)	0	0	0.0
CORE adjustment	(105,684)	(96,102)	(4,836)	(4,746)	0	0.0
Capitol Complex leased space	(57,186)	(40,851)	(16,335)	0	0	0.0
Short-term disability	(45,992)	(42,686)	(3,306)	0	0	0.0
TOTAL	\$36,744,625	\$37,183,393	(\$434,022)	(\$4,746)	\$0	0.0

IMPACTS DRIVEN BY OTHER AGENCIES: The request includes an increase of \$3.0 million total funds for the following decision items originating in other agencies.

IMPACTS DRIVEN BY OTHER AGENCIES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
OIT Budget package	\$1,936,604	\$1,928,858	\$7,746	\$0	\$0	0.0
Digital trunk radio payments	945,345	945,345	0	0	0	0.0
DPA COE common policy	90,034	90,034	0	0	0	0.0
Impact salary increase other agencies	52,646	52,646	0	0	0	0.0
DPA Transfer perf. budgeting to DPA	4,105	3,733	188	184	0	0.0
TOTAL	\$3,028,734	\$3,020,616	\$7,934	\$184	\$0	0.0

INDIRECT COST ASSESSMENT: The request includes a net increase in the Department’s indirect cost assessments.

TECHNICAL ADJUSTMENTS: The request includes a net increase of \$198,908 General Fund for technical adjustments to the Department’s External Capacity Subprogram.

ANNUALIZE PRIOR YEAR LEGISLATION: The request includes a net decrease of \$2.9 million total funds to reflect the FY 2022-23 impact of bills passed in previous sessions, summarized in the following table.

ANNUALIZE PRIOR YEAR LEGISLATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
HB21-1162 Plastic products	\$51,838	\$51,838	\$0	\$0	\$0	0.0
HB22-1353 Transfer public safety comms	0	0	0	0	0	0.0
SB22-196 Health needs behavioral health	(3,000,000)	0	(3,000,000)	0	0	0.0
TOTAL	(\$2,948,162)	\$51,838	(\$3,000,000)	\$0	\$0	0.0

ANNUALIZE PRIOR YEAR BUDGET ACTIONS: The request includes a decrease of \$1.3 million total funds for prior year budget actions, summarized in the following table.

ANNUALIZE PRIOR YEAR BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY23 BA04 Inmate fire vehicles	(\$1,069,500)	(\$1,069,500)	\$0	\$0	\$0	0.0
FY23 K9 drug detection unit	(104,437)	(104,437)	0	0	0	0.2
FY23 BA04 Take TWO study	(75,000)	(75,000)	0	0	0	0.0
Annualize prior year salary survey	(54,472)	(50,492)	(3,980)	0	0	0.0
TOTAL	(\$1,303,409)	(\$1,299,429)	(\$3,980)	\$0	\$0	0.2

SUMMARY OF ISSUES PRESENTED TO THE JOINT BUDGET COMMITTEE

ISSUE 1 PRISON CASELOAD – A PRIMER ON BUDGET ADJUSTMENTS TO MANAGE THE PRISON POPULATION:

This brief has three goals:

- 1 Familiarize the JBC with the process by walking the Committee through the order of events, the affected line item(s), and how adjustments are calculated.
- 2 Alert the JBC to recent events and the challenging nature of caseload adjustments over the past few budget cycles.
- 3 Alert the JBC to possible supplemental caseload adjustments for FY 2022-23.

ISSUE 2 PRISON CASELOAD – A PRIMER ON PRISON CAPACITY: This brief discusses key concepts and issues regarding the DOC’s capacity to house inmates.

ISSUE 3 PRISON STAFFING: This brief aims to summarize prison staffing issues, including requested salary increases for FY 2023-24, past salary increases, overtime and incentive spending, and the Department’s response to the JBC’s request for information regarding staff turnover and vacancies.

PAROLE BOARD GENERAL DISCUSSION: The purpose of this issue is to provide the Committee with an opportunity to ask questions directly to the Parole Board by summarizing the Board’s duties.

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Department of Early Childhood

The Department of Early Childhood is responsible for supporting the care, education, and well-being of young children. The Department's FY 2022-23 appropriation represents approximately 1.4 percent of statewide operating appropriations and 0.8 percent of statewide General Fund appropriations.

FY 2022-23 APPROPRIATION AND FY 2023-24 REQUEST

DEPARTMENT OF EARLY CHILDHOOD						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2022-23 APPROPRIATION:						
HB 22-1329 (Long Bill)	\$8,192,473	\$6,335,548	\$685,539	\$0	\$1,171,386	30.6
Other Legislation	530,489,686	106,068,806	107,940,631	11,899,077	304,581,172	177.4
TOTAL	\$538,682,159	\$112,404,354	\$108,626,170	\$11,899,077	\$305,752,558	208.0
FY 2023-24 REQUESTED APPROPRIATION:						
FY 2022-23 Appropriation	\$538,682,159	112,404,354	\$108,626,170	\$11,899,077	\$305,752,558	208.0
R1 Universal Preschool Program	325,000,000	0	325,000,000	0	0	0.0
R2 Increase universal preschool participation	4,941,852	3,480,000	410,000	0	1,051,852	4.6
R3 Universal preschool provider bonuses	5,000,000	5,000,000	0	0	0	0.0
R4 Early intervention caseload	395,949	395,949	0	0	0	0.0
R5 Equity in Dept of Early Childhood	2,832,552	384,519	70,000	220,577	2,157,456	2.7
R6 Early childhood mental health support	390,333	390,333	0	0	0	0.9
R7 Continue federal stimulus strategies	102,347,069	0	0	0	102,347,069	39.0
R8 Records and Reports Cash Fund	(271,135)	0	(271,135)	0	0	(2.0)
R9 Child sexual abuse prevention training	150,000	150,000	0	0	0	0.0
R10 Provider rates	6,360,633	2,918,600	476,479	0	2,965,554	0.0
R11 Nurse Home Visitor Program	969,704	0	969,704	0	0	0.0
R12 Early childhood quality	(400,000)	(400,000)	0	0	0	0.0
R13 Transfer FTE between DEC and DHS	428,650	316,798	(204,946)	316,798	0	5.5
Centrally appropriated items	10,916,641	3,832,406	(32,512)	4,774,497	2,342,250	0.0
Annualize prior year budget actions	(210,616,182)	(5,049)	(51,322,667)	0	(159,288,466)	(40.6)
TOTAL	\$787,128,225	\$128,867,910	\$383,721,093	\$17,210,949	\$257,328,273	218.1
INCREASE/(DECREASE)	\$248,446,066	\$16,463,556	\$275,094,923	\$5,311,872	(\$48,424,285)	10.1
Percentage Change	46.1%	14.6%	253.2%	44.6%	(15.8%)	4.9%

R1 UNIVERSAL PRESCHOOL PROGRAM: The Department requests \$325.0 million from the Preschool Programs Cash Fund, annualizing to \$348.0 million in FY 2024-25, to pay providers for the Universal Preschool Program. The Preschool Programs Cash Fund receives:

- A portion of the annual revenue from both increased cigarette and tobacco taxes and a new tax on nicotine and vaping products approved by voters in 2020 through Proposition EE.
- The portion of School Finance funding that would have funded the Colorado Preschool Program and the General Education portion of preschool for children with Individualized Education Programs.

The Department identified this request as theory-informed.

R2 INCREASE UNIVERSAL PRESCHOOL PARTICIPATION: The Department requests \$4.9 million total funds, including \$3,480,000 General Fund, for strategies to increase provider and family participation in universal preschool, including:

- \$3.0 million General Fund for one-time grants through the Emerging and Expanding Child Care Grant Program to expand classrooms

- \$451,852 federal CCDF and 4.6 FTE to increase department capacity to review licenses and to waive licensing fees for new providers through FY 2024-25 (after which a portion of the cost for the FTE would be refinanced with cash funds from licensing fees)
- \$600,000 federal CCDF to offer one-time incentives for universal preschool providers to also provide child care to low-income families through the Colorado Child Care Assistance Program
- \$410,000 cash funds on-going from the Preschool Programs Cash Fund for annual marketing to families and providers
- \$480,000 General Fund for one-time consulting services intended to help every Local Community Organization write at least two grant applications for non-state funding to expand the preschool hours offered

The Department identified this request as theory-informed.

R3 UNIVERSAL PRESCHOOL PROVIDER BONUSES: The Department requests that the General Assembly set aside \$5.0 million General Fund for a bill that will be introduced to authorize one-time bonuses to providers who sign up to offer universal preschool. The Department is not asking the JBC to sponsor the bill. The Department proposes tiered bonuses that include:

- A base bonus level for all providers
- An additional bonus for providers who have never participated in a state-run preschool program
- An additional bonus for providers who previously participated in a state-run preschool program and add new capacity for universal preschool

The Department identified this request as theory-informed.

R4 EARLY INTERVENTION CASELOAD: The Department requests \$395,949 General Fund for FY 2023-24 and \$6,148,658 General Fund for FY 2024-25 and on-going for projected caseload and the acuity of clients in the Early Intervention Program. In FY 2020-21 and then again in FY 2021-22 the General Assembly reduced funding for the program in response to both declining revenues and enrollment during the pandemic. To keep projected expenditures within the appropriation, in FY 2020-21 the Department adopted rules reducing eligibility to children demonstrating a 33 percent delay rather than a 25 percent delay in development. The Department expected this policy change to reduce enrollment by 2,200. In FY 2022-23 the General Assembly added funding with the intent of returning eligibility to the pre-pandemic levels. Due to the time required for rule making the Department has not yet implemented the change in eligibility and will be submitting an associated supplemental to reduce funding in FY 2022-23.

The requests for FY 2023-24 and FY 2024-25 represent the Department's projection of costs with the new eligibility criteria but also updated information on the acuity of clients that shows a 7.9 percent increase in the hours of service per client, the portion of services covered by Medicaid, and declining private insurance coverage.

Since the request was submitted the Department has continued with rule making and arrived at a rule with a smaller increase in eligibility. The new rule would maintain eligibility for children with a 33 percent delay in one area and add eligibility for children with a 25 percent delay in two areas (rather than one). The Department estimates that this partial restoration of eligibility would add eligibility for 883 children versus the 2,200 children assumed in the FY 2022-23 appropriation. According to the Department, the rule is informed by the concerns of stakeholders that the providers cannot absorb 2,200 children due to workforce shortages. If providers cannot offer the services without waitlists to all clients deemed eligible, then it becomes problematic for the state to maintain eligibility for certain federal grants under the federal Individuals with Disabilities Education Act (IDEA). The Department indicates it will submit a supplemental and budget amendment in January to revise the request based on the new eligibility rule.

Also, subsequent to the original request, an error was identified that significantly overestimated the projected out-year costs, but this is no longer relevant given the evolving nature of the request.

R5 EQUITY IN DEPT OF EARLY CHILDHOOD: The Department requests \$2.8 million total funds, including \$384,519 General Fund, and 2.7 FTE for:

- an equity officer to ensure equity is considered in all policies, including rule-making, hiring and retaining workforce, contracting, information technology, data collection, partnerships, and program delivery.
- a county and tribal liaison to ensure productive government-to-government and state-to-tribal relationships.
- language justice initiatives, including:
 - A project manager
 - One-time funds to develop a language justice plan
 - Interpretation services
 - Translation services, including one-time funding to address a backlog of documents that need translation and on-going funding for future needs

R5 Equity in Dept of Early Childhood						
	Total Funds	General Fund	Preschool Programs Cash Fund	Indirect Costs	Federal CCDF	FTE
<u>FY 2023-24</u>						
Equity officer	\$120,024	\$0	\$0	\$0	\$120,024	0.9
County and tribal liaison	78,462	19,615	0	58,847	0	0.9
Language justice	<u>2,634,066</u>	<u>364,904</u>	<u>70,000</u>	<u>161,730</u>	<u>2,037,432</u>	<u>0.9</u>
<i>Project manager</i>	<i>93,140</i>	<i>23,285</i>	<i>0</i>	<i>69,855</i>	<i>0</i>	<i>0.9</i>
<i>Language justice plan</i>	<i>150,000</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>150,000</i>	<i>0.0</i>
<i>On-demand interpretation</i>	<i>75,000</i>	<i>18,750</i>	<i>0</i>	<i>56,250</i>	<i>0</i>	<i>0.0</i>
<i>Translation services</i>	<i>2,315,926</i>	<i>322,869</i>	<i>70,000</i>	<i>35,625</i>	<i>1,887,432</i>	<i>0.0</i>
Total - FY 2023-24	\$2,832,552	\$384,519	\$70,000	\$220,577	\$2,157,456	2.7
<u>FY 2024-25</u>						
Equity officer	\$122,789	\$30,697	\$0	\$92,092	\$0	1.0
County and tribal liaison	77,613	19,403	0	58,210	0	1.0
Language justice	<u>573,846</u>	<u>92,238</u>	<u>14,000</u>	<u>133,550</u>	<u>334,058</u>	<u>1.0</u>
<i>Project manager</i>	<i>93,566</i>	<i>23,391</i>	<i>0</i>	<i>70,175</i>	<i>0</i>	<i>1.0</i>
<i>Language justice plan</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0.0</i>
<i>On-demand interpretation</i>	<i>75,000</i>	<i>18,750</i>	<i>0</i>	<i>56,250</i>	<i>0</i>	<i>0.0</i>
<i>Translation services</i>	<i>405,280</i>	<i>50,097</i>	<i>14,000</i>	<i>7,125</i>	<i>334,058</i>	<i>0.0</i>
Total - FY 2024-25	\$774,248	\$142,338	\$14,000	\$283,852	\$334,058	3.0

The Department identified this request as theory-informed.

R6 EARLY CHILDHOOD MENTAL HEALTH SUPPORT: The Department requests \$390,333 General Fund and 0.9 FTE to continue operation of the Early Childhood Mental Health (ECMH) Support Line that is currently funded using federal Preschool Development Grant Birth through Five funding.¹ The Department expects an extension of the federal funding through June 30, 2023, after which the Department would need state funding. The ECMH Support Line connects families, caregivers, and child care and education professionals with clinically trained consultants who have expertise in early childhood, social-emotional development, and mental health. The ECMH consultants: help with specific cases of children showing concerning signs; provide classroom- and provider-level assistance with preparing professionals to manage classrooms and centers with attention to social-emotional learning, trauma-

¹ The Department argues that the limitations in Section 24-75-1305, C.R.S., on General Fund appropriations for a program previously supported by grant money do not apply, because the ECMH line is not a separate program but rather a part of the Early Childhood Mental Health Consultation Program, which is authorized in Section 26.5-3-702, C.R.S., and funded with a mix of General Fund and federal funds.

informed practices, and early childhood mental health; and support the growth and wellbeing of adult caregivers to reduce stress, increase retention, improve safety, and improve care for children. The Department described the role of the ECMH as more similar to well child visits than crisis intervention. The Department identified this request as theory-informed.

R7 CONTINUE FEDERAL STIMULUS STRATEGIES: The Department requests \$102,347,069 federal Child Care Development Funds to continue the strategies for spending these one-time stimulus funds that were approved by the General Assembly in the budget last year. The Department identified this request as theory-informed.

R8 RECORDS AND REPORTS CASH FUND: The Department requests that the JBC sponsor legislation to separate the Records and Reports Cash Fund from unrelated costs of the Department of Human Services. The net result would be an increase of \$1,208,889 General Fund statewide.

The Records and Reports Cash Fund receives fees paid for background checks of child abuse or neglect and covers the Department's administrative costs in providing the information. The fund also currently supports the Child and Adult Mistreatment Dispute Review Section (CAMDRS) in the Department of Human Services. CAMDRS reviews appeals of county decisions involving individuals with a substantiated finding of child abuse or neglect or mistreatment of an at-risk adult. The primary costs of CAMDRS are legal costs, which have risen from \$167,677 in FY 2017-18 to \$822,672 in FY 2021-22.

The Department argues that there is no direct connection between the people on whom the Department performs background checks and the people appealing county findings of abuse or neglect. The majority of the Department's background checks are on people seeking employment to work with vulnerable children. The majority of the CAMDRS appeals involve family members of the alleged victim.

The revenue to the Records and Reports Cash Fund is more than sufficient to cover the cost of the Department's background checks. If the fund must continue to support the CAMDRS reviews, then the Department estimates it will need to raise background check fees from \$35 to \$55 to cover increasing costs for the CAMDRS, having a negative impact on early childhood providers that pay the majority of the fees. Also, the Department of Early Childhood will continue to be in a position of managing the fees to pay for costs it does not control or oversee that are associated with the Department of Human Services' CAMDRS. If General Fund is appropriated to support the CAMDRS instead of requiring the Records and Reports Cash Fund to support it, then the Department could reduce the background check fees from \$35 to \$30 while still maintaining a sufficient reserve in the fund.

R9 CHILD SEXUAL ABUSE PREVENTION TRAINING: The Department requests \$150,000 General Fund on-going for child sexual abuse prevention training. House Bill 18-1064 authorized this training but in FY 2020-21 the funding was eliminated in response to projected COVID-related budget shortfalls. The Department continued the training at the expense of other programs normally supported by the Child Abuse Prevention Trust Fund, including parenting education, professional development, and research. For FY 2022-23, the JBC added \$150,000 General Fund for child sexual abuse prevention training, but the motion during Long Bill budget balancing indicated that the funding was intended to be one-time without any further explanation of the rationale. The training is provided to approximately 1,500 people who work with children annually. The Department identified this request as theory-informed.

R10 PROVIDER RATES: The Department request \$6.4 million total funds, including \$2.9 million General Fund, for the Governor's proposed common policy provider rate increase of 3.0 percent. The affected programs include Family Resource Centers, Colorado Child Care Assistance Program, community contracts for child care licensing, Early Intervention, Home Visiting, Child Maltreatment Prevention, Early Childhood Mental Health Services, and Social-Emotional Learning Grant Programs.

R11 NURSE HOME VISITOR PROGRAM: The Department requests \$969,704 cash funds from tobacco settlement money deposited in the Nurse Home Visitor Program Fund for FY 2023-24, increasing to \$2,055,966 cash funds in FY 2024-25, to increase provider rates by 3.0 percent in each year and address rising overhead costs, such as licensing and training fees. The Department identified this request as proven.

R12 EARLY CHILDHOOD QUALITY: The Department requests a reduction of \$400,000 General Fund from the Early Childhood Quality and Availability line item based on historic under expenditures. The Department says there are several potential explanations for the underutilization of the funding, including: providers that may not want to engage with the state's child care quality improvement system, known as the Colorado Shines Quality Rating and Improvement System, or with their local Early Childhood Councils; low provider bandwidth for new initiatives due to continuing challenges in navigating the effects of the pandemic; and recent significant provider investments in quality improvements using one-time federal funding. In addition, the Department says providers may underspend their allocations due to ordering delays, changes in priorities, or disenrollment. The Department identified this request as theory-informed.

R13 TRANSFER OF FTE BETWEEN DEC AND DHS: The Department requests a net increase of \$428,650 total funds, including an increase of \$316,798 General Fund, and 5.5 FTE to move staff between the Department of Human Services and the Department of Early Childhood to align with the programs the staff support. A corresponding and opposite request was submitted by the Department of Human Services so the impact statewide of the two requests is net zero. Functions of the Office of Early Childhood were separated from the Department of Human Services and transferred to the newly created Department of Early Childhood in FY 2022-23. During the transition year, the departments are using an operational support agreement to ensure continuity while the infrastructure for the new department is established. For FY 2023-24, the departments have better identified the share of centralized services associated with supporting each program.

- The Department of Human Services will transfer 8 positions to the Department of Early Childhood, including a payroll technician, two program accountants, a fraud investigator, a procurement specialist, two performance analysts, and an early intervention services trust accountant.
- The Department of Early Childhood will transfer 2.5 positions from the background investigation unit to the Department of Human Services for background checks related to 24-hour programs under the purview of the Office of Children, Youth, and Families.

CENTRALLY APPROPRIATED LINE ITEMS: The request includes adjustments to centrally appropriated line items for the following: state contributions for health, life, and dental benefits; short-term disability; supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund; shift differential; salary survey; workers' compensation; legal services; administrative law judges; payment to risk management and property funds; Capitol complex leased space; payments to the Governor's Office of Information Technology (OIT); and CORE operations.

ANNUALIZE PRIOR YEAR BUDGET ACTIONS: The request includes adjustments for out-year impacts of prior year legislation and budget actions, summarized in the table below. The titles of the annualizations begin with either a bill number or the relevant fiscal year. For budget decisions made in the Long Bill, the title includes a reference to the priority number the Department used in that year for the initiative, if relevant. If there is no reference to a bill number or priority number, then the change was initiated by an action other than a bill or request from the Department.

The largest increases are to annualize new staff added as part of creating the Department in H.B. 22-1295 and the Long Bill appropriation for the Department of Early Childhood administration. The largest decreases are all related to the end of appropriations of one-time federal funds, including S.B. 22-213 Child care support programs, the Long

Bill appropriation for S4 Early childhood fed stimulus, S.B. 21-236 Increase capacity early childhood care & ed, and the Long Bill appropriation to extend spending authority for underspent federal stimulus funds.

Annualize Prior Year Budget Actions					
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	FEDERAL FUNDS	FTE
HB 22-1295 Dept of Early Childhood & universal preschool	641,548	346,601	40,673	254,274	4.1
Prior year salary survey	593,942	21,762	186,260	385,920	0.0
FY 22-23 Dept of Early Childhood administration	\$20,517	\$20,517	\$0	\$0	1.4
SB 22-213 Child care support programs	(99,500,000)	0	(49,500,000)	(50,000,000)	(6.1)
FY 22-23 S4 Early childhood fed stimulus	(59,937,055)	0	0	(59,937,055)	(22.0)
SB 21-236 Increase capacity early childhood care & ed	(40,086,658)	0	0	(40,086,658)	(16.0)
FY 22-23 Extend underspent fed stimulus	(9,892,547)	0	0	(9,892,547)	0.0
HB 22-1369 Children's Mental Health Programs	(2,000,000)	0	(2,000,000)	0	(0.3)
FY 22-23 Child abuse prevention training	(150,000)	(150,000)	0	0	0.0
HB 21-1304 Early childhood system	(147,929)	(147,929)	0	0	(1.7)
SB 21-137 Behavioral Health Recovery Act	(96,000)	(96,000)	0	0	0.0
FY 22-23 BA2 Universal preschool	(62,000)	0	(49,600)	(12,400)	0.0
Total	(\$210,616,182)	(\$5,049)	(\$51,322,667)	(\$159,288,466)	(40.6)

When the JBC approved S4 Early childhood fed stimulus there was debate about whether to provide spending authority for the one-time federal funds in a lump sum with rollforward authority or annually. Then, after the JBC decided to make annual appropriations, whether the Department should treat the out-years as annualizations of the JBC's FY 22-23 budget action or submit new budget requests. The JBC expressed a preference for new budget requests. As a result, the annualizations show a removal of \$59.9 million federal funds and 22.0 FTE and then the Department submitted R7 *Continue federal stimulus strategies* for \$102.3 million federal funds and 39.0 FTE for the second year of costs associated with the Department's plan to spend down the one-time federal funds.

SUMMARY OF ISSUES PRESENTED TO THE JOINT BUDGET COMMITTEE

UNIVERSAL PRESCHOOL (R1, R2, R3): This issue brief discusses the Department's plans for implementing universal preschool and associated requests for funding in *R1 Universal Preschool Program*, *R2 Increase universal preschool participation*, and *R3 Universal preschool provider bonuses*

ONE-TIME FUNDING AUTHORIZED IN RECENT LEGISLATIVE SESSIONS: During the 2020B, 2021, and 2022 legislative sessions, the General Assembly allocated significant one-time funding to the Department of Early Childhood, and predecessor programs that were in the Department of Human Services' Office of Early Childhood, that included \$45.0 million originating as state General Fund, \$101.5 million originating as federal Coronavirus State Fiscal Recovery funds (ARPA funds), and \$494.4 million from one-time federal Child Care Development Funds.

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Department of Education

The Department of Education supports the State Board of Education in its duty to exercise general supervision over public schools, including accrediting public schools and school districts. The Department distributes state and federal funds to school districts, and it administers a variety of education-related programs, including educator licensure, education programs for children with special needs, English language proficiency programs, the Colorado Preschool Program, and a variety of grant programs. The Department develops and maintains state model content standards, and administers associated assessments. The Department also includes three independent agencies: (1) the Board of Trustees for the Colorado School for the Deaf and the Blind; (2) the State Charter School Institute Board, which is responsible for authorizing and monitoring institute charter schools; and (3) the Public School Capital Construction Assistance Board, which is responsible for assessing public school capital construction needs statewide and making recommendations concerning the prioritization of state financial assistance for school construction projects. The Department's FY 2022-23 appropriation represents approximately 18.4 percent of statewide operating appropriations and 32.4 percent of statewide General Fund appropriations. Most of this funding is distributed on a formula basis for school finance and categorical programs.

FY 2022-23 APPROPRIATION AND FY 2023-24 REQUEST

DEPARTMENT OF EDUCATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2022-23 APPROPRIATION:						
FY 2022-23 Long Bill	\$7,010,484,295	\$4,489,794,482	\$1,400,189,406	\$72,007,220	\$1,048,493,187	630.6
Other legislation	203,732,650	10,501,363	192,962,172	312,431	(43,316)	6.6
TOTAL	\$7,214,216,945	\$4,500,295,845	\$1,593,151,578	\$72,319,651	\$1,048,449,871	637.2
FY 2023-24 REQUESTED APPROPRIATION:						
FY 2022-23 Appropriation	\$7,214,216,945	4,500,295,845	\$1,593,151,578	\$72,319,651	\$1,048,449,871	637.2
R1 State share of total program	473,489,816	150,000,000	323,489,816	0	0	0.0
R2 Categorical programs increase	36,633,116	0	36,633,116	0	0	0.0
R3 Translation services	145,159	0	0	145,159	0	0.9
R4 Inflationary adjustment	251,151	251,151	0	0	0	0.0
R5 Gifted and talented DMS	250,000	0	250,000	0	0	0.0
R6 Personnel for schl support	397,309	163,646	233,663	0	0	3.2
R7 Proactive intervention turnaround schools	1,000,000	1,000,000	0	0	0	0.0
R8 Evaluation support	108,850	108,850	0	0	0	0.9
R9 Lease space consolidation	507,665	507,665	0	0	0	0.0
R10 CSI mill levy equalization	14,000,000	7,000,000	0	7,000,000	0	0.0
R11 Imagination library growth	569,555	569,555	0	0	0	0.0
R12 Vision for strategic alignment	175,000	175,000	0	0	0	0.0
R13 CSDB teacher salary increase	264,899	264,899	0	0	0	0.0
Nonprioritized requests	186,876	84,826	33,919	46,924	21,207	0.0
Centrally appropriated line items	5,875,880	2,805,172	1,365,472	332,568	1,372,668	0.0
Annualize prior year legislation	(8,053,472)	(1,725,298)	(5,321,974)	(1,006,200)	0	(4.5)
Annualize prior year budget actions	(295,698)	(294,698)	(1,000)	0	0	0.7
TOTAL	\$7,739,723,051	\$4,661,206,613	\$1,949,834,590	\$78,838,102	\$1,049,843,746	638.4
INCREASE/(DECREASE)	\$525,506,106	\$160,910,768	\$356,683,012	\$6,518,451	\$1,393,875	1.2
Percentage Change	7.3%	3.6%	22.4%	9.0%	0.1%	0.2%

R1 STATE SHARE OF TOTAL PROGRAM INCREASE (REQUIRES LEGISLATION): The request includes a net increase of \$473.5 million state funds (including \$150.0 million General Fund \$323.5 million cash funds) for the state share of districts' total program funding in FY 2023-24. Based on the Office of State Planning and Budgeting (OSPB)

September 2022 Revenue Forecast, and including OSPB’s projection of local revenues, the proposal would: (1) increase statewide average per pupil funding by \$861 (9.0 percent); and (2) decrease the dollar value of the BSF by \$35.0 million (from \$321.3 million in FY 2022-23 to \$286.3 million in FY 2023-24). The request proposes/assumes an additional \$37.0 million reduction to the BSF for FY 2025-26. The Department identified this request as evidence-informed.

R2 CATEGORICAL PROGRAMS INCREASE (REQUIRES LEGISLATION): Amendment 23 requires the General Assembly to increase total state funding for all categorical programs (in aggregate) by at least the rate of inflation in FY 2023-24. The request, based on the OSPB-projected inflation rate for CY 2022 (8.3 percent), seeks an increase of \$36.6 million cash funds from the State Education Fund to support the required increase. The request proposes to allocate the increase among seven programs, with \$29.0 million directed toward special education programs for children with disabilities. The request includes a legislative proposal to increase the statutory per pupil amount for students in Tier A of the special education program. The following table shows the requested allocation of additional funds by program. See the second issue brief in this document for a more detailed discussion of the categorical programs allocation for FY 2023-24 and Appendix C for a discussion of the Department’s responses to two requests for information associated with categorical funding.

R2 REQUESTED INCREASES IN STATE FUNDING FOR CATEGORICAL PROGRAMS				
LONG BILL LINE ITEM	FY 2022-23 APPROPRIATION	FY 2023-24 REQUEST	CHANGE IN STATE FUNDING	PERCENT CHANGE
Special Education - Children with Disabilities	\$300,154,633	\$329,174,785	\$29,020,152	9.7%
English Language Proficiency Program	25,257,742	28,416,760	3,159,018	12.5%
Public School Transportation	62,771,962	65,706,428	2,934,466	4.7%
Career and Technical Education Programs	28,244,361	29,432,629	1,188,268	4.2%
Special Education - Gifted and Talented Children	12,994,942	13,321,750	326,808	2.5%
Expelled and At-risk Student Services Grant Program	9,493,560	9,493,560	0	0.0%
Small Attendance Center Aid	1,314,250	1,317,707	3,457	0.3%
Comprehensive Health Education	1,131,396	1,132,343	947	0.1%
Total	\$441,362,846	\$477,995,962	\$36,633,116	8.3%

R3 TRANSLATION SERVICES: The request includes \$145,159 reappropriated funds and 0.9 FTE for FY 2023-24, annualizing to \$154,537 and 1.0 FTE in FY 2024-25, for translation services to improve access to Department resources and State Board of Education proceedings. The funding is to allow the Department to hire one FTE to translate, interpret, and coordinate translation work, as well as to procure translation and interpretation for languages and workload the new hire cannot cover. This will allow more department documents to be translated and provide interpretation at the State Board of Education and other public meetings when needed. The source of the funding was not specified in the request, but staff understands that it is indirect cost recoveries.

R4 INFLATIONARY ADJUSTMENT: The request includes \$251,151 General Fund for FY 2023-24 and ongoing, most of which is to provide inflationary adjustments for the Department’s contracted information technology services. The Department administers most of its information technology services internally rather than under the umbrella of the Governor’s Office of Information Technology. As a result, it has been significantly affected by ongoing increases in its enterprise software licenses. With average annual increases that have exceeded ten percent for many products, these costs have displaced funding historically used for staffing and other program needs. The request also identifies a need for additional funding for a contracted security position that is budgeted in the information technology line item, based on the sharp increase in the cost of that contract.

R5 GIFTED AND TALENTED DMS: The request includes a one-time increase of \$250,000 cash funds from the State Education Fund for FY 2023-24 (with no ongoing increase) to support the development of a new gifted education data management system (DMS). The Department uses the DMS to securely transfer data and files related to gifted education identification and programming between CDE and local administrative units, and the Department reports that the contract for the previous system terminated in FY 2021-22. The Department is using a “stopgap” system in FY 2022-23 and is requesting the one-time increase in funding for FY 2023-24 to develop a new system that will meet the needs of both the Department and administrative units.

- Staff notes that the request would allocate the increase to the Special Education Programs for Gifted and Talented Children categorical program line item.
- However, one-time increases in state funding are not feasible for the categorical programs (as they become part of the base building appropriations for Amendment 23). Thus, if the Committee elects to fund the system, staff expects to recommend that the increase be assumed as part of the inflationary allocation under R2 or that the General Assembly appropriate the money to a separate line item such as the Information Technology Services line item in the Management and Administration section.

R6 PERSONNEL FOR SCHL SUPPORT: The Department requests \$397,309 total funds and 3.2 FTE, annualizing to \$418,101 total funds and 3.5 FTE in FY 2024-25, to support new positions. The FTE sought, after annualization in FY 2024-25, include the following. (1) The Department seeks 1.0 FTE to manage data and distributions to school districts under the school finance formula. The Department reports that the request responds, in part, to increasing workload associated with recent legislation such as H.B. 20-1418 (School Finance) and S.B. 22-202 (State Match for Mill Levy Override Revenue). In response to that increasing workload, the Department posted and filled this position in the summer of 2022 with available funds associated with vacancy savings and one-time appropriations in S.B. 22-202. The request seeks ongoing funding to support the position. (2) In the Division of On-line Learning, the Department seeks 1.0 additional FTE to address administrative workload and related technical assistance. This would include conducting reviews of on-line school applications, managing complaints, and providing information on the administrative requirements to start on-line schools and programs. The request highlights the 40 percent increase in on-line enrolled students from FY 2019-20 to FY 2021-22 and significant new one-time investments in hybrid and online operations during the COVID pandemic, which have increased the need for ongoing statewide development and oversight. (3) The Department also requests 0.5 FTE to support work related to Innovation Schools, a type of school that operates under a school district but for which some district and state requirements are waived. These schools, which currently serve 48,258 students, require State Board approval, and the Department has associated workload. However, the Department has no related funding for FTE. (4) The Department seeks 1.0 FTE to support the School Transformation Grant Program in light of the increasing resources the General Assembly has devoted to the program. Grant funding has tripled in five years, while the Department has only added 1.0 FTE to support the program.

R7 PROACTIVE INTERVENTION TURNAROUND SCHOOLS: The request includes an increase of \$1,000,000 General Fund, to be continued in future years, for the School Transformation Grant Program. The requested increase (on a current base of \$6.5 million) would be used specifically for schools which are early in the accountability clock process. The request would provide eight to 10 schools that are “on the clock” (because they are rated priority improvement or turnaround) a \$25,000 planning grant, followed by \$50,000 to \$100,000 for implementation, with the goal of avoiding having these schools remain on the accountability clock. Schools that remain on the clock require intensive (and expensive) state interventions.

R8 EVALUATION SUPPORT: The Department requests \$108,850 General Fund and 0.9 FTE, annualizing to \$116,141 General Fund and 1.0 FTE for a three year term-limited program evaluator. The initial focus of the evaluation FTE is the Behavioral Health Care Professional Matching Grant Program, which provides grants to almost half of the state’s local education agencies. The request would supplement funding granted by OSPB for a 1.0 FTE evaluator and related data collection to evaluate this program.

R9 LEASE SPACE CONSOLIDATION: The Department requests a one-time appropriation of \$507,665 General Fund for buildout and moving costs related to consolidating 100% of Department staff into Capitol Complex lease space. This will involve creating hybrid neighborhoods with flexible workstations and more collaboration space. The effort will eliminate all private lease space occupied by the Department by the end of FY 2023-24, resulting in estimated savings of \$1,050,994 total funds, including \$177,760 General Fund in FY 2024-25 and ongoing.

R10 CSI MILL LEVY EQUALIZATION: The request includes a \$7,000,000 General Fund increase for mill levy equalization for Charter School Institute (CSI) charter schools, which would bring total General Fund support to \$23,000,000 after annualization of prior year actions. Reappropriated funds included in the request double-count this figure. Many school districts throughout the state have received voter permission to raise local tax revenue above the approved state per-pupil operating revenue amount (PPOR). However, charter schools that are authorized by the CSI instead of their local school district do not have access to such additional local mill levy support. For FY 2022-23, the General Assembly provided \$17.0 million General Fund to help address the disparate revenue available to CSI charter schools versus schools operating within the same region that are authorized by their local school district. The request would increase this contribution, reducing the gap in per pupil funding available for CSI schools compared to other public schools.

R11 IMAGINATION LIBRARY GROWTH: The request includes an increase of \$569,555 for the Colorado Imagination Library, bringing total funding to \$1,476,695 for FY 2023-24 and ongoing. The increase will provide a state match for this evidence-based program to help bring one book per month to approximately 87,000 more children—birth through age 5—across the State and bring total coverage to 35 percent of the eligible population.

R12 VISION FOR STRATEGIC ALIGNMENT: The request includes a one-time General Fund appropriation of \$175,000 for FY 2023-24 to provide the Department with funding for a contractor to conduct an internal assessment and gather stakeholder feedback on how forthcoming grants management and customer relations management tools can effectively interact with the Department’s Universal Improvement Plan platform. The Department’s goal is to build an integrated system that shows the multiple funding streams and interactions between Department staff and school districts, so that the Department can assist districts in accessing grants and resources that support district goals.

R13 CSDB TEACHER SALARY INCREASE: The Colorado School for the Deaf and Blind (CSDB) requests an increase of \$264,899 General Fund to provide staff step increases and other adjustments, consistent with the Colorado Springs District 11 pay scale. The District 11 Board of Education and the Colorado Springs Education Association agreed to the following for FY 2021-22: a 3.65 percent increase to the salary schedule, a one-step movement for staff who have not reached the maximum step increase (representing an approximately a 2.0 percent increase), and a 4.0 percent non-recurring compensation increase. The CSDB requests funding to match these adjustments.

NONPRIORITIZED REQUESTS: The request includes several nonprioritized requests, summarized in the table below. These requests are driven by common policy or budget requests in other departments that affect appropriations required in this department.

NONPRIORITIZED REQUESTS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
OIT Budget package	\$133,734	\$75,604	\$26,583	\$31,547	\$0	0.0
DPA Capitol complex staffing	39,292	7,830	7,336	2,919	21,207	0.0
DPA COE common policy	11,067	0	0	11,067	0	0.0
DPA Transfer perf. budgeting to DPA	2,783	1,392	0	1,391	0	0.0
TOTAL	\$186,876	\$84,826	\$33,919	\$46,924	\$21,207	0.0

CENTRALLY APPROPRIATED LINE ITEMS: The request includes adjustments to centrally-appropriated line items for the following: salary survey; health, life, and dental benefits; supplemental state contributions to the Public Employees Retirement Association (PERA) pension fund; short-term disability; workers' compensation; shift-differential, payments to the Office of Information Technology (OIT); legal services; Capitol Complex leased space; administrative law judge services; payments to risk management and property funds; CORE operations; and vehicle lease payments.

ANNUALIZE PRIOR YEAR LEGISLATION: The request includes adjustments for the out-year impacts of prior year legislation.

ANNUALIZE PRIOR YEAR LEGISLATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
SB 07-059 Smart Start Nutrition Program	\$900,000	\$900,000	\$0	\$0	\$0	0.0
HB22-1390 Public School Finance	507,722	507,722	0	0	0	0.0
HB 20-1032 Timing K-12 education standards review	91,515	91,515	0	0	0	0.0
HB 22-1220 Removing barriers to educator preparation	50,289	50,289	0	0	0	1.4
HB 22-1260 Access to medically necessary svcs for	13,500	13,500	0	0	0	0.0
HB 08-1384 Improving retention of quality educators	8,500	8,500	0	0	0	0.0
HB 22-1331 Supplemental funding for facility schools	(5,134,000)	0	(5,134,000)	0	0	0.0
HB 22-1390 Public school finance	(2,002,905)	(1,002,905)	0	(1,000,000)	0	0.0
SB 22-192 Opportunities for credential attainment	(800,000)	(800,000)	0	0	0	(0.4)
HB22-1295 Dept. Early Childhood universal PK	(465,795)	(465,795)	0	0	0	(4.0)
HB 22-1376 Supportive learning environments for K-12	(309,124)	(309,124)	0	0	0	(0.2)
SB 22-070 K-12 licensed personnel performance	(301,056)	(301,056)	0	0	0	0.0
HB22-1202 At-risk student measure school finance	(163,338)	(163,338)	0	0	0	(0.5)
SB 22-004 Evidence based training in science of reading	(162,974)	0	(162,974)	0	0	(0.3)
HB 22-1374 Foster care success act	(123,006)	(123,006)	0	0	0	0.0
SB 22-207 Prevention of Title IX misconduct in public	(57,850)	(57,850)	0	0	0	0.0
SB22-202 State match mill levy override	(41,238)	(41,238)	0	0	0	(0.5)
SB22-127 Special education funding	(25,000)	0	(25,000)	0	0	0.0
HB 22-1215 Study of expanded extended high school	(16,426)	(16,426)	0	0	0	0.0
SB 22-069 Learning disruption effect on teacher evaluation	(16,086)	(16,086)	0	0	0	0.0
SB 22-193 Air quality improvement investments	(6,200)	0	0	(6,200)	0	0.0
TOTAL	(\$8,053,472)	(\$1,725,298)	(\$5,321,974)	(\$1,006,200)	\$0	(4.5)

ANNUALIZE PRIOR YEAR BUDGET ACTIONS: The request includes adjustments for the out-year impacts of prior year budget actions.

ANNUALIZE PRIOR YEAR BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 23 R4 Department infrastructure	\$64,806	\$65,806	(\$1,000)	\$0	\$0	1.0
FY 23 R3 State Board operating increase	12,003	12,003	0	0	0	0.0
Annualize prior year salary survey	0	0	0	0	0	0.0
FY 23 R7 Empowering parents with info	(307,507)	(307,507)	0	0	0	(0.3)
FY 23 R9 CSDB dishwashing machine	(65,000)	(65,000)	0	0	0	0.0
TOTAL	(\$295,698)	(\$294,698)	(\$1,000)	\$0	\$0	0.7

SUMMARY OF ISSUES PRESENTED TO THE JOINT BUDGET COMMITTEE

SCHOOL FINANCE ACT FUNDING PROJECTIONS: Current law requires the General Assembly to provide at least enough funding for school finance in FY 2023-24 to prevent any increase in the budget stabilization factor (BSF) above the dollar amount from FY 2022-23 (\$321.2 million based on the current FY 2022-23 appropriation). Based on current Legislative Council Staff estimates of revenues and pupil counts, maintaining the BSF at \$321.2 million in FY 2022-23 would require an additional \$379.3 million in state funding above the current FY 2022-23 appropriation. Based on those estimates, any state funding provided above that amount in FY 2022-23 would reduce the BSF. The December 2022 revenue forecast(s) will adjust many of the underlying assumptions related to state and local revenues as well as pupil counts.

ALLOCATION OF THE INCREASE TO CATEGORICAL PROGRAMS FOR FY 2023-24: Amendment 23 requires the total amount of state funding appropriated to support categorical programs to increase by at least the rate of inflation, and the General Assembly has the authority to allocate the mandatory increase among the various categorical programs. For years, the Committee and the General Assembly have generally allocated that increase based on a formula that considers the difference between state and federal funding provided for each program and the total amount that school districts actually spend on the program/services. Given the magnitude of the mandatory increase for FY 2023-24 (based on projections of the 2022 inflation rate) and recent changes in two of the larger programs, the Committee may wish to consider a different allocation method for FY 2023-24.

STATE MATCH FOR MILL LEVY OVERRIDE REVENUES: Senate Bill 22-202 (State Match for Mill Levy Override Revenue) establishes a program and formula to provide state matching revenues for certain school districts with mill levy overrides. The bill appropriated \$10.0 million General Fund to support the matching program in FY 2022-23, with matching payments scheduled for distribution on June 1, 2023. This issue brief: (1) proposes potential adjustments to the bill to target the funds and (2) offers points to consider as the Committee looks toward FY 2023-24 and beyond.

FACILITY SCHOOL WORKGROUP REPORT: The report of the Work Group authorized by S.B. 21-274 (Sustainable Model to Serve Facility Students) recommends a new baseline funding model for facility schools; allowing the Department of Education to begin licensing facility schools that are not approved as hospitals or therapeutic facilities by other state agencies; and developing a technical assistance center to support schools and students with significant support needs who do not have access to an appropriate placement.

COLORADO SCHOOL FOR THE DEAF AND THE BLIND UPDATE: A 2019 Independent Program Review recommended multiple changes and improvements at the Colorado School for the Deaf and the Blind (CSDB). The Department of Education and CSDB continue to work through these recommendations.

ONE-TIME FUNDING AUTHORIZED IN RECENT LEGISLATIVE SESSIONS: During the 2021 and 2022 legislative sessions, the General Assembly allocated significant one-time funding to the Department of Education. This included \$17.1 million originating as state General Fund and \$13.8 million originating as federal Coronavirus State Fiscal Recovery funds (ARPA funds) that were directed to specific programs.

DEPARTMENT OF EDUCATION BUDGET REORGANIZATION: JBC Staff and the Department have collaborated to develop a new budget structure for the Department of Education. If approved by the JBC, the FY 2023-24 Long Bill would be introduced in the new structure.

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Office of the Governor

The Office of the Governor includes the functions associated with the Governorship (oversight of executive branch agencies, policy development, communications, and citizen support services), as well as the Office of the Lieutenant Governor, Office of State Planning and Budgeting, Office of Economic Development and International Trade, Office of Information Technology, and Colorado Energy Office. The Office's FY 2022-23 appropriation represents 1.2 percent of statewide operating appropriations and 0.4 percent of statewide General Fund appropriations.

FY 2022-23 APPROPRIATION AND FY 2023-24 REQUEST

GOVERNOR - LIEUTENANT GOVERNOR - STATE PLANNING AND BUDGETING						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2022-23 APPROPRIATION:						
HB 22-1329 (Long Bill)	\$469,639,307	\$57,909,720	\$92,601,739	\$312,337,089	\$6,790,759	1,265.6
Other legislation	6,667,073	(884,278)	1,989,927	5,565,570	(4,146)	19.6
TOTAL	\$476,306,380	\$57,025,442	\$94,591,666	\$317,902,659	\$6,786,613	1,285.2
FY 2023-24 REQUESTED APPROPRIATION:						
FY 2022-23 Appropriation	\$476,306,380	\$57,025,442	\$94,591,666	\$317,902,659	\$6,786,613	1,285.2
CEO R1 EPC feasibility study	750,000	750,000	0	0	0	0.0
LG R1 Comm. Indian Affairs capacity	121,492	121,492	0	0	0	0.9
OSPB R1 Infra. Invest. & Jobs Act	20,250,000	0	20,250,000	0	0	0.0
OEDIT R1 Reauth AI Accelerator grant	0	0	0	0	0	0.0
OIT R1 Secure CO threat prev.	6,269,000	0	0	6,269,000	0	0.0
OIT R2 Scale and sustain myColorado	4,510,981	0	0	4,510,981	0	18.0
OIT R3 IT asset audit and compliance	1,114,000	0	0	1,114,000	0	3.0
OIT R4 Interagency agree. spending auth.	14,794,611	0	0	14,794,611	0	41.0
OIT R5 Data driven decisions	2,851,062	0	0	2,851,062	0	10.0
Centrally appropriated line items	14,779,116	832,655	831,294	12,071,877	1,043,290	0.0
Indirect cost adjustment	531,384	338,684	(78,063)	273,233	(2,470)	0.0
Nonprioritized items	64,446	464,571	0	(400,125)	0	6.0
Prior year legislation	(42,835,863)	(7,522,883)	(18,500,000)	(16,691,980)	(121,000)	(60.0)
Prior year budget actions	(14,102,440)	(5,724,008)	(2,447,455)	(5,874,990)	(55,987)	1.0
TOTAL	\$485,404,169	\$46,285,953	\$94,647,442	\$336,820,328	\$7,650,446	1,305.1
INCREASE/(DECREASE)	\$9,097,789	(\$10,739,489)	\$55,776	\$18,917,669	\$863,833	19.9
Percentage Change	1.9%	(18.8%)	0.1%	6.0%	12.7%	1.5%

COLORADO ENERGY OFFICE (CEO)

CEO R1 EPC FEASIBILITY STUDY: The request includes a one-time increase of \$750,000 General Fund in FY 2023-24 to hire a third-party contractor to conduct a feasibility study on state facilities on the potential for entering into energy performance contracts. These contracts would provide state agencies with the ability to reduce energy and water consumption and costs without needing capital financing for building improvements up front. The Office has identified this request as evidence-informed.

LIEUTENANT GOVERNOR (LG)

LG R1 COMMISSION ON INDIAN AFFAIRS CAPACITY: The request includes an increase of \$121,492 and 0.9 FTE in FY 2023-24, annualizing to \$126,795 and 1.0 FTE in FY 2024-25, to support two in-person meetings of the Colorado Commission on Indian Affairs (CCIA). The funding will cover the cost of creating a new Interagency Tribal Liaison position within CCIA; conducting two in-person CCIA Quarterly meetings in southwest Colorado; supporting Commission operational requirements; upholding State-Tribal government to government relationships between the State of Colorado, the Southern Ute Indian Tribe (SUIT), the Ute Mountain Ute Tribe (UMUT); and, support engagement with American Indian/Alaska Native (AI/AN) communities.

OFFICE OF STATE PLANNING AND BUDGETING (OSPB)

OSPB R1 INFRASTRUCTURE INVESTMENT & JOBS ACT: The Office requests spending authority for \$21.25 million cash funds from the Infrastructure Investment and Jobs Act Cash Fund to provide spending authority for General Fund amounts transferred for the Act but remain unexpended. Discussions related to this budget item will be addressed by JBC Staff Amanda Bickel. A recommendation from JBC staff can be expected prior to the end of the figure setting stage of budget drafting in March 2023. Documents that facilitated prior discussions can be found on the General Assembly website under budget documents or by following the direct links that follow.

OFFICE OF ECONOMIC DEVELOPMENT AND INTERNATIONAL TRADE (OEDIT)

OEDIT R1 REAUTH AI ACCELERATOR GRANT: The request includes no appropriation adjustment. This request is for legislation to reauthorize the Advanced Industries Accelerator Grant Program.

OFFICE OF INFORMATION TECHNOLOGY (OIT)

NOTE FOR THIS SECTION: Many of the activities carried out by the Office of Information Technology are ultimately funded by collecting fees from user agencies. It follows that many requests submitted annually by the Office for reappropriated funds therefore have impacts to other funds, including the General Fund. Based on the amounts requested statewide for the Payments to OIT line item, approximately 42.2 percent of the common policy amounts originate as General Fund. Thus, when a General Fund impact is discussed below, JBC staff has applied this figure to the total amount requested to find the estimate.

OIT R1 SECURE CO THREAT PREVENTION: The request includes \$6.2 million in reappropriated funds in FY 2023-24 and \$6.2 million in FY 2024-25 and ongoing for resources to continue the work of Secure Colorado. OIT proposes to fund this request by recuperating the cost from the fees it charges to client agencies, thus driving an estimated \$1.3 million General Fund impact statewide. This funding will cover the increased costs from the Palo Alto contract that is critical for maintaining the state's enterprise level firewall. Additionally, it will begin the transition to the .gov domain from the state.co.us which will reduce the serious security risk posed by state.co.us. These actions will ensure the State of Colorado continues to meet and defend against current and future cyber threats. The 43 percent increase to security appropriations is requested because the costs associated with Palo Alto's firewall threat prevention subscription increased by over half this past year. Costs increased due to the increased adoption of technology and additional requirements. When OIT first engaged with Palo Alto, OIT only had one Enterprise level firewall compared to eight OIT currently has. Transitioning the Top Level Domain (domain) name from "state.co.us" to one with a ".gov" extension allows the state an additional layer of security against ever increasing threats to cybersecurity.

OIT R2 SCALE AND SUSTAIN MYCOLORADO: The request includes \$4.5 million reappropriated funds for 18.0 FTE in FY 2023-24 and \$4.4 million reappropriated funds and 18.0 FTE ongoing to support the growing adoption and expansion of the myColorado mobile application. The myColorado development team provides new bug fixes and features every two weeks. While the myColorado development team has made many improvements to stabilize the system, funding is requested to harden the platform and service availability. The Office notes in its request that as the app grows in adoption and digital features, it is critical that a governance model is established to prioritize feature value. The Office proposes to allocate the cost of this request through the OIT common policy based on each agency's percentage of total costs allocated through the common policy. This differs from the fee-for-service common policy allocations and the Office chose to request the funding be allocated using this methodology to encourage agencies to onboard services to myColorado.

OIT R3 IT ASSET AUDIT AND COMPLIANCE: The request includes \$1.1 million reappropriated funds and 3.0 FTE in FY 2022-23 and ongoing to increase Office efforts in protecting, monitoring, maintaining, refreshing, and properly disposing of the state's IT investments. The number of staff requested is based on an industry-standard formula that encompasses the number of assets OIT has and is projected to manage, along with the current maturity level of the program, processes and tools. The requested positions are all IT Asset Analysts, however, the Office is requesting funding to hire in the second quartile of the salary range due to continued difficulty filling positions at the bottom of the range.

OIT R4 INTERAGENCY AGREEMENT SPENDING AUTHORITY: The request includes \$14.8 million reappropriated funds and 41.0 FTE in FY 2023-24 and ongoing to continue its shift from budgeting and billing agencies for OIT Enterprise products, services and staff through cash appropriations to reappropriating funds to OIT. This will improve Long Bill transparency and work towards unified and direct billing. The services will either become part of existing services or be billed through the Direct Spend Services lines in Common Policy to avoid creating new individual services. Agencies complete interagency agreements (IAs) with OIT when purchasing certain products or services that are on an enterprise agreement for which OIT does not have existing Long Bill spending authority. Currently, state agencies complete IAs when requesting staff services beyond the set common policy estimates. The IAs outline the scope of work to be provided by OIT and the dollar amount the agency is committing to pay. IAs take a considerable amount of time and effort on OIT's IA Finance team to set up and bill for the services each month. In addition to the administrative burden on OIT staff, the current process creates a substantial workload on the agencies. Due to the potential for multiple divisions and processes within an agency, it can create a lengthy process to gain the appropriate approvals to engage in an IA with OIT. While this request does include 41.0 "new" FTE, currently those FTE are funded via the IAs and approving the request brings the FTE "on budget".

OIT R5 DATA DRIVEN DECISIONS: The request includes an increase of \$2.9 million reappropriated funds including 10.0 FTE in FY 2023-24 and \$4.2 million and 20.0 FTE and ongoing to develop and implement a unified statewide data governance framework will enhance the effectiveness and efficiency of government services by promoting greater collaboration, innovation and agility in government operations between state agencies. The Office states that robust and consistent program of information sharing across state agencies that prioritizes interoperability and privacy will enable the state to meet its current challenges and to leverage data to improve the health and quality of life for Coloradans. Development of Enterprise Data Governance and Management Data Technical Service areas will reduce data risks, create efficiencies, and reduce the existence of data silos. It is likely that approving this request will allow the General Assembly greater access to evidence of successes and failures of programs that have been difficult to share or unavailable in the past.

OTHER CHANGES

CENTRALLY APPROPRIATED LINE ITEMS: The request includes an increase of \$14.8 million total funds, including an increase of \$832,655 General Fund, for adjustments to centrally appropriated line items for the following: state contributions for health, life, and dental benefits; salary survey; short-term disability; supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund; shift differential; vehicle lease payments; workers' compensation; legal services; payment to risk management and property funds; Capitol Complex leased space; leased space; and Payments to OIT.

CENTRALLY APPROPRIATED LINE ITEMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Payments to OIT	\$7,205,557	(\$138,575)	\$0	\$7,344,132	\$0	0.0
Salary survey	4,003,220	445,635	212,147	3,162,894	182,544	0.0
Health, life, and dental	2,799,636	362,659	485,493	1,602,983	348,501	0.0
Salary survey COWINS	2,668,810	297,089	136,819	2,113,207	121,695	0.0
SAED	626,599	64,119	98,373	278,951	185,156	0.0
AED COWINS	387,431	64,302	88,092	104,081	130,956	0.0
AED	357,234	12,959	16,538	268,153	59,584	0.0
Capitol Complex leased space	247,425	18,056	0	229,369	0	0.0
SAED COWINS	118,066	13,142	6,257	93,283	5,384	0.0
Legal services	105,381	91,084	0	14,297	0	0.0
Short-term disability	11,395	1,981	3,051	715	5,648	0.0
Leased space	10,876	10,876	0	0	0	0.0
Short-term disability COWINS	2,808	38	6	2,732	32	0.0
PERA Direct Distribution	(1,788,099)	55,444	(77,344)	(1,769,989)	3,790	0.0
Risk management and property adjustment	(1,765,149)	(465,255)	0	(1,299,894)	0	0.0
Community access legal adj	(138,138)	0	(138,138)	0	0	0.0
Shift differential	(30,373)	0	0	(30,373)	0	0.0
CORE adjustment	(24,076)	0	0	(24,076)	0	0.0
Workers' compensation	(18,588)	0	0	(18,588)	0	0.0
Vehicle lease payments	(899)	(899)	0	0	0	0.0
TOTAL	\$14,779,116	\$832,655	\$831,294	\$12,071,877	\$1,043,290	0.0

INDIRECT COST ADJUSTMENT: The request includes a net increase of \$0.5 million total funds, including an increase of \$0.3 million General Fund based on the statewide indirect cost allocation plan and summarized below. Programs shaded are

INDIRECT COST ADJUSTMENT					
SUB-AGENCY REQUESTING CHANGE	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
(GOV) Office of the Governor division	(\$138)	\$0	\$0	(\$138)	\$0
(CEO) Colorado Energy Office	62,057	64,527	0	0	(2,470)
(OEDIT) Office of Economic Development & International Trade	196,094	274,157	(78,063)	0	0
(OIT) Office of Information Technology	273,371	0	0	273,371	0
TOTAL	\$531,384	\$338,684	(\$78,063)	\$273,233	(\$2,470)

NONPRIORITIZED ITEMS: The request includes a net increase of \$64,446 total funds, including an increase of \$464,571 General Fund, for the following nonprioritized request items, which are linked to decision items in other departments and common policy decisions.

NONPRIORITIZED ITEMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Budget package OIT	\$1,924,882	\$63,797	\$0	\$1,861,085	\$0	0.0
NP4 Behav. Health eligibility	859,220	0	0	859,220	0	0.0
NP6 Labor union support team	377,591	377,591	0	0	0	3.0
NP7 OBH Health info. mgmt. sys.	252,154	0	0	252,154	0	3.0
NP6 Improve child welfare access	250,000	0	0	250,000	0	0.0
DPA Capitol complex staffing	33,339	14,288	0	19,051	0	0.0
DPA COE common policy	19,130	3,763	0	15,367	0	0.0
DPA Transfer perf. budgeting to DPA	5,132	5,132	0	0	0	0.0
NP5 HUM Bus. Innovation tech center	(3,657,002)	0	0	(3,657,002)	0	0.0
TOTAL	\$64,446	\$464,571	\$0	(\$400,125)	\$0	6.0

PRIOR YEAR LEGISLATION: The request includes a net decrease of just over \$42.8 million total funds, including a decrease of \$7.5 million General Fund, to reflect the out-year impact of bills passed in previous sessions, summarized in the following table.

PRIOR YEAR LEGISLATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
SB22-191 Procurement of IT resources	\$1,500,000	\$0	\$1,500,000	\$0	\$0	0.0
SB18-200 PERA unfunded liability	436,870	6,191	0	430,679	0	0.0
HB22-1289 Cover all Coloradans	122,463	0	0	122,463	0	0.0
HB22-1149 Adv Ind Invest Tax Cred	90,000	90,000	0	0	0	0.2
SB22-238 Property tax for 2023 & 2024	81,504	0	0	81,504	0	0.0
HB22-1361 Oil & gas reporting	61,500	0	0	61,500	0	0.0
SB22-206 Disaster prep. And recov.	27,078	27,078	0	0	0	0.2
HB22-1401 Regulate hospital nurses	11,277	11,277	0	0	0	0.1
HB22-1249 Elec grid resil	7,490	7,490	0	0	0	0.1
HB22-1013 Microgrids comm resil	6,905	6,905	0	0	0	0.1
HB21-1266 Envtl. Justice impacted comm.	2,940	0	0	2,940	0	0.0
HB21-1189 Regulate air toxins	2,844	0	0	2,844	0	0.0
Correct HB21-1111 annualization	0	(193,412)	0	193,412	0	0.0
HB22-1353 Public safety comms. transfer	(21,423,362)	(7,200,000)	0	(14,102,362)	(121,000)	(54.0)
HB21-1285 Fund Support Creative Arts	(18,000,000)	0	(18,000,000)	0	0	0.0
HB22-1408 Modify Perf-based Incentive	(2,000,000)	0	(2,000,000)	0	0	0.0
HB22-1259 Modify CO Works	(1,066,400)	0	0	(1,066,400)	0	0.0
HB22-1358 School & childcare clean water	(407,214)	0	0	(407,214)	0	0.0
HB22-1304 Affordable housing grants	(385,281)	0	0	(385,281)	0	(4.3)
SB22-160 Loans for owners-residents	(384,019)	0	0	(384,019)	0	(4.3)
SB22-159 Affordable housing loans	(379,081)	0	0	(379,081)	0	(4.3)
Correct HB 20-1116 annualization	(220,000)	(220,000)	0	0	0	0.0
HB21-1111 Pers. info. collect. consent	(193,412)	0	0	(193,412)	0	(1.1)
SB22-163 Equity process in procurement	(114,824)	0	0	(114,824)	0	0.0
HB22-1217 Catalytic converter response	(94,893)	0	0	(94,893)	0	(0.9)
SB22-193 Air quality investments	(72,680)	0	0	(72,680)	0	0.0
HB22-1348 Reg. oil & gas chemicals	(61,500)	0	0	(61,500)	0	0.0
HB22-1287 Protections for mobile parks	(50,173)	0	0	(50,173)	0	0.0
SB22-196 Health in criminal justice	(49,600)	0	0	(49,600)	0	8.4
SB22-154 Asstd. living safety	(47,680)	0	0	(47,680)	0	0.0
HB22-1242 Reg. tiny home manufacture	(46,906)	0	0	(46,906)	0	0.0
HB21-1065 Veterans Hiring Pref.	(25,000)	(25,000)	0	0	0	0.0
HB22-1083 Homelessness charity tax credit	(21,075)	0	0	(21,075)	0	0.0

PRIOR YEAR LEGISLATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
HB22-1269 Health sharing reports	(18,882)	0	0	(18,882)	0	0.0
HB22-1418 Ext Unused Tax Creds	(18,412)	(18,412)	0	0	0	(0.2)
HB21-1279 Occ. therapy compact	(17,000)	0	0	(17,000)	0	0.0
SB22-118 Encourage geothermal use	(15,000)	(15,000)	0	0	0	0.0
SB22-210 Reg. health staff agencies	(12,658)	0	0	(12,658)	0	0.0
HB22-1151 Turf replacement program	(11,400)	0	0	(11,400)	0	0.0
HB22-1388 Vehicle registration & title	(10,197)	0	0	(10,197)	0	0.0
HB22-1377 Homelessness resp. grants	(9,218)	0	0	(9,218)	0	0.0
SB22-114 Fire suppression ponds	(7,600)	0	0	(7,600)	0	0.0
SB22-217 Disability services	(7,475)	0	0	(7,475)	0	0.0
HB22-1014 Epilepsy license plate	(3,168)	0	0	(3,168)	0	0.0
SB22-204 ID docs federal status check	(2,575)	0	0	(2,575)	0	0.0
SB22-190 Space Force license plate	(2,426)	0	0	(2,426)	0	0.0
HB22-1103 Delta Sigma license plate	(2,129)	0	0	(2,129)	0	0.0
HB22-1154 Rotary license plates	(2,129)	0	0	(2,129)	0	0.0
HB22-1241 CASA license plate	(1,979)	0	0	(1,979)	0	0.0
SB22-055 Monitor impaired drivers	(1,386)	0	0	(1,386)	0	0.0
TOTAL	(\$42,835,863)	(\$7,522,883)	(\$18,500,000)	(\$16,691,980)	(\$121,000)	(60.0)

PRIOR YEAR BUDGET ACTIONS: The request includes a net decrease of \$14.1 million total funds, including a decrease of \$5.7 million General Fund, for prior year budget actions summarized in the following table:

PRIOR YEAR BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
OIT FY 22-23 IT accessibility	\$182,690	\$182,690	\$0	\$0	\$0	0.4
OIT FY 22-23 Testing solutions support	101,424	0	0	101,424	0	0.3
LG FY 22-23 Serve Colorado	85,000	85,000	0	0	0	0.0
OIT FY 22-23 Replace PHE phones	64,921	0	0	64,921	0	0.0
OIT FY 22-23 Veterans cybersecurity	18,427	0	0	18,427	0	0.3
GOV FY 22-23 Medical-fin. partnership	8,300	8,300	0	0	0	0.0
OIT FY 22-23 Convert HCPF contractors	4,573	0	0	0	4,573	0.0
OEDIT Local EDOs and Coal Communities	(12,000,000)	(6,000,000)	0	(6,000,000)	0	0.0
LG Pay for success	(2,298,183)	0	(2,298,183)	0	0	0.0
Prior year salary survey	(269,592)	2	(149,272)	(59,762)	(60,560)	0.0
TOTAL	(\$14,102,440)	(\$5,724,008)	(\$2,447,455)	(\$5,874,990)	(\$55,987)	1.0

SUMMARY OF ISSUES PRESENTED TO THE JOINT BUDGET COMMITTEE

ISSUE WEBSITE ACCESSIBILITY STANDARDS POTENTIAL IMPACT TO STATE BUDGET: Before the state begins the 2024-25 fiscal year, recent legislation requires all state agency website to fully comply with the OIT accessibility standards, which are based on the Web Content Accessibility Guidelines (WCAG 2.1). While the potential budget impact of noncompliance is difficult to estimate, if issues found during the initial assessment of 16 percent of state sites were each a violation, the fine cost could reach \$4.0 million. While not the only remedy available to the courts, potential fines make this a potential budget issue on the horizon for the committee beginning in FY 2024-25. The Official Budget Transmission Letter from the Governor states it is likely it will submit a budget amendment related to resources required to comply with the accessibility standards.

ONE-TIME FUNDING AUTHORIZED IN RECENT LEGISLATIVE SESSIONS FOR ALL SECTIONS BUT CEO AND OEDIT: During the 2021 and 2022 legislative sessions, the General Assembly allocated significant one-time funding to the Office of the Governor that included \$440.0 million originating as federal Coronavirus State Fiscal Recovery funds (ARPA funds). This issue brief provides a descriptions of the funding allocated and status updates when relevant.

INFORMATIONAL ISSUE: SUMMARY OF RECENT ECONOMIC DEVELOPMENT SPECIAL BILLS: Summarizes recent legislation that has passed that impacts economic development and stimulus related to COVID-19.

ONE-TIME FUNDING AUTHORIZED IN RECENT LEGISLATIVE SESSIONS FOR CEO: During the 2021 and 2022 legislative sessions, the General Assembly allocated significant one-time funding to the Colorado Energy Office that included \$166,500,000 originating as state General Fund.

R-01 EPC FEASIBILITY STUDIES: This issue brief describes the Colorado Energy Office’s request for \$750,000 one-time funds for FY 2023-24 to conduct Energy Performance Contracting feasibility studies on various state-owned buildings.

ONE-TIME FUNDING AUTHORIZED IN RECENT LEGISLATIVE SESSIONS FOR OEDIT: During the 2020B, 2021, and 2022 legislative sessions, the General Assembly allocated significant one-time funding to the Office of Economic Development and International Trade in the Governor's Office that included \$334.8 million originating as state General Fund and \$40.0 million originating as federal Coronavirus State Fiscal Recovery funds (ARPA funds).

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Department of Health Care Policy and Financing

The Department of Health Care Policy and Financing helps pay health and long-term care expenses for low-income and vulnerable populations. To assist with these costs, the Department receives significant federal matching funds, but must adhere to federal rules regarding program eligibility, benefits, and other features, as a condition of accepting the federal money. The Department's FY 2022-23 appropriation represents approximately 36.7 percent of statewide operating appropriations and 29.4 percent of statewide General Fund appropriations.

FY 2022-23 APPROPRIATION AND FY 2023-24 REQUEST

DEPARTMENT OF HEALTH CARE POLICY AND FINANCING						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2022-23 APPROPRIATION:						
H.B. 22-1329 (Long Bill)	\$14,175,863,675	\$4,079,738,465	\$1,805,089,552	\$94,985,445	\$8,196,050,213	711.7
Other Legislation	45,200,722	5,108,013	33,890,841	72,750	6,129,118	30.1
TOTAL	\$14,221,064,397	\$4,084,846,478	\$1,838,980,393	\$95,058,195	\$8,202,179,331	741.8
FY 2023-24 REQUESTED APPROPRIATION:						
FY 2022-23 Appropriation	\$14,221,064,397	4,084,846,478	\$1,838,980,393	\$95,058,195	\$8,202,179,331	741.8
R1 Medical Services Premiums	407,679,567	155,659,118	2,072,047	(895,544)	250,843,946	0.0
R2 Behavioral Health	(10,567,103)	(3,443,854)	(1,075,502)	0	(6,047,747)	0.0
R3 Child Health Plan Plus	28,740,043	8,051,152	2,163,953	0	18,524,938	0.0
R4 Medicare Modernization Act	3,285,804	3,285,804	0	0	0	0.0
R5 Office of Community Living	29,857,884	14,353,416	(37,375)	0	15,541,843	0.0
R6 Value-based payments	8,679,810	2,853,173	317,098	0	5,509,539	0.0
R7 Provider rates	192,249,156	69,830,979	15,324,718	0	107,093,459	0.0
R8 Cost and quality indicators	7,305,880	976,856	701,458	0	5,627,566	0.0
R9 Birthing equity	(702,853)	(357,242)	0	0	(345,611)	0.0
R10 Children with complex needs	3,938,944	200,043	1,769,429	0	1,969,472	3.7
R11 Compliance	(10,748,066)	(3,417,450)	(1,531,371)	0	(5,799,245)	7.4
R12 Non-Medicaid BH eligibility & claims	2,889,302	2,889,302	0	0	0	8.4
R13 Case management redesign	3,602,309	168,000	1,533,155	0	1,901,154	0.0
R14 Convert contracts to FTE	(55,923)	(28,400)	440	0	(27,963)	3.7
R15 Administrative technical request	0	0	0	0	0	0.0
Centrally appropriated items	4,664,699	2,246,314	90,003	(79,760)	2,408,142	0.0
Annualize prior year budget actions	3,167,177	93,374,893	(126,457,433)	11,156,916	25,092,801	(12.1)
Human Services programs	3,057,977	1,456,094	0	0	1,601,883	0.0
Indirect cost recoveries	264,914	0	(76,093)	118,832	222,175	0.0
Transfers to other state agencies	12,782	4,853	1,278	459	6,192	0.0
NP Housing vouchers	(4,215,888)	(2,107,944)	0	0	(2,107,944)	0.0
TOTAL	\$14,894,170,812	\$4,430,841,585	\$1,733,776,198	\$105,359,098	\$8,624,193,931	752.9
INCREASE/(DECREASE)	\$673,106,415	\$345,995,107	(\$105,204,195)	\$10,300,903	\$422,014,600	11.1
Percentage Change	4.7%	8.5%	(5.7%)	10.8%	5.1%	1.5%

R1 MEDICAL SERVICES PREMIUMS: The Department requests a net increase of \$407.7 million total funds, including an increase of \$155.7 million General Fund, for projected changes in caseload, per capita expenditures, and fund sources for the Medical Services Premiums line item.

R2 BEHAVIORAL HEALTH: The Department requests a net decrease of \$10.6 million total funds, including a reduction of \$3.4 million General Fund, for projected changes in caseload, per capita expenditures, and fund sources for behavioral health services.

R3 CHILD HEALTH PLAN PLUS: The Department requests an increase of \$28.7 million total funds, including \$8.1 million General Fund, for projected changes in caseload, per capita expenditures, and fund sources for the Children's Basic Health Plan, which is marketed as the Child Health Plan Plus.

R4 MEDICARE MODERNIZATION ACT: The Department requests an increase of \$3.3 million General Fund for the projected state obligation, pursuant to the federal Medicare Modernization Act, to pay the federal government in lieu of the state covering prescription drugs for people dually eligible for Medicaid and Medicare.

R5 OFFICE OF COMMUNITY LIVING: The request includes an increase of \$29.9 million total funds, including \$14.4 million General Fund, for caseload adjustments to maintain zero waitlists for the Home and Community Based Services Supported Living Services, Children’s Extensive Services, and Children’s Habilitation Residential Program waivers for individuals with intellectual and developmental disabilities, and fund 411 transition enrollments onto the Comprehensive waiver.

R6 VALUE-BASED PAYMENTS: The Department requests an increase of \$8.7 million total funds, including \$2.9 million General Fund, for training and incentives for Primary Care Medical Providers (PCMPs) to transition to the alternative payment methodology. This program pays PCMPs a partial capitation payment and allows PCMPs to earn incentive payments for managing care for members with chronic conditions. The Department indicates that funding is for the implementation of an evidence-informed practice.

R7 PROVIDER RATES: The Department requests an increase of \$24.2 million total funds, including \$8.6 million General Fund, for a 0.5 percent increase in common policy provider rates for most providers. The Department indicates that funding is for the implementation of an evidence-informed practice.

R7 TARGETED PROVIDER RATES [REQUIRES LEGISLATION]: The Department requests an increase of \$168.0 million total funds, including \$61.2 million General Fund, for targeted adjustments to certain provider rates (see table below). The Department indicates that funding is for the implementation of an evidence-informed practice.

R7 PROVIDER RATE ADJUSTMENTS DEPARTMENT REQUEST FY 2023-24 FISCAL IMPACT						
RATE	CHANGE	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	FEDERAL FUNDS	REQUIRES LEGISLATION?
ACROSS THE BOARD RATE ADJUSTMENT	0.5 percent increase	\$24,200,145	\$8,630,708	\$1,135,953	\$14,433,484	No
MPRRAC RECOMMENDATIONS						
Physician Services	rebalancing (between 80 and 100 percent)	19,311,361	5,907,439	799,446	12,604,476	No
Dialysis & Nephrology	increasing rates to 80 percent	427,077	92,379	26,460	308,238	No
Laboratory & Pathology	rebalancing (between 80 and 100 percent)	2,453,573	542,447	138,613	1,772,513	No
Eyeglasses and Vision	rebalancing (between 80 and 100 percent)	19,167,764	5,863,512	793,502	12,510,750	No
Injections & Miscellaneous J-Codes	rebalancing (between 80 and 100 percent)	86,238	26,381	3,571	56,286	No
SUBTOTAL MPRRAC RECOMMENDATIONS		\$41,446,013	\$12,432,158	\$1,761,592	\$27,252,263	

R7 PROVIDER RATE ADJUSTMENTS DEPARTMENT REQUEST FY 2023-24 FISCAL IMPACT						
RATE	CHANGE	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	FEDERAL FUNDS	REQUIRES LEGISLATION?
OTHER PROVIDER RATE ADJUSTMENTS						
Rural Hospital Technology Payments	incentive payments	4,220,000	2,110,000	0	2,110,000	No
Eliminating Member Copays	excluding non-emergent ER visits	9,295,824	1,821,702	565,243	6,908,879	yes, for pharmacy and outpatient copays
GRSS and NMT Rate Adjustments Comprehensive Waiver	incr. to align with other waivers	15,802,052	5,293,686	2,607,339	7,901,027	No
GRSS and NMT Rate Adjustments Supported Living Services Waiver	incr. to align with other waivers	1,785,095	598,006	294,541	892,548	No
Nursing Facility Rate Increase	\$18.37/day incr. (on av.)	39,182,927	19,591,463	0	19,591,464	Yes
Minimum Wage Adjustments	incr. HCBS to \$15.75 per hour/incr. min to \$17.29 in Denver	56,953,319	19,477,936	8,998,735	28,476,648	No
SUBTOTAL OTHER ADJUSTMENTS		\$127,239,217	\$48,892,793	\$12,465,858	\$65,880,566	
TOTAL		\$192,885,375	\$69,955,659	\$15,363,403	\$107,566,313	

R8 COST AND QUALITY INDICATORS: The Department requests an increase of \$7.3 million total funds, including \$1.0 million General Fund, to sustain the data integration infrastructure for collecting and sharing relevant and reliable health care data among community partners, and to continue development of cost and quality indicators to determine trends in underlying data. The Department indicates that funding is for the implementation of a theory-informed practice.

R9 BIRTHING EQUITY: The Department requests \$1.2 million total funds, including \$594,304 General Fund, for the combined cost of a new doula benefit and new donor milk benefit. The cost increases to \$1.8 million total funds, including \$901,802 General Fund, in the second year. As part of the request, the Department included an unrelated change to the High Risk Pregnant Women line item and showed this as an offset to the cost of the request. The Department identified this request as evidence-informed.

R10 CHILDREN WITH COMPLEX NEEDS: The Department requests \$3.9 million total funds, including \$200,043 General Fund, and four new positions (3.7 FTE in the first year) to: (1) create a department team for children with complex and co-occurring needs; (2) move certain payments for Autism Spectrum Disorder from fee-for-service to the managed care behavioral health program; and (3) expand skilled and therapeutic respite care for children with high physical and behavioral health needs. The expanded respite care drives most of the cost. The Department proposes using federal funds made available through the American Rescue Plan Act to expand Home- and Community-Based Services to offset the need for General Fund through December 2024. When the federal funds expire the General Fund cost increases to \$884,715 in FY 2024-25 and \$1,769,429 in FY 2025-26. The Department identified this request as theory-informed.

R11 COMPLIANCE: The Department requests a decrease of \$10.7 million total funds, including \$3.4 million General Fund, and an increase of 7.4 FTE to expand and strengthen operational compliance and program oversight and accountability.

R12 NON-MEDICAID BH ELIGIBILITY & CLAIMS: The Department requests \$2.9 million General Fund and 8.4 FTE, increasing to \$3.0 million and 10.0 FTE in FY 2024-25, for ongoing operation of information technology systems that support eligibility determinations, claims processing, and data reporting for non-Medicaid behavioral health services. As part of the Behavioral Health Administration initiative, the Department previously received funding for development of the systems. The goal was to leverage the Department's experience and standardize procedures across programs, eventually resulting in financial efficiencies that would offset the cost of maintenance and ongoing operations. The Behavioral Health Administration has not yet estimated or captured the expected financial efficiencies, but the Department anticipates needing money for ongoing operations beginning in FY 2023-24. The Department identified this request as theory-informed.

R13 CASE MANAGEMENT REDESIGN: The request includes a net increase of \$3.6 million total funds, including \$168,000 General Fund in FY 2023-24, annualizing to \$9.0 million total funds including \$2.0 million General Fund in FY 2024-25 and \$9.0 million total funds including \$4.0 million General Fund in FY 2025-26 and beyond. The request seeks to: (1) Provide onetime costs for Community Centered Board and Single Entry Point closeout reviews, (2) increase rates and expand reimbursable activities for case management. (3) Provide Case Management training and learning management system licenses, and (4) Provide resources for the new Care/Case Management tool.

R14 CONVERT CONTRACTS TO FTE: The Department requests a net decrease of \$55,923 total funds, including a decrease of \$28,400 General Fund, and an increase of 3.7 FTE to repurpose funding from contractor resources to hire FTE. The State employees will be responsible for communication with and outreach to external partners, facilitation of meetings and workgroups, conflict resolution and mediation, and the development of policy and process documents based on stakeholder feedback to provide insights and recommendations concerning Department programs. The Department indicates that funding is for the implementation of a theory-informed practice.

R15 ADMINISTRATIVE TECHNICAL REQUEST: The Department requests a net zero adjustment to move funding for the Pharmacy Benefits Prescriber Tool from the General Professional Services line item to the Medicaid Management Information Systems (MMIS) line item; and to move funding for the Center for Improving Value in Health Care Health Information Technology project out of the MMIS line item and into the All-Payer Claims Database line item.

CENTRALLY APPROPRIATED ITEMS: The request includes adjustments to centrally appropriated line items for the following: state contributions for health, life, and dental benefits; short-term disability; paid family and medical leave insurance; supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund; shift differential; salary survey; workers' compensation; legal services; administrative law judges; payment to risk management and property funds; Capitol complex leased space; payments to the Governor's Office of Information Technology (OIT); and CORE operations.

ANNUALIZE PRIOR YEAR BUDGET ACTIONS: The request includes adjustments for out-year impacts of prior year legislation and budget actions, summarized in the table below. The titles of the annualizations begin with either a bill number or the relevant fiscal year. For budget decisions made in the Long Bill, the title includes a reference to the priority number the Department used in that year for the initiative, if relevant. If there is no reference to a bill number or priority number, then the change was initiated by an action other than a bill or request from the Department. The largest General Fund increase is for the annualization of the 3.0 percent common policy and other targeted provider rate adjustments. The largest decrease in General Fund is for the second year of FY 2022-23 R8 County Administration Oversight and Accountability to reflect the anticipated reduction in the claims paid for ineligible members.

ANNUALIZE PRIOR YEAR BUDGET ACTIONS

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2022-23 R10 Provider rates	\$151,648,254	\$72,442,817	\$915,780	\$0	\$78,289,657	0.0
FY 2022-23 R14 MMIS fund. and contract. conv.	56,833,725	9,248,483	4,236,554	0	43,348,688	0.0
HB 22-1303 Residential behavioral health beds	22,772,319	11,386,159	0	0	11,386,160	0.2
HB 22-1289 Health benefits for child. and preg. ppl	11,679,567	4,361,194	(30,346)	0	7,348,719	5.0
SB 21-213 Use of increased Medicaid match	11,679,435	0	0	5,115,592	6,563,843	0.0
FY 2021-22 Restore funding for SB 19-195	8,801,690	4,518,133	0	0	4,283,557	(1.0)
FY 2021-22 667 IDD enrollments	6,107,288	3,053,644	0	0	3,053,644	0.0
FY 2022-23 prior year OIT	2,148,174	907,849	218,035	4,029	1,018,261	0.0
FY 2022-23 R6 Value-based payments	1,831,809	126,825	(27,304)	0	1,732,288	0.2
SB 21-025 Family planning services	1,074,673	65,713	17,462	0	991,498	0.0
FY 2021-22 R11 Connect 4 Health Colorado	506,796	0	199,413	0	307,383	0.0
SB 21-039 Elimination of subminimum wage	471,421	235,710	1	0	235,710	0.0
SB 21-038 Complementary and alternative medicine	464,592	134,610	97,686	0	232,296	0.0
HB 22-1325 Primary care alternative pmt models	254,250	254,250	0	0	0	0.0
FY 2022-23 BA9 eConsult program	208,706	71,385	85,789	0	51,532	0.0
HB 21-1085 Secure trans behavioral health crisis	192,768	88,869	7,515	0	96,384	0.0
SB 22-235 HUM County admin of pblic assist. prog.	80,000	24,060	15,940	0	40,000	0.0
FY 2021-22 R9 Patient access & interoperability	39,115	10,014	0	0	29,101	0.0
FY 2022-23 R13 Compliance FTE	14,114	10,158	(6,201)	0	10,157	1.0
FY 2022-23 R7 Utilization management	12,069	(2,565)	(11,615)	0	26,249	0.0
HB 22-1278 Behavioral Health Administration	10,368	5,184	0	0	5,184	0.5
FY 2022-23 Prior year salary survey	2,982	1,491	0	0	1,491	0.0
FY 2022-23 HUM Salesforce	1,726	863	0	0	863	0.0
SB 22-106 Public behavioral health conflict of int.	869	434	0	0	435	0.1
FY 2022-23 BA13 Connect 4 Health	0	0	27,124	0	(27,124)	0.0
FY 2022-23 BA10 HCBS ARPA spending authority	(177,840,562)	0	(94,181,473)	0	(83,659,089)	(17.2)
HB22-1302 Health care practice transformation	(35,250,000)	(50,000)	(34,750,000)	0	(450,000)	(2.3)
FY 2022-23 R8 County administration oversight	(16,519,749)	(3,838,321)	(935,408)	0	(11,746,020)	0.1
FY 2022-23 BA6 PHE county admin. resources	(15,207,916)	(2,210,944)	(2,193,450)	0	(10,803,522)	0.0
FY 2022-23 CUSOM adjustments	(13,413,166)	0	0	6,050,828	(19,463,994)	0.0
FY 2022-23 Nursing facilities – DOLA	(6,284,796)	(3,142,398)	0	0	(3,142,398)	0.0
FY 2022-23 BA17 CUSOM clinical revenue	(3,500,000)	(1,533,000)	0	0	(1,967,000)	0.0
HB 22-1333 Minimum wage for nursing homes	(3,071,863)	(1,535,932)	0	0	(1,535,931)	0.0
FY 2021-22 R6 Remote supports for HCBS prog.	(716,615)	(348,347)	(9,960)	0	(358,308)	0.0
FY 2021-22 BA10 PHE end resources	(415,764)	(132,826)	(75,055)	0	(207,883)	0.0
FY 2021-22 BA15 eConsult Program	(308,706)	(101,873)	(52,480)	0	(154,353)	0.0
FY 2006-07 DI8 Nursing facility appraisals	(279,746)	(139,873)	0	0	(139,873)	0.0
FY 2022-23 R12 Convert contractors to FTE	(274,786)	(117,182)	(2,873)	(13,099)	(141,632)	0.8
HB 22-1114 Transport. services Medicaid waivers	(146,758)	(52,129)	(2,567)	0	(92,062)	0.0
HB 21-1166 Behavioral health crisis resp. training	(135,360)	(135,360)	0	0	0	0.0
SB 22-068 All-payor claims database	(114,750)	(114,750)	0	0	0	0.0
SB 21-137 Behavioral health recovery act	(67,920)	(33,960)	0	0	(33,960)	0.0
HB 22-1190 Urban Indian Org. sup. pmts.	(48,025)	(48,025)	0	0	0	0.0
SB 22-196 Health needs in criminal justice system	(32,906)	(16,453)	0	0	(16,453)	0.3
FY 2022-23 HUM coordinated compensation	(16,984)	(8,492)	0	0	(8,492)	0.0
FY 2022-23 R9 OCL program enhancements	(9,325)	(4,663)	0	0	(4,662)	0.0
FY 2022-23 R11 ACC CHP accountability	(8,364)	(3,556)	0	0	(4,808)	0.0
FY 2022-23 HUM Prior year salary survey	(2,982)	(1,492)	0	0	(1,490)	0.0
FY 2022-23 HUM OIT package	(1,552)	(776)	0	0	(776)	0.0
HB 22-1397 Statewide equity office	(868)	0	0	(434)	(434)	0.2
HB 22-1290 Medicaid for wheelchair repairs	(70)	(35)	0	0	(35)	0.0
TOTAL	\$3,167,177	\$93,374,893	(\$126,457,433)	\$11,156,916	\$25,092,801	(12.1)

HUMAN SERVICES PROGRAMS: The Department's request reflects adjustments for several programs that are financed with Medicaid funds, but operated by the Department of Human Services. *See the briefings for the Department of Human Services for more information.*

INDIRECT COST RECOVERIES: The Department requests \$0.3 million total funds related to the assessment of indirect costs.

TRANSFERS TO OTHER STATE AGENCIES: The Department requests an increase of \$12,782 total funds, including \$4,853 General Fund, for transfers to programs administered by other departments.

NON-PRIORITIZED BUDGET REQUESTS: The Department request includes adjustments related to prioritized requests submitted by other State departments.

SUPPLEMENTALS

SET ASIDE FOR FORECAST-RELATED SUPPLEMENTALS: The Governor’s budget letter includes a set aside for the Department of Health Care Policy and Financing for FY 2022-23 including a net decrease of \$234.1 million General Fund for the most recent forecast of enrollment and expenditures.

FY 2022-23 SET-ASIDE FOR FORECAST-RELATED SUPPLEMENTALS					
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
R1 Medical Services Premiums	\$255,702,393	(\$160,547,848)	(\$3,920,627)	\$0	\$420,170,868
R2 Behavioral Health	45,221,048	(11,570,183)	5,252,102	0	51,539,129
R3 Child Health Plan Plus	(31,177,243)	(16,311,787)	2,220,103	0	(17,085,559)
R4 Medicare Modernization Act	(6,613,654)	(6,613,654)	0	0	0
R5 Office of Community Living	(21,697,423)	(39,079,985)	633,347	0	16,749,215
TOTAL	\$241,435,121	(\$234,123,457)	\$4,184,925	\$0	\$471,373,653

SUMMARY OF ISSUES PRESENTED TO THE JOINT BUDGET COMMITTEE

FORECAST TRENDS (R1): Request R1 is based on the Department's most recent forecast of enrollment and expenditures under current law and policy. It drives a net increase of \$163.7 million total funds, including \$362.6 million General Fund. While the request explains what drives the budget, it non-discretionary, as it represents the expected obligations under current law and policy. It would take a change to current law or policy to change the trends

PROVIDER RATES (R7): This issue brief discusses proposed changes in provider rates. Through R7 *Provider rates* the Department requests several targeted rate increases and common policy increase of 0.5 percent. See the description above for additional information.

FORECAST SUMMARY (R2, R3, AND R4): Requests R1 through R5 are based on the Department's most recent forecasts of enrollment and expenditures under current law and policy. These requests explain what drives the budget, but they are non-discretionary, as they represent the expected obligations under current law and policy. It would take a change to current law or policy to change the trends. This issue brief summarizes the forecasts for R2 Behavioral Health, R3 Child Health Plan Plus, and R4 Medicare Modernization Act.

BIRTHING EQUITY (R9): The issue brief explores the Department's request in R9 Birthing Equity for \$1.2 million total funds, including \$594,304 General Fund, for the combined cost of a new doula benefit and new donor milk benefit. The cost for these new benefits increases to \$1.8 million total funds, including \$901,802 General Fund, in the second year.

OFFICE OF COMMUNITY LIVING CASELOAD (R5): The Department of Health Care Policy and Financing submits an annual budget request for adjustments in appropriations that fund services to individuals with intellectual and developmental disabilities. Budget requests are based on projected caseload and the associated costs for the Home and Community Based Services Comprehensive, Supported Living Services, Children’s Extensive Services, and Children’s Habilitation Residential Program waivers as well as for Targeted Case Management.

CASE MANAGEMENT REDESIGN (R13): The Department requests \$3.6 million total funds, including \$168,000 General Fund in FY 2023-24, to support case management rate increases, continuous system enhancements to the Care/Case Management Tool, case management training resources, and financial closeout reviews for existing entities. The request annualizes to \$9.0 million total funds, including \$2.1 million General Fund in FY 2024-25 and \$9.0 million total funds, including \$4.0 million General Fund in FY 2025-26 and ongoing.

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Department of Higher Education

The Department of Higher Education is responsible for higher education and vocational training programs in the state. The Department's FY 2022-23 appropriation represents 14.0 percent of statewide operating appropriations and 9.8 percent of statewide General Fund appropriations.

FY 2022-23 APPROPRIATION AND FY 2023-24 REQUEST

DEPARTMENT OF HIGHER EDUCATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2022-23 APPROPRIATION:						
FY 2022-23 Long Bill	\$5,391,847,404	\$1,346,465,080	\$2,938,660,565	\$1,080,866,631	\$25,855,128	26,474.1
Other legislation	122,066,176	16,139,274	104,327,492	1,604,718	(5,308)	15.1
TOTAL	\$5,513,913,580	\$1,362,604,354	\$3,042,988,057	\$1,082,471,349	\$25,849,820	26,489.2
FY 2023-24 REQUESTED APPROPRIATION:						
FY 2022-23 Appropriation	\$5,513,913,580	1,362,604,354	\$3,042,988,057	\$1,082,471,349	\$25,849,820	26,489.2
R1 State funding increase for higher education	152,990,043	85,990,045	0	66,999,998	0	0.0
R2 Tuition spending authority	112,663,268	0	112,663,268	0	0	0.0
R3 Fort Lewis Native American tuition waiver	(2,608,020)	(2,608,020)	0	0	0	0.0
R4 Increase support for cannabis research at ICR	1,139,828	0	1,139,828	0	0	0.9
HC1 History Colorado strategic initiatives	1,500,000	0	1,500,000	0	0	0.0
T1 WICHE dues	5,000	0	0	5,000	0	0.0
T2 Auraria Higher Education Center	100,000	0	0	100,000	0	0.0
T3 Depreciation Lease Equivalent	3,578,050	3,578,050	0	0	0	0.0
T4 Colorado Geological Survey	31,727	31,727	0	0	0	0.0
T5, T6 Lease purchase payment adjustments	(204,893)	6,754,346	(6,760,176)	(199,063)	0	0.0
NP OIT budget request package	32,215	0	18,076	14,139	0	0.0
NP DPA COE common policy	3,541	0	2,735	806	0	0.0
Centrally appropriated line items	1,898,910	287,392	672,281	237,046	702,191	0.0
Annualize prior year budget actions	0	0	0	0	0	0.0
Annualize prior year legislation	(114,882,833)	(11,339,815)	(103,543,018)	0	0	(5.4)
TOTAL	\$5,670,160,416	\$1,445,298,079	\$3,048,681,051	\$1,149,629,275	\$26,552,011	26,484.7
INCREASE/(DECREASE)	\$156,246,836	\$82,693,725	\$5,692,994	\$67,157,926	\$702,191	(4.5)
Percentage Change	2.8%	6.1%	0.2%	6.2%	2.7%	(0.0%)

R1 STATE FUNDING INCREASE FOR HIGHER EDUCATION: The request includes an increase of \$85,990,665 General Fund for public higher education institutions and financial aid. This includes an increase of \$69,850,373 General Fund (6.8 percent) for the public institutions of higher education, including \$66,999,999 for stipends and fee-for-service contracts reappropriated to the ten state governing boards and \$2,850,374 for grants to local district colleges and area technical colleges. Consistent with statutory requirements for aligned funding increases, it also includes a total of \$16,027,824 for financial aid, including \$12,527,824 General Fund for Need Based Grants, \$3,000,000 for the Colorado Opportunity Scholarship Initiative, and \$500,000 for Veterans'/Law Enforcement/POW tuition assistance, as well as \$111,848 to increase stipends for students attending private institutions.

Funding for the institutions is allocated using the new funding formula established by H.B. 20-1366. The request uses the Performance and Ongoing Additional Funding sections of the model, consistent with the General Assembly's actions in FY 2022-23. The Performance component compares institutions' performance changes over time with the performance changes of other institutions in eight areas: resident FTE enrollment, credential production, Pell eligible enrollment, underrepresented minority enrollment, retention rate, graduation rate in 100% of time, graduation rate in 150% of time, and first generation enrollment. This portion of the request incorporates base funding for the state institutions plus 3.5 percent and is designed to provide a relatively stable funding base. The balance of the request (\$27.0 million) is distributed through the Ongoing Additional Funding section of the model, which provides a mechanism for providing more targeted increases consistent with higher education master plan and other policy goals. Using all model components, the request includes increases ranging from a low of 6.1 percent to a high of 8.7 percent by governing board from all components of the model. The local district colleges, and the area technical colleges receive the average increase of 6.8 percent.

The request incorporates increasing the College Opportunity Fund (COF) stipend from \$104 per credit hour to \$116 per credit hour or \$3,480 per year for a full time, full year (30 credit hour) student. The balance of increases would be covered through fee-for-service contracts with the institutions.

The request indicates that the portion of the request directed to the Colorado Opportunity Scholarship Initiative (\$3.0 million) reflects a proven practice.

R2 TUITION SPENDING AUTHORITY: The request is to limit resident undergraduate tuition increases to 4.0 percent. This takes into account institutions' reliance on tuition to sustain their operations, rising personnel costs, and a projected 8.3 percent inflation rate for Colorado in 2022. The request also assumes a 5.5 percent increase in nonresident tuition, although this does not reflect a limit. Based on these assumptions, the request includes an increase of \$112.7 million in cash funds spending authority for tuition revenue. JBC Staff anticipates that, consistent with statute and past practice, amounts in the FY 2023-24 Long Bill will be based on additional information about FY 2022-23 tuition revenue and FY 2023-24 enrollment estimates, as well as the final assumptions the Committee adopts about tuition rates. Tuition rate assumptions will be identified in Long Bill footnotes.

R3 FORT LEWIS NATIVE AMERICAN TUITION WAIVER: The request includes a decrease of \$2,608,020 General Fund (10.2 percent) for the Fort Lewis College Native American tuition waiver. This will bring total waiver payments to \$22,955,945 General Fund. Waiver payments are mandated by Section 23-52-105 (1)(b)(I), C.R.S., which requires the General Assembly to fund 100 percent of the tuition obligations for qualifying Native American students attending Fort Lewis College. Funding for the tuition waiver is made one year in arrears and is calculated based on prior year enrollment estimates. Almost all funds support nonresident tuition payments for Native American students who are not Colorado residents; however, the majority of these students are from tribes with historical ties to the State. This figure is expected to be adjusted based on information received later in the fiscal year.

R4 INCREASE SUPPORT FOR CANNABIS RESEARCH AT ICR: The request includes an increase of \$1,139,829 from the Marijuana Tax Cash Fund for the Institute of Cannabis Research (ICR) for FY 2023-24 and ongoing. The request would increase the current \$2.8 million funding to a total of \$3,939,829 cash funds. The ICR was launched in 2016 at Colorado State University-Pueblo. Initially its activities were focused on research and education at CSU Pueblo and hosting an annual cannabis research conference. In 2019, the mission evolved to a pure research focus, engaging researchers throughout Colorado. The ICR's current grant funding model launched in 2021 and is based on the process used by the National Institutes of Health for research funding. There is significant demand for this research funding, with approximately \$25 million in research requests submitted in response to the last two funding competitions. The request would add \$800,000 to support cannabis-related medical and clinical research, public health research, economic and policy research, and research into new cannabis applications. The request also includes \$236,208 to support a new senior researcher with background in analytical chemistry research, preclinical and clinical medical research and/or public health research (\$119,744), base research funding for this researcher (\$83,130), and grant writing support for both the new researcher and the ICR's existing senior scientist.

HC1 HISTORY COLORADO STRATEGIC INITIATIVES: Senate Bill 22-216 (Reallocation of Limited Gaming Revenues) included a one-time transfer of \$3.0 million to History Colorado's Strategic Initiatives Fund. The transfer was from limited gaming funds that would otherwise have gone to the General Fund. The Strategic Initiatives Fund was to be used "for programs and activities that strengthen the [historical] society's financial position and expand its impact on the people of the state." History Colorado received spending authority for the first \$1,500,000 in FY 2022-23 and is requesting spending authority for the balance of money in the fund, an additional \$1,500,000, for FY 2023-24.

The table below summarizes History Colorado's current and proposed use of the funds.

STRATEGIC INITIATIVES FUND				
TOTAL INVESTMENT	PROGRAM	FY 2022-23	FY 2023-24	
\$500,000	Hands-On History Expansion – Expand K-8 fifth-school-day in school districts with 4 day weeks and shortages of childcare	\$160,000	\$340,000	
250,000	Museum of Memory – work with Colorado communities to co-author shared history	160,000	90,000	
70,000	Kids Free Admission at statewide museums – pilot to build capacity to make free admission permanent at History Colorado museums for youth under age 18	70,000	0	
250,000	Colorado History Comprehensive Curriculum – pilot in San Luis Valley to develop curriculum based on local history. Plan is to replicate statewide.	100,000	150,000	
300,000	Preservation access, traditionally marginalized communities – Few Colorado sites on National Register relate to traditionally marginalized communities. Investment would support labor, consultation, and research to add sites representative of these groups	200,000	100,000	
368,000	Affiliates Program – support history related programming by local organizations with tools, services, programs, exhibits; similar to Smithsonian Affiliates program	100,000	268,000	
300,000	A/V Upgrades for Accessible, Hybrid Events – equipment upgrades to enable hybrid meetings and programs in History Colorado museum spaces	300,000	0	
230,000	Licensing <i>What's Your Story?</i> This exhibit helps middle school students connect with the lives of significant Coloradans. To enable museums in other states to license it, Colorado will create a version with custom-built interactive technological components	155,000	75,000	
500,000	Marquee Exhibition – Funds blockbuster exhibitions, including marketing, to attract new patrons	100,000	400,000	
232,000	Section 106 Compliance to support Infrastructure Bill – Funds initial costs of employees needed for three years to provide required historic preservation reviews associated with new federal infrastructure grants and projects	155,000	77,000	
\$3,000,000		\$1,500,000	\$1,500,000	

T1 WICHE DUES: The request includes an increase for fees paid to the Western Interstate Commission on Higher Education, which provides research services and runs inter-state student exchange programs used by the department and public institutions of higher education.

T2 AURARIA HIGHER EDUCATION CENTER: The request increases spending authority for the Auraria Higher Education Center by \$100,000 for funds received from the institutions operating on the Auraria campus (University of Colorado – Denver, Metropolitan State University of Denver, and the Community College of Denver).

T3 DEPRECIATION LEASE EQUIVALENT ADJUSTMENT: The request includes a \$3,578,050 General Fund increase to the annual depreciation lease equivalent payment for higher education, bringing the total for higher education to \$10,984,897 General Fund. This mechanism for supporting capital construction is based on the depreciation of new construction and renovations funded by the General Assembly since FY 2015-16. Most of the appropriation is credited to the Capital Construction Fund, with 1.0 percent credited to the Controlled Maintenance Trust Fund.

T4 COLORADO GEOLOGICAL SURVEY: The request includes an increase of \$31,727 General Fund for a 1.4 percent inflationary increase on base severance tax and General Fund support for the Colorado Geological Survey.

T5, T6 LEASE PURCHASE PAYMENT ADJUSTMENTS: The request includes annual technical adjustments to lease purchase obligations appropriated in this department: the University of Colorado Health Sciences Center at Fitzsimons lease purchase authorized by H.B. 03-1256; and the Higher Education Federal Mineral Lease Revenues lease purchase that supported the construction of various higher education capital construction projects in 2008. The FY 2022-23 request does not include adjustments related to the lease purchase for the new History Colorado Center authorized in 2008.

NP OIT BUDGET REQUEST PACKAGE: The request includes the Department’s share of the Governor’s Office of Information Technology’s budget package adjustments.

NP DPA COE COMMON POLICY: The request includes the Department’s share of a request from the Department of Personnel (DPA) for additional funding for the Center for Organizational Effectiveness (COE).

CENTRALLY APPROPRIATED LINE ITEMS: The request includes adjustments to centrally appropriated line items including: salary survey; health, life, and dental; short-term disability; supplemental payments to the Public Employees Retirement Association (PERA); payments to the Governor’s Office of Information Technology (OIT); workers’ compensation; risk management and property adjustment; legal services; and CORE accounting system operations.

ANNUALIZE PRIOR YEAR BUDGET ACTIONS The request includes the net-zero FY 2023-24 impact of salary survey funds added in FY 2022-23. Salary survey is appropriated in single line item in the department administration section in the first year it is appropriated. The total is then built into personal services and program line items throughout the department in the second year.

ANNUALIZE PRIOR YEAR LEGISLATION The request includes a net reduction of \$114.9 million total funds, including \$11.3 million General Fund, to reflect the FY 2023-24 impact of bills passed in previous legislation sessions, summarized in the following table. Among other adjustments, this includes eliminating General Fund appropriations and cash funds originating as federal Coronavirus State Fiscal Recovery Funds a that were appropriated on a one-time basis in FY 2022-23.

ANNUALIZE PRIOR YEAR LEGISLATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
HB 22-1012 Wildfire risk mitigation and recovery	\$7,248	\$7,248	\$0	\$0	\$0	0.2
SB 22-011 America 250-Colorado 150	2,604	2,604	0	0	0	0.1
HB 22-1220 Removing barriers to educator preparation	(52,000,000)	0	(52,000,000)	0	0	(1.0)
SB 22-226 Programs to support healthcare workforce	(26,000,000)	0	(26,000,000)	0	0	0.0
SB 22-181 Behavioral healthcare workforce	(15,193,018)	0	(15,193,018)	0	0	(1.0)
HB 22-1323 State Forest Service tree nursery	(5,000,000)	(5,000,000)	0	0	0	0.0
SB 22-147 Behavioral healthcare services for children	(4,600,000)	0	(4,600,000)	0	0	0.0
HB 22-1349 Postsecondary student success data system	(3,000,000)	0	(3,000,000)	0	0	0.0
SB 22-192 Opportunities for credential attainment	(2,800,000)	(1,800,000)	(1,000,000)	0	0	0.0
HB 22-1393 Displaced Aurarian scholarship	(2,000,000)	(2,000,000)	0	0	0	0.0
SB 22-216 Gaming allocation	(1,500,000)	0	(1,500,000)	0	0	0.0
HB 22-1366 Improving students' postsecondary options	(1,000,000)	(1,000,000)	0	0	0	(2.0)
SB 22-007 Increase wildfire risk mitigation outreach	(800,000)	(800,000)	0	0	0	0.0
HB 22-1327 Native American boarding school research	(618,611)	(618,611)	0	0	0	(1.0)
HB 22-1302 Healthcare practice transformation	(250,000)	0	(250,000)	0	0	0.0
SB 22-182 Economic mobility program	(126,000)	(126,000)	0	0	0	0.0
SB 22-008 Higher education support for foster youth	(5,056)	(5,056)	0	0	0	0.3
TOTAL	(\$114,882,833)	(\$11,339,815)	(\$103,543,018)	\$0	\$0	(4.4)

SUMMARY OF ISSUES PRESENTED TO THE JOINT BUDGET COMMITTEE

REQUESTS R1 AND R2 - STATE SUPPORT FOR HIGHER EDUCATION AND TUITION SPENDING AUTHORITY: The FY 2023-24 higher education request includes a 6.8 percent increase in state support for the governing boards and aligned increases for financial aid. It also includes a proposed 4.0 percent cap on increases in resident undergraduate tuition.

HIGHER EDUCATION ENROLLMENT TRENDS: Higher education enrollment declined significantly during the pandemic and continues to face headwinds.

COLLEGE AFFORDABILITY AND INCREASING AWARENESS ABOUT FINANCIAL AID: The actual cost of college is a barrier for many students, but the perceived cost of college is also a barrier that discourages potential students from applying, even when they would qualify for financial aid. Both the State and federal government have begun to focus more attention on how to address barriers of perception, including through simplification of the federal application for student aid and better outreach to K-12 students.

ONE-TIME FUNDING AUTHORIZED IN RECENT LEGISLATIVE SESSIONS: During the 2021 and 2022 legislative sessions, the General Assembly allocated significant one-time funding to the Department of Higher Education that included \$53.2 million originating as state General Fund and \$180.2 originating as federal Coronavirus State Fiscal Recovery funds (ARPA funds).

WICHE PROFESSIONAL STUDENT EXCHANGE PROGRAM IN OPTOMETRY: Through the WICHE Professional Student Exchange Program in Optometry, Colorado funds optometry students to enroll in out-of-state institutions at subsidized rates. The program requires that students provide optometry services in Colorado upon their return but does not require or incentivize students to serve in underserved populations.

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Department of Human Services

The Department of Human Services is responsible for the administration and supervision of most non-medical public assistance and welfare programs in the state. The Department's FY 2022-23 consists of 41.4 percent General Fund, 28.4 percent cash funds, 8.5 percent reappropriated funds, and 21.7 percent federal funds.

FY 2022-23 APPROPRIATION AND FY 2023-24 REQUEST

DEPARTMENT OF HUMAN SERVICES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2022-23 APPROPRIATION:						
H.B. 22-1329 (Long Bill)	\$2,638,145,548	\$1,141,826,416	\$462,123,650	\$225,856,891	\$808,338,591	5,332.5
Other legislation	(86,726,158)	(84,669,770)	262,569,593	(10,062,564)	(254,563,417)	(90.8)
TOTAL	\$2,551,419,390	\$1,057,156,646	\$724,693,243	\$215,794,327	\$553,775,174	5,241.7
FY 2023-24 REQUESTED APPROPRIATION:						
FY 2022-23 Appropriation	\$2,551,419,390	\$1,057,156,646	\$724,693,243	\$215,794,327	\$553,775,174	5,241.7
R1 State hospital quality assurance	783,260	783,260	0	0	0	6.5
R2 Preventing youth homelessness	5,100,837	5,049,825	0	0	51,012	7.4
R3 County adult protective services support	1,609,266	1,309,266	300,000	0	0	1.0
R4 Medicaid access for child welfare	541,573	162,500	0	291,573	87,500	2.7
R5 Reforming IT project ownership	0	0	0	0	0	0.0
R6 DYS security equipment upgrades	540,600	540,600	0	0	0	0.0
R7 Improving SNAP delivery	0	0	0	0	0	5.6
R8 Forensic Services Division capacity expansion	3,704,803	3,704,803	0	0	0	23.1
R9 Salary increase for hospital medical staff	1,808,328	1,808,328	0	0	0	0.0
R10 Community provider rate	22,491,357	13,879,529	3,290,100	446,776	4,874,952	0.0
R11 Aid for parents to make child support payments	1,140,274	0	0	0	1,140,274	1.0
R12 Momentum program funding	328,747	328,747	0	0	0	0.0
R13 Sustaining ReHire Colorado	102,904	102,904	0	0	0	0.0
R14 OCFMH data management and reporting	236,314	236,314	0	0	0	2.8
R15 Quality assurance budget alignments	0	0	0	0	0	0.0
R16 Juvenile justice budget alignment	0	0	0	0	0	0.0
R17 Realign child welfare hotline budget	(535,787)	(535,787)	0	0	0	0.0
R18 DYS parole and transition caseload	(700,000)	(700,000)	0	0	0	0.0
R19 DYS contract placement caseload	(1,927,398)	(1,675,864)	0	(134,557)	(116,977)	0.0
BHA-R1 Behavioral Health Administration personnel	3,478,525	3,478,525	0	0	0	31.3
BHA-R2 Behavioral health services	5,500,000	5,500,000	0	0	0	0.0
BHA-R3 Behavioral health learning management system	753,386	753,386	0	0	0	0.9
BHA-R4 BHA community provider	5,246,702	3,491,583	1,751,187	3,932	0	0.0
BHA-R5 BHA technical adjustments	0	0	0	0	0	0.0
Centrally appropriated line items	23,532,567	16,198,261	2,518,073	2,614,667	2,201,566	0.0
Indirect cost assessments	6,520,404	0	1,035,765	2,025,147	3,459,492	0.0
Non-prioritized requests	2,386,535	2,126,875	204,946	54,714	0	(3.5)
Technical adjustments	492,540	507,114	(90,811)	(47,220)	123,457	0.0
Annualize prior year legislation	(312,406,151)	(1,988,084)	(311,972,108)	459,017	1,095,024	11.0
Annualize prior year budget actions	(1,771,130)	5,175,193	(98,019)	(4,690,379)	(2,157,925)	9.5
TOTAL	\$2,320,377,846	\$1,117,393,924	\$421,632,376	\$216,817,997	\$564,533,549	5,341.0
INCREASE/(DECREASE)	(\$231,041,544)	\$60,237,278	(\$303,060,867)	\$1,023,670	\$10,758,375	99.3
Percentage Change	(9.1%)	5.7%	(41.8%)	0.5%	1.9%	1.9%

DEPARTMENT OF HUMAN SERVICES DECISION ITEMS

R1 STATE HOSPITAL QUALITY ASSURANCE: The request includes an increase of \$783,260 General Fund and 6.5 FTE to create a Quality Assurance Team for the state hospitals at Pueblo and Fort Logan, with the primary focus this funding on Pueblo. The increase shown here includes \$637,385 and 6.0 FTE actually requested in this division and a total of \$145,875 and 0.5 FTE for centrally appropriated amounts associated with the requested staff and an additional 0.5 FTE requested in Administration and Finance. The request responds to ongoing concerns about quality assurance at the two hospitals and challenges with remaining compliant with frequent and ongoing changes to regulatory requirements from the Centers for Medicare and Medicaid Services and the Department of Public Health and Environment (as illustrated by a July 2021 citation by the Department of Public Health and Environment for “immediate jeopardy” violations impacting client safety¹). The request includes:

- \$535,260 to support the 6.5 FTE requested for the Quality Assurance Team which would include the following FTE: 1.0 health professional IV, 3.0 health professional III positions as “occurrence reporters”, 1.0 project coordinator, and 1.0 policy advisor III to coordinate policies, records, and database activities. The request also includes 0.5 FTE electronic specialist to maintain additional cameras and equipment required by the recent citations. In the findings following the July 2021 incident, CDPHE stated that the hospital at Pueblo is not appropriately staffed to perform quality assurance activities and maintain patient safety.

\$248,000 per year for the next two years to continue to contract with a national consultant (that has assisted CMHIP in FY 2021-22 and FY 2022-23 in response to the July 2021 incident) to assist with the identification and correction of problem areas. The Department reports that in addition to assisting with the response to the July 2021 citation, the consultant has been instrumental in helping to identify areas of need and inform prompt action to address those areas before problems arise.

R2 PREVENTING YOUTH HOMELESSNESS [REQUIRES LEGISLATION]: The request includes an increase of \$5,100,837 total funds, including \$5,049,825 General Fund, and 7.4 FTE in FY 2034-24, and \$5,164,275 total funds in FY 2024-25 and ongoing to address factors contributing to youth homelessness. The request requires legislation to establish a housing voucher for foster youth. The department identified the request as evidence-informed (Step 4).

The request includes the following components:

- \$717,688 total funds, including \$690,946 General Fund, and 2.0 FTE for program intermediaries to serve as liaisons between the Department and local service providers to increase access to prevention services included on the Family First Prevention Services Clearinghouse;
- \$1.3 million General Fund to distribute to service providers to address youth risk factors through evidence-based programs such as multisystemic therapy and skills groups;

\$3.1 million total funds, including \$2.7 million General Fund, and 6.0 FTE to provide dedicated housing assistance for youth transitioning out of foster care and Youth Services. The request includes \$1.1 million to create and fund approximately 100 youth housing vouchers.

R3 COUNTY ADULT PROTECTIVE SERVICES SUPPORT: The request includes an increase of \$1.6 million total funds, including \$1.3 million General Fund and \$300,000 cash funds from local county matching funds, and 1.0 FTE in FY 2023-24 and ongoing. The Colorado Adult Protective Services Program (APS) codified in Section 26-3.1-101 et seq., C.R.S., was created to improve the health, safety, and welfare of at-risk adults experiencing mistreatment or self-neglect. The Department identifies this request as theory-informed.

¹ The citation included a total of six violations, four of which were “immediate jeopardy” violations that require immediate correction in order to continue participating in Medicare and Medicaid.

R4 MEDICAID ACCESS FOR CHILD WELFARE: The request includes an increase of \$541,573 total funds, including \$162,500 General Fund, and 2.7 FTE in FY 2023-24 and \$821,637 total funds in FY 2024-25 and ongoing for dedicated staff to coordinate between the Department of Health Care Policy and Financing (HCPF) and DHS for child welfare youth. The department identified the request as theory-informed (Step 3).

DHS, HCPF, and the Office of Information Technology (OIT) conducted a root cause analysis that determined at least 1,396 child welfare youth experienced Medicaid eligibility disruptions last year. Eligibility disruptions can cause youth to experience delays and loss in access to prescriptions, treatment, and placements. The request would create three positions with expertise in child welfare, Medicaid, and the three state data systems that manage child welfare and Medicaid cases (Trails, CBMS, and MMIS) to improve Medicaid access by reducing system fragmentation. The request was a recommendation of the Medicaid Subcommittee of the Delivery of Child Welfare Services Task Force created by S.B. 18-254 (Child Welfare Reforms).

R5 REFORMING IT PROJECT OWNERSHIP: The request includes a budget neutral transfer of \$3.7 million totals funds, including \$1.3 million General Fund, from the Payments to OIT line item to the Personal Services line item within the Administration and Finance section for FY 2023-24 and ongoing. This request would move IT project ownership and management from OIT to DHS and result in the hiring of 38.0 contract FTE. The Department identifies this request as theory-informed.

R6 DYS SECURITY EQUIPMENT UPGRADES: The request includes an increase of \$540,600 General Fund in FY 2023-24, and \$137,000 General Fund in FY 2024-25 and ongoing, for the one-time purchase and ongoing maintenance of security equipment. Proposed equipment expenses include 11 drug trace detectors, five digital fingerprinting machines, and one handheld x-ray. The Department currently relies on physical fingerprinting that must be mailed between the DYS and Judicial Districts.

R7 IMPROVING SNAP DELIVERY: The request includes a transfer of \$622,173 total funds, including \$311,087 General Fund, from the Electronic Benefits Transfer Service line item to the Supplemental Nutrition Assistance Program Administration line item within the Office of Economic Security, Food and Energy Assistance subdivision for FY 2023-24 and ongoing. The request also includes an increase of 5.6 FTE in FY 2023-24, annualizing to 6.0 FTE in FY 2024-25 and ongoing. The shift in funding and increase in FTE are requested to improve and bolster the administration of the Supplemental Nutrition Assistance Program (SNAP), as well as provide additional support to the State's counties who administer the Program.

R8 FORENSIC SERVICES DIVISION CAPACITY EXPANSION: The request includes an increase of \$3.7 million General Fund and 23.1 FTE in FY 2023-24 (annualizing to \$3.7 million and 25.0 FTE in FY 2024-25 and beyond) to expand staff and capacity in the Forensic Services Division (within the OCFMH). The request responds to the ongoing increase in forensic and competency workload (see the second issue brief in this document) and proposes to add:

- 19.0 FTE clinical and administration staff for competency evaluation and restoration services. That number includes the following FTE: 1.0 to create a new deputy director position for the Forensic Services Division, 5.0 psychologist I forensic evaluators, 1.0 psychologist II evaluator supervisor, 2.0 support staff, 1.0 social worker IV program coordinator, 6.0 health professional III forensic navigators, 2.0 contract social workers for case management, and 1.0 health professional III for jail-based restoration services.
- 6.0 FTE to create a Quality Assurance, Policy, and Records Management Work Unit to “ensure the quality of services provided by both internal staff and through contracted vendors.”

R9 SALARY INCREASE FOR HOSPITAL MEDICAL STAFF: The request includes an increase of \$1.8 million General Fund in FY 2023-24 (and ongoing) to increase contracted medical staff salaries to improve recruitment and retention of qualified psychiatrists, internal medicine physicians, nurse practitioners, and physician assistants to serve the state hospitals in Pueblo and Fort Logan. The hospitals contract with the University of Colorado for these positions and the Department reports that the University has struggled to recruit qualified candidates for the positions at the current salaries. At the time the decision item was written, Fort Logan had a 29.4 percent vacancy rate for physicians and Pueblo’s rate was 11.6 percent. The Department worked with the University and others to conduct a salary comparison and determined that the current salaries are below market rates and reports that the University’s contract administrator has endorsed the increases. The Department last received a similar increase in FY 2018-19, although the salary increases were actually funded in two stages (FY 2018-19 and FY 2020-21). The Department has identified this request as theory-informed.

R10 COMMUNITY PROVIDER RATE: The request includes an increase of \$22.5 million total funds, including \$13.9 million General Fund, in FY 2023-24 and ongoing for a 3.0 percent provider rate adjustment. This request affects the Office of Children, Youth, and Families, the Office of Economic Security, the Office of Behavioral Health, and the Office of Adults, Aging, and Disability Services.

R11 AID FOR PARENTS TO MAKE CHILD SUPPORT PAYMENTS: The request includes an increase of \$1.1 million federal funds from the Temporary Assistance for Needy Families (TANF) Block Grant and 1.0 FTE in FY 2023-24 through FY 2026-27 to provide employment services to at least 300 low-income, non-custodial parents through the Improved Payments and Child Success (IMPACS) program. Funding for the program, operated by the Department under Sections 26-2-706 (1)(d) and 26-2-706.6 (4), C.R.S., has been provided through FY 2022-23. The Department is seeking to extend the program an additional four fiscal years to continue providing services and to collect additional programmatic data to allow for a full program evaluation. The Department identifies this request as evidence-informed.

R12 MOMENTUM PROGRAM FUNDING: The request includes an increase of \$328,747 General Fund to expand the availability of services provided through the Momentum Program. The program (operated through a contract with Rocky Mountain Human Services) provides intensive support services to allow forensic clients to receive competency services in the community rather than remaining in jail or a hospital. The contract requires the program to generally prioritize potential placements in the following order: (1) clients from the state hospitals with barriers to discharge that are preventing discharge without Momentum placement; (2) children and youth with significant placement barriers; and (3) all other clients having difficulties discharging from other hospitals or who are part of Forensic Community Based Services, Forensic Support Team, or Outpatient Community Restoration. Discharging these clients to the community with wrap-around services then makes beds available for additional clients in need of inpatient services.

Placements with existing funding have increased from 32 in FY 2020-21 to 58 in FY 2021-22. The Department estimates that the increase in funding would allow for 76 placements in FY 2023-24. The Department has identified this request as theory-informed.

R13 SUSTAIN REHIRE COLORADO [REQUIRES LEGISLATION]: The request includes an increase of \$102,904 General Fund to increase the funding for the ReHire Colorado program, authorized by Section 26-2-1101 et seq., C.R.S., to provide increased wage subsidies to program participants. Additionally, the Department requests that the Committee sponsor legislation to extend the program indefinitely; the program is set to repeal July 1, 2025. The Department identifies this request as proven.

R14 OCFMH DATA MANAGEMENT AND REPORTING: The request includes an increase of \$236,314 General Fund and 2.8 FTE for FY 2023-24 (annualizing to \$234,038 and 3.0 FTE for FY 2024-25 and beyond) to provide staff to support information technology and data reporting systems improvements proposed through a companion information technology capital construction request (OSPB IT Capital Construction project 4 – OBH Information Management Systems and Data Reporting, with a briefing scheduled for December 13, 2022). The proposed system is intended to improve the efficiency of management and reporting for forensics data, protect sensitive information, and reduce the need for time-intensive and redundant data entry and management related to the forensics system. The proposed staff include 3.0 data management III positions (requested at the range minimum salary) to support the development and ongoing maintenance of the proposed system which is intended to serve both the state hospitals and the forensics programs. The Department has identified this request as theory-informed.

R15 QUALITY ASSURANCE BUDGET ALIGNMENT: The request includes a budget neutral transfer of \$1.2 million total funds, including \$1,161,187 General Fund, and 13.0 FTE from the Office of Children, Youth, and Families to the Administration and Finance division to align the Department’s budget structure with its operational structure for administrative review and quality assurance related to child welfare and youth services. This request is associated with the reorganization of the Department’s Long Bill section that was approved and implemented during the 2022 legislative session.

R15 QUALITY ASSURANCE BUDGET ALIGNMENT SUMMARY						
DIVISION	SUB DIVISION	LINE ITEM	TOTAL FUNDS	GENERAL FUND	FEDERAL FUNDS	FTE
Admin/Finance	Special Purpose	Administrative Review Unit	\$517,503	\$439,613	\$77,890	6.0
Admin/Finance	Special Purpose	Quality Assurance Youth Services	721,574	721,574	0	7.0
OCYF	Div of Child Welfare	Continuous Quality Improvement	(517,503)	(439,613)	(77,890)	(6.0)
OCYF	Div of Youth Services	Program Administration	(721,574)	(721,574)	0	(7.0)
Total			\$0	\$0	\$0	0.0

R16 JUVENILE JUSTICE BUDGET ALIGNMENT: The request includes a net-zero transfer of \$281,249 General Fund and 3.0 FTE from the Division of Child Welfare (DCW) to the Division of Youth Services (DYS). The request states that S.B. 21-071 (Limit the Detention of Juveniles) incorrectly appropriated funding for DYS in the DCW Administration line. The transfer would not have a programmatic impact and is intended to align the Long Bill with current practice.

R17 REALIGN CHILD WELFARE HOTLINE BUDGET: The request includes a one-time decrease of \$535,787 General Fund in FY 2023-24 to reflect cost efficiencies in DCW. The request is a continuation of a one-time decrease approved by the Committee and General Assembly during the last budget cycle. The Department states that the decrease would not have a programmatic impact, and is only requested on a one-time basis to allow for future technological improvements.

R18 DYS PAROLE CASELOAD REDUCTION: The request includes a decrease of \$700,000 General Fund in FY 2023-24 and ongoing to reflect a projected parole caseload decrease of 2.0 percent. The Department does not anticipate that the decrease will have an impact on services and anticipates that funding will be reverted at the end of the fiscal year if the request is not approved.

R19 DYS CONTRACT PLACEMENT CASELOAD REDUCTION: The request includes a decrease of \$1,927,398 total funds, including \$1,675,864 General Fund, in FY 2023-24 and FY 2024-25 to reflect decreased caseload for community contract placements. The caseload decrease results from a shift in higher acuity cases requiring State-secure rather than community placements, and the closure of Ridge View Youth Services Center, a 32-bed facility in Watkins, Colorado.

BEHAVIORAL HEALTH ADMINISTRATION DECISION ITEMS

BHA R1 BEHAVIORAL HEALTH ADMINISTRATION PERSONNEL: The request includes an increase of \$3.5 million General Fund and 31.3 FTE in FY 2023-24 (increasing to \$3.5 million and 34.0 FTE in FY 2024-25) for the next phase of the implementation of the BHA as established in H.B. 22-1278. That legislation requires the BHA to be fully operational by July 1, 2024, and added 25.9 new FTE to the Department of Human Services for FY 2022-23 (a net increase of 14.7 FTE because it also transferred 11.2 existing FTE from the Department of Human Services to the Department of Public Health and Environment). The “base” for the FY 2023-24 appropriation adds 12.1 additional FTE to reflect the second-year impact of the bill as anticipated in the Final Legislative Council Staff Fiscal Note, for a total of 38.0 new FTE. This decision item (BHA R1) proposes an increase of an additional 31.3 FTE for FY 2023-24 to continue to build out the new agency.

BHA R2 BEHAVIORAL HEALTH SERVICES FOR CHILDREN AND YOUTH: The request includes an increase of \$5.5 million General Fund (ongoing in subsequent years) above the current FY 2022-23 appropriation for behavioral health services provided through the Children and Youth Mental Health Treatment Act (CYMHTA). The Committee approved an interim supplemental request in September to add \$3.0 million for this program in FY 2022-23 based on increasing caseload. The request for FY 2023-24 represents an increase of \$2.5 million above the amount approved by the Committee (but not yet adjusted through an actual supplemental appropriation bill) for FY 2022-23.

BHA R3 BEHAVIORAL HEALTH LEARNING MANAGEMENT SYSTEM: The request includes an increase of \$735,386 General Fund and 0.9 FTE in FY 2022-23 (increasing to \$755,517 and 1.0 FTE in FY 2023-24 and beyond) to support the “learning management system” that the BHA is constructing pursuant to previous legislation (S.B. 21-137 and S.B. 22-181). The Department is currently expecting to spend a total of \$11.4 million in one-time federal stimulus funding to develop the system, including:

- \$5.0 million appropriated in S.B. 21-137 as part of the \$18.0 million allocated for the Behavioral Health Workforce Development Program. That legislation requires the Department to develop an online training system that allows for accessible statewide training opportunities and an online training curriculum to support a geographically and culturally diverse behavioral health care workforce.
- \$4.9 million appropriated in S.B. 22-181. That bill expanded the scope of the system and also required the Department to develop a criminal justice training curriculum that the Department is integrating into the main learning management system.
- \$1.5 million in stimulus block grant funding (not appropriated by the General Assembly).

The Department has contracted with the University of Colorado (who has contracted with a vendor) to build the system. The Department’s goal is to build on the core learning hub to provide a “one-stop shop” to support the needs of the behavioral health workforce. In addition to the training platform and curriculum, the Department intends to

use the site as a way to connect workers to career pathways, track certifications not regulated by the Department of Regulatory Agencies (such as peer support specialists), provide tracking for continuing education and professional development credits, among other uses. Although the previous legislation provided funding for system development, the Department has not received funding for ongoing maintenance and support. This request seeks the funding and staff to maintain the system going forward.

BHA R4 COMMUNITY PROVIDER RATE: As with the division above, the request includes a common policy 3.0 percent increase in community provider rates for programs funded through the BHA. For this division, the request equates to \$5.2 million General Fund. *Community provider rates will be addressed in more detail during the common policy presentation in January.*

BHA R5 TECHNICAL ADJUSTMENTS [REQUIRES LEGISLATION]: The request proposes two statutory changes related to appropriations to the BHA that the Department has framed as technical adjustments. Please note that both adjustments require legislation and the Department is not requesting these as Joint Budget Committee bills. The changes include:

- A request to remove the statutory requirement that the Care Navigation Program contractor be the same contractor as the operator of the 24-hour statewide crisis hotline. House Bill 19-1287 (Treatment for Opioids and Substance Use Disorders) established the Care Navigation Program and required that the contractor for the program be the same as the contractor for the crisis hotline. It is staff understanding that this was because the crisis system was the most analogous system at that time. However, the Department argues that conditions have changed and is requesting flexibility to compete the contract for the navigation system.

A request to continuously appropriate the 988 Enterprise Cash Fund (established in S.B. 21-154 (988 Suicide Prevention Lifeline Network)) to allow the Department to respond to what it reports are unpredictable fluctuations in need for the funds.

ANNUALIZATIONS AND OTHER ADJUSTMENTS

CENTRALLY APPROPRIATED LINE ITEMS: The request includes adjustments to centrally appropriated line items:

CENTRALLY APPROPRIATED LINE ITEMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Salary survey	\$25,609,827	\$18,932,095	\$1,324,318	\$2,215,770	\$3,137,644	0.0
Payments to OIT	7,778,741	2,955,922	0	4,822,819	0	0.0
Legal services	1,414,867	843,261	0	571,606	0	0.0
Vehicle lease payments	197,251	97,245	0	100,006	0	0.0
Risk management and property adjustment	36,217	31,400	0	4,817	0	0.0
Shift differential	(2,099,941)	(1,437,060)	48,487	(468,751)	(242,617)	0.0
Workers' compensation	(1,937,783)	(1,195,612)	0	(742,171)	0	0.0
PERA Direct Distribution	(1,616,878)	0	0	(1,616,878)	0	0.0
AED	(1,577,455)	(1,267,867)	37,099	(293,451)	(53,236)	0.0
SAED	(1,577,455)	(1,267,867)	37,099	(293,451)	(53,236)	0.0
Health, life, and dental	(1,380,812)	(871,862)	1,069,955	(997,352)	(581,553)	0.0
CORE adjustment	(488,256)	(294,418)	0	(193,838)	0	0.0
Capitol Complex leased space	(386,982)	(135,444)	0	(251,538)	0	0.0
ALJ services	(362,018)	(131,775)	0	(230,243)	0	0.0
Short-term disability	(76,756)	(59,757)	1,115	(12,678)	(5,436)	0.0
TOTAL	\$23,532,567	\$16,198,261	\$2,518,073	\$2,614,667	\$2,201,566	0.0

INDIRECT COST ASSESSMENTS: The request includes net adjustments to indirect costs across the Department.

NON-PRIORITIZED REQUESTS: The request includes the following non-prioritized request items, which are linked to decision items in other departments and common policy decisions.

NON-PRIORITIZED REQUESTS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
OIT Budget package	\$2,802,753	\$1,065,046	\$0	\$1,737,707	\$0	0.0
NP4 Records and Reports CF Solution	1,208,889	1,208,889	0	0	0	2.0
DPS Digital trunk radio	303,702	115,407	0	188,295	0	0.0
NP2 Food service inflation	273,706	0	0	273,706	0	0.0
DPA COE common policy	73,055	29,222	0	43,833	0	0.0
DPA Capitol complex staffing	46,436	19,085	0	27,351	0	0.0
DPA Transfer perf. budgeting to DPA	9,735	6,026	0	3,709	0	0.0
BHANP1 Maternity equity	(1,903,091)	0	0	(1,903,091)	0	0.0
NP8 Transfer FTE between DEC and DHS	(428,650)	(316,800)	204,946	(316,796)	0	(5.5)
TOTAL	\$2,386,535	\$2,126,875	\$204,946	\$54,714	\$0	(3.5)

TECHNICAL ADJUSTMENTS: The request includes an increase of \$492,540 total funds, including \$507,114 General Fund for technical adjustments, including for the upcoming leap year and annual depreciation-lease equivalent payments.

TECHNICAL ADJUSTMENTS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Leap year	\$600,491	\$367,061	\$96,967	\$13,006	\$123,457	0.0
ADL equivalent payments	140,053	140,053	0	0	0	0.0
State Ombudsman Program	(173,289)	0	(173,289)	0	0	0.0
DYS administration	(60,226)	0	0	(60,226)	0	0.0
Administrative Review Unit	(14,489)	0	(14,489)	0	0	0.0
TOTAL	\$492,540	\$507,114	(\$90,811)	(\$47,220)	\$123,457	0.0

ANNUALIZE PRIOR YEAR LEGISLATION: The request includes a net decrease of \$312.4 million total funds to reflect the FY 2023-24 impact of bills passed in previous sessions, summarized in the following table.

ANNUALIZE PRIOR YEAR LEGISLATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROP. FUNDS	FEDERAL FUNDS	FTE
HB 22-1259 Modifications to Colorado Works program	\$1,540,937	\$2,266,909	(\$1,698,606)	\$0	\$972,634	0.0
HB 22-1278 Behavioral Health Administration	1,192,353	1,192,353	0	0	0	12.1
HB 22-1374 Foster care success act	1,112,326	1,112,326	0	0	0	0.1
HB 22-1094 Foster youth in transition	843,318	421,659	0	421,659	0	0.0
HB 22-1256 Modifications to civil involuntary commitment	576,814	576,814	0	0	0	5.2
SB 22-235 County admin of public assistance programs	200,000	60,000	0	80,000	60,000	0.0
HB 22-1289 Health benefits for children	166,000	107,900	0	0	58,100	0.0
HB 22-1056 Emergency care for children	49,550	45,260	0	0	4,290	0.0
HB 22-1061 Modifications to NGRI	33,539	33,539	0	0	0	0.5
HB 22-1315 Colorado 211 collaborative funding	4,936	4,936	0	0	0	0.1
HB 22-1397 Statewide equity office	1,915	0	0	1,915	0	0.3

ANNUALIZE PRIOR YEAR LEGISLATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROP. FUNDS	FEDERAL FUNDS	FTE
HB 22-1249 School security and behavioral health	0	6,000,000	(6,000,000)	0	0	0.0
HB 22-1281 Behavioral health-care continuum gap grant	(90,000,000)	0	(90,000,000)	0	0	(0.5)
SB 22-196 Health needs of persons in criminal justice system	(50,700,000)	0	(50,700,000)	0	0	0.0
HB 22-1303 Increase residential behavioral health beds	(47,160,741)	0	(47,160,741)	0	0	(7.0)
SB 22-181 Behavioral health workforce	(36,806,984)	0	(36,806,984)	0	0	0.0
HB 22-1386 Competency to proceed and restoration	(29,362,828)	0	(29,362,828)	0	0	0.0
HB 22-1283 Youth and family behavioral health	(19,667,949)	0	(19,667,949)	0	0	0.0
HB 22-1326 Fentanyl accountability	(13,755,154)	(10,630,154)	(3,125,000)	0	0	0.9
SB 22-177 Investments in care coordination	(12,200,000)	0	(12,200,000)	0	0	0.0
HB 22-1380 Critical services for low-income households	(6,000,000)	0	(6,000,000)	0	0	0.0
SB 22-148 CO Land-based tribe behavioral health grant	(5,000,000)	0	(5,000,000)	0	0	0.0
HB 21-1105 Low-income utility payment assistance contributions	(4,250,000)	0	(4,250,000)	0	0	0.0
HB 22-1364 Food Pantry Assistance Grant program	(3,000,000)	(3,000,000)	0	0	0	0.0
HB 22-1131 Reduce justice involvement	(105,000)	(105,000)	0	0	0	0.0
SB 22-211 Repurpose Ridge View Campus	(44,557)	(44,557)	0	0	0	(0.4)
HB 22-1378 Denver-metro regional navigation	(44,557)	0	0	(44,557)	0	(0.4)
HB 22-1099 Policies and procedures	(30,000)	(30,000)	0	0	0	0.0
HB 22-1052 Promoting crisis services	(69)	(69)	0	0	0	0.1
TOTAL	(\$312,406,151)	(\$1,988,084)	(\$311,972,108)	\$459,017	\$1,095,024	11.0

ANNUALIZE PRIOR YEAR BUDGET ACTIONS: The FY 2023-24 request includes a net decrease of \$1.8 million total funds, including an increase of \$5.2 million General Fund, for prior year budget actions, summarized in the following table.

ANNUALIZE PRIOR YEAR BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROP. FUNDS	FEDERAL FUNDS	FTE
FY 2022-23 NPBA2 COWINS Partnership Agreement	\$993,551	\$688,464	\$77,204	\$90,328	\$137,555	0.0
FY 2022-23 R6 Facilities Management Operating	747,980	5,510,168	0	(4,762,188)	0	0.0
FY 2022-23 R17 Realign child welfare hotline	457,787	457,787	0	0	0	0.0
FY 2022-23 R7 DYS phone replacement	100,000	100,000	0	0	0	0.0
FY 2022-23 BA2 Behavioral Health Safety Net	80,611	80,611	0	0	0	1.2
FY 2022-23 BA4 National School Lunch Program staffing	6,931	(42,500)	49,431	0	0	0.5
FY 2019-20 R21 Salesforce shield	6,274	729	0	5,545	0	0.0
FY 2022-23 BA5 Implementation of SAPA	3,212	3,212	0	0	0	0.1
FY 2019-20 R6 Child support employment	(1,820,720)	0	0	0	(1,820,720)	(1.0)
FY 2022-23 BA9 DYS Job readiness	(1,088,000)	(1,088,000)	0	0	0	0.0
FY 2022-23 Salary survey	(647,946)	(21,762)	(186,260)	0	(439,924)	0.0
FY 2022-23 BA6 SB 21-278 funding	(250,000)	(250,000)	0	0	0	0.0
FY 2022-23 R1 Food service & housekeeping	(170,593)	(89,713)	(38,394)	(19,083)	(23,403)	0.0
FY 2022-23 R2 CMHIFL 44 bed operating	(147,914)	(147,914)	0	0	0	8.4

ANNUALIZE PRIOR YEAR BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROP. FUNDS	FEDERAL FUNDS	FTE
FY 2022-23 R10 SNAP Fair Hearings Compliance	(18,466)	(9,233)	0	0	(9,233)	0.1
FY 2022-23 R4 County child welfare support	(15,712)	(13,512)	0	0	(2,200)	0.2
FY 2022-23 NP5 OIT package	(8,125)	(3,144)	0	(4,981)	0	0.0
TOTAL	(\$1,771,130)	\$5,175,193	(\$98,019)	(\$4,690,379)	(\$2,157,925)	9.5

SUMMARY OF ISSUES PRESENTED TO THE JOINT BUDGET COMMITTEE

ONE-TIME FUNDING AUTHORIZED IN RECENT LEGISLATIVE SESSIONS: During the 2020B, 2021, and 2022 legislative sessions, the General Assembly allocated significant one-time funding to the Department of Human Services that included \$46.0 million originating as state General Fund and \$482.4 million originating as federal Coronavirus State Fiscal Recovery funds (ARPA funds). Through FY 2021-22, the Department has expended \$20.3 million of the \$46.0 million, or 44.1 percent, of the one-time General Fund appropriated by the General Assembly. Through FY 2021-22, the Department has expended \$41.4 million of the \$482.4 million, or 8.6 percent, of the one-time ARPA funds appropriated by the General Assembly and allocated by the Governor.

R2 PREVENTING YOUTH HOMELESSNESS: This issue provides background research and outlines the Department’s second prioritized request, R2 Preventing Youth Homelessness.

R3 COUNTY ADULT PROTECTIVE SERVICES SUPPORT: The Department requests an increase of \$1,609,266 total funds, including \$1,309,266 General Fund and \$300,000 cash funds from local county matching funds, and 1.0 FTE in FY 2023-24 and ongoing. The Colorado Adult Protective Services Program (APS) codified in Section 26-3.1-101 et seq., C.R.S., was created to improve the health, safety, and welfare of at-risk adults experiencing mistreatment or self-neglect.

CHILD WELFARE REFORM: This issue summarizes recent state and federal legislative changes impacting the Child Welfare budget.

BHA R1 BEHAVIORAL HEALTH ADMINISTRATION PERSONNEL: House Bill 21-1097 (Establish Behavioral Health Administration) and House Bill 22-1278 (Behavioral Health Administration) created the Behavioral Health Administration BHA within the Department of Human Services. House Bill 22-1278 added \$3.1 million total funds (including an increase of \$3.7 million General Fund) and 25.9 new FTE for the BHA in FY 2022-23 in addition to moving some programs between the Department of Human Services and the Department of Public Health and Environment. For FY 2023-24, the BHA has submitted request R1, proposing increases of \$3.5 million General Fund and 31.3 FTE (increasing to 34.0 FTE in FY 2024-25) to support the next phase of BHA implementation. Statute requires the agency to be fully operational by July 1, 2024.

UPDATE ON FORENSIC SERVICES AND COMPETENCY: For over a decade, the Department of Human Services and the General Assembly have been working to address issues related to competency evaluation and restoration services, including significant additional investments during the 2022 Session. A 2019 consent decree sets requirements for the timing of evaluation and restoration services. In spite of the State’s efforts, the waitlist for competency services is at an all-time high, forcing additional time in jail for individuals awaiting services and continuing to require the maximum payment fines and fees under the consent decree. This issue brief provides an update on the actions taken during the 2022 Session, and the status of competency services, related decision items submitted for FY 2023-24, and potential costs for FY 2023-24 associated with the consent decree.

FY 2023-24 OCFMH DECISION ITEMS: The Department has submitted five decision items for the Office of Civil and Forensic Mental Health (OCFMH) that directly relate to the division’s workload and either maintaining or increasing capacity in the forensic behavioral health system. Totaling \$6.9 million General Fund and 32.5 FTE in FY 2023-24, the requests include resources to: (1) support a quality assurance team for the state hospital at Pueblo to improve patient safety and sustain capacity at the hospitals in response to a finding by the Department of Public Health and Environment; (2) expand capacity across multiple programs in the Forensic Services Division in response to the division’s increasing workload; (3) increase salaries for medical staff (physicians, nurse practitioners, and physician assistants) at the state hospitals to improve recruitment; (4) increase funding and capacity for the Momentum Program which provides intensive wrap-around services for clients in the community; and (5) develop and maintain improved data and reporting systems to support the division.

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Judicial Department

The Judicial Department: consists of the Supreme Court, the Court of Appeals, district courts, the Denver probate and juvenile courts, and all county courts except the Denver county court; supervises juvenile and adult offenders who are sentenced to probation; and includes eight independent agencies: the *Office of the State Public Defender (OSPD)*; the *Office of the Alternate Defense Counsel (OADC)*; the *Office of the Child's Representative (OCR)*; the *Office of the Respondent Parents' Counsel (ORPC)*; the *Office of the Child Protection Ombudsman (OCPO)*; the *Independent Ethics Commission (IEC)*; the *Office of Public Guardianship (OPG)*; and the *Commission on Judicial Discipline (CJD)*. The Department's FY 2022-23 appropriation represents approximately 2.3 percent of statewide operating appropriations and 4.8 percent of statewide General Fund appropriations.

FY 2022-23 APPROPRIATION AND FY 2023-24 REQUEST

JUDICIAL DEPARTMENT – COURTS AND PROBATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2022-23 APPROPRIATION:						
HB 22-1329 (Long Bill)	\$659,431,910	\$427,602,732	\$177,096,658	\$50,307,520	\$4,425,000	4,013.9
Other legislation	6,077,207	714,541	5,362,666	0	0	7.0
TOTAL	\$665,509,117	\$428,317,273	\$182,459,324	\$50,307,520	\$4,425,000	4,020.9
FY 2023-24 REQUESTED APPROPRIATION:						
FY 2022-23 Appropriation	\$665,509,117	428,317,273	\$182,459,324	\$50,307,520	\$4,425,000	4,020.9
C&P R1 Comp Plan Maintenance	246,272	240,821	5,451	0	0	0.0
C&P R2 HR Staff	640,145	640,145	0	0	0	7.0
C&P R3 Language Access Contractor Rate	791,997	791,997	0	0	0	0.0
C&P R4 Judicial Security & Grant Restoration	1,094,776	1,094,776	0	0	0	2.0
C&P R5 Contract Mgt and Purchasing Staff	554,648	554,648	0	0	0	6.0
C&P R6 Court Services Training Staff	606,442	606,442	0	0	0	8.0
C&P R7 Data Analyst Staff	431,402	340,529	90,873	0	0	5.0
C&P R8 Judicial Education Staff	210,879	0	210,879	0	0	2.0
C&P R9 Interstate Compact and E-file	775,000	0	775,000	0	0	0.0
C&P R10 C&F Investigator Equalize Pay	378,343	378,343	0	0	0	0.0
C&P R11 County Courthouse Infrastructure	1,302,525	1,302,525	0	0	0	0.0
C&P R12 IT Fleet Vehicles	0	0	0	0	0	0.0
C&P R13 Pass-through Requests	(714,250)	150,668	151,015	(1,015,933)	0	0.0
C&P R14 Contractor Rate Increase	978,933	978,933	0	0	0	0.0
Centrally appropriated line items	28,649,769	23,312,819	5,336,950	0	0	0.0
Annualize prior year legislation and budget actions	(365,840)	(1,363,351)	997,511	0	0	8.5
Technical adjustments	3,152,874	472,049	2,951,987	(271,162)	0	10.0
TOTAL	\$704,243,032	\$457,818,617	\$192,978,990	\$49,020,425	\$4,425,000	4,069.4
INCREASE/(DECREASE)	\$38,733,915	\$29,501,344	\$10,519,666	(\$1,287,095)	\$0	48.5
Percentage Change	5.8%	6.9%	5.8%	(2.6%)	0.0%	1.2%

C&P R1 COMP PLAN MAINTENANCE: The request includes an increase of \$246,000 total funds, including \$241,000 General Fund for compensation plan maintenance adjustments.

C&P R2 HR STAFF: The request includes an increase of \$640,000 General Fund and 7.0 FTE for human resources staff, including an assistant legal counsel position to advise on employment matters.

C&P R3 LANGUAGE ACCESS CONTRACTOR RATE: The request includes an increase of \$792,000 General Fund for a \$10 per hour rate increase for language access contractors.

C&P R4 JUDICIAL SECURITY & GRANT RESTORATION: The request includes an increase of \$1.1 million General Fund and 2.0 FTE to establish a Judicial Security Office and to reinstate a \$500,000 General Fund annual appropriation for courthouse security grants.

C&P R5 CONTRACT MGT AND PURCHASING STAFF: The request includes an increase of \$555,000 General Fund and 6.0 FTE for contract management and purchasing staff including two Contract Specialist IIs and four Purchasing Agents.

C&P R6 COURT SERVICES TRAINING STAFF: The request includes an increase of \$606,000 General Fund and 8.0 FTE for court services training staff that includes three Court Education Specialists (general trainers) and five Peer Training Specialists (specialized, on-site, one-on-one training and mentoring).

C&P R7 DATA ANALYST STAFF: The request includes an increase of \$431,000 total funds, including \$341,000 General Fund and 5.0 FTE for data analyst staff, including two for the Research and Data Unit in Court Services, one for Probation Services, one responsible for court-appointed counsel in the State Court Administrator's Office (SCAO), and a team lead for the Problem Solving Courts (PSC) program consisting of 4.5 Court Program Analysts who oversee the 76 PSCs in the State.

C&P R8 JUDICIAL EDUCATION STAFF: The request includes an increase of \$211,000 cash funds from the Judicial Stabilization Cash Fund and 2.0 FTE for Judicial Officer education, including a Judicial Education Specialist to oversee virtual programming and a Court Programs Analyst III to develop and manage the judicial learning portal.

C&P R9 INTERSTATE COMPACT AND E-FILE: The request includes an increase of \$775,000 cash funds spending authority for non-discretionary, process volume increases, including: \$675,000 from the Judicial Department Information Technology Cash Fund from Information Technology Cost Recoveries to accommodate an increase in the use of the Courts' e-filing system; and \$100,000 from the Interstate Compact Probation Transfer Cash Fund for the reimbursement to law enforcement for costs of returning a probationer.

C&P R10 C&F INVESTIGATOR EQUALIZE PAY: The request includes an increase of \$378,000 General Fund to equalize the contract payment rate to non-attorney child and family investigators (CFIs) to the rate paid to attorney CFIs for the same service from \$47 to \$85 per hour.

C&P R11 COUNTY COURTHOUSE INFRASTRUCTURE: The request includes one-time funding of \$1.3 million General Fund for county courthouse infrastructure projects in the 18th Judicial District in Arapahoe County and for the 6th Judicial District in La Plata County. This annual, project-related line item appropriation currently includes and is requested to continue to have two-year spending authority.

C&P R12 IT FLEET VEHICLES: The request includes a net-neutral adjustment of \$6,000 from operating expenses to vehicle lease payments for two vehicles for IT technicians serving the 6th and 22nd Judicial District in southwestern Colorado and the 14th Judicial District in northwestern Colorado.

C&P R13 PASS-THROUGH REQUESTS: The request includes a net decrease of \$714,000 total funds, including an increase of \$151,000 General Fund for pass-through requests including: (1) \$151,000 from the Colorado District Attorney's Council for a 3.0 percent increase for district attorney mandated costs totaling \$86,000 and for an e-discovery enhancement for the ACTION and Statewide Discovery Sharing System totaling \$65,000; and (2) Correctional Treatment Board adjustments that include an increase of \$151,000 cash funds and a decrease of \$1.0 million reappropriated funds, both from the Correctional Treatment Cash Fund.

C&P R14 CONTRACTOR RATE INCREASE: The request includes an increase of \$979,000 General Fund for equivalent attorney and non-attorney contractor rate increases requested by the independent agencies.

CENTRALLY APPROPRIATED LINE ITEMS: The request includes a net increase of \$28.6 million total funds, including \$23.3 million General Fund, for centrally appropriated items, summarized in the following table.

CENTRALLY APPROPRIATED LINE ITEMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Salary survey	\$17,138,293	\$15,892,556	\$1,245,737	\$0	\$0	0.0
Health, life, and dental	4,339,429	1,516,267	2,823,162	0	0	0.0
Payments to OIT	4,442,422	4,442,422	0	0	0	0.0
Paid Family and Medical Leave Insurance	1,112,740	1,009,898	102,842	0	0	0.0
AED	969,268	157,710	811,558	0	0	0.0
SAED	969,268	157,710	811,558	0	0	0.0
PERA Direct Distribution	922,022	999,799	(77,777)	0	0	0.0
Legal services	261,079	261,079	0	0	0	0.0
DPA Transfer perf. budgeting to DPA	19,097	19,097	0	0	0	0.0
DPS Digital trunk radio	10,016	10,016	0	0	0	0.0
Vehicle lease payments	1,605	1,605	0	0	0	0.0
Risk management and property adjustment	(551,058)	(551,058)	0	0	0	0.0
Indirect cost assessment	(403,707)	0	(403,707)	0	0	0.0
CORE adjustment	(303,770)	(303,770)	0	0	0	0.0
Workers' compensation	(266,539)	(266,539)	0	0	0	0.0
Short-term disability	(10,396)	(33,973)	23,577	0	0	0.0
TOTAL	\$28,649,769	\$23,312,819	\$5,336,950	\$0	\$0	0.0

ANNUALIZE PRIOR YEAR LEGISLATION AND BUDGET ACTIONS: The request includes a net decrease of \$366,000 total funds, including a decrease of \$1.4 million General Fund, to reflect the FY 2023-24 impact of prior year bills and budget actions. Adjustments are summarized in the following table.

ANNUALIZE PRIOR YEAR LEGISLATION AND BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
C&P FY23 NP2 CTCF	\$1,250,000	\$1,250,000	\$0	\$0	\$0	0.0
SB22-099 Sealing Criminal Records	558,824	558,824	0	0	0	3.4
C&P FY23 R2 IT staff	529,123	29,123	500,000	0	0	1.4
SB22-055 Alcohol Monitor for Impaired	459,228	0	459,228	0	0	0.8
SB18-200 PERA Unfunded Liability	400,659	362,818	37,841	0	0	0.0
HB20-1026 Create 23rd Judicial District	200,000	200,000	0	0	0	0.0
HB21-1214 Record Seal Collateral	71,066	71,066	0	0	0	0.0
C&P FY23 BA6 Tech admin true-ups	31,821	31,821	0	0	0	0.5
SB22-043 Restitution Services for Victim	26,406	0	26,406	0	0	0.4
C&P FY23 R1 HR and FSD staff	16,555	16,555	0	0	0	0.8
C&P FY23 BA4 Commercial card	3,629	3,629	0	0	0	0.1
C&P FY23 R9 Bridges Program	1,462	1,462	0	0	0	0.1
C&P FY23 NP1 Courthouse infrastructure	(3,377,086)	(3,377,086)	0	0	0	0.0
C&P FY23 CC Courthouse security	(400,000)	(400,000)	0	0	0	0.0
HB22-1091 Online Avail of Judicial Opinions	(70,000)	(70,000)	0	0	0	0.0
C&P FY23 R3 IT infrastructure	(25,964)	0	(25,964)	0	0	0.0
HB22-1326 Fentanyl Accountability Prevent	(16,987)	(16,987)	0	0	0	0.1
SB21-271 Misdemeanor Reform	(8,995)	(8,995)	0	0	0	0.4
SB22-018 Expand Court Reminder	(6,894)	(6,894)	0	0	0	0.0
C&P FY23 R5 Language access	(3,355)	(3,355)	0	0	0	0.3
HB22-1257 Criminal and Juvenile Justice	(2,737)	(2,737)	0	0	0	0.0
C&P FY23 R4 Court Services training staff	(2,255)	(2,255)	0	0	0	0.2
C&P FY23 BA5 Reporter of Decisions	(340)	(340)	0	0	0	0.0
TOTAL	(\$365,840)	(\$1,363,351)	\$997,511	\$0	\$0	8.5

TECHNICAL ADJUSTMENTS: The request includes technical adjustments that include an increase of \$3.1 million cash funds and 10.0 FTE to reflect a true-up of informational cash funds expenditures summarized in the following table.

TECHNICAL ADJUSTMENTS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
C&P Off of Attorney Regulation Counsel true-up	\$3,083,832	\$0	\$3,083,832	\$0	\$0	10.0
C&P Carr Building Lease Adjustment	69,042	68,342	(131,845)	132,545	0	0.0
C&P Indirect cost recoveries refinancing	0	403,707	0	(403,707)	0	0.0
TOTAL	\$3,152,874	\$472,049	\$2,951,987	(\$271,162)	\$0	10.0

JUDICIAL DEPARTMENT – OSPD						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2022-23 APPROPRIATION:						
HB 22-1329 (Long Bill)	\$130,021,877	\$129,866,877	\$155,000	\$0	\$0	1,050.3
Other legislation	(168,126)	(168,126)	0	0	0	0.0
TOTAL	\$129,853,751	\$129,698,751	\$155,000	\$0	\$0	1,050.3
FY 2023-24 REQUESTED APPROPRIATION:						
FY 2022-23 Appropriation	\$129,853,751	129,698,751	\$155,000	\$0	\$0	1,050.3
OSPD R1 Comp Plan Maintenance	10,958,435	10,958,435	0	0	0	0.0
OSPD R2 Leased Space	705,612	705,612	0	0	0	0.0
OSPD R3 Central Support Staff	539,868	539,868	0	0	0	4.1
OSPD R4 Training	350,000	350,000	0	0	0	0.0
Centrally appropriated line items	6,953,237	6,953,237	0	0	0	0.0
Annualize prior year legislation and budget actions	3,443,738	3,443,738	0	0	0	43.7
TOTAL	\$152,804,641	\$152,649,641	\$155,000	\$0	\$0	1,098.1
INCREASE/(DECREASE)	\$22,950,890	\$22,950,890	\$0	\$0	\$0	47.8
Percentage Change	17.7%	17.7%	0.0%	0.0%	0.0%	4.6%

OSPD R1 COMP PLAN MAINTENANCE: The request includes an increase of \$11.0 million General Fund for compensation plan maintenance. The request is based entirely on recommendations from the OSPD's compensation survey completed by Logic Compensation Group, a third-party compensation consulting firm. The recommendations include: structural adjustments to occupational classification pay ranges to match the market; and salary adjustments to maintain current employee position within the adjusted range.

OSPD R2 LEASED SPACE: The request includes an increase of \$706,000 General Fund for leased space increases necessary to accommodate the additional paralegal staff approved last year.

OSPD R3 CENTRAL SUPPORT STAFF: The request includes an increase of \$540,000 General Fund and 4.1 FTE for administrative support staff related to the additional paralegal staff approved last year.

OSPD R4 TRAINING: The request includes an increase of \$350,000 General Fund for a new training line item and funding to accommodate the recent historical cost of staff training programs and initiatives, including continuing legal education (CLE) programs.

CENTRALLY APPROPRIATED LINE ITEMS: The request includes a net increase of \$7.0 million General Fund for centrally appropriated items, summarized in the following table.

CENTRALLY APPROPRIATED LINE ITEMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Salary survey	\$4,532,004	\$4,532,004	\$0	\$0	\$0	0.0
Health, life, and dental	1,199,276	1,199,276	0	0	0	0.0
Paid Family and Medical Leave Insurance	379,172	379,172	0	0	0	0.0
AED	323,361	323,361	0	0	0	0.0
SAED	323,361	323,361	0	0	0	0.0
Leased space	203,896	203,896	0	0	0	0.0
Short-term disability	2,861	2,861	0	0	0	0.0
Vehicle lease payments	(10,694)	(10,694)	0	0	0	0.0
TOTAL	\$6,953,237	\$6,953,237	\$0	\$0	\$0	0.0

ANNUALIZE PRIOR YEAR LEGISLATION AND BUDGET ACTIONS: The request includes a net increase of \$3.4 million General Fund, to reflect the FY 2023-24 impact of prior year bills and budget actions. Adjustments are summarized in the following table.

ANNUALIZE PRIOR YEAR LEGISLATION AND BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
OSPD FY23 R2 Paralegal Staff	\$2,078,079	\$2,078,079	\$0	\$0	\$0	40.3
OSPD FY23 R1 Public Defense Digital Age	1,411,389	1,411,389	0	0	0	2.2
OSPD FY23 R3 Discovery Clerk Staff	(45,730)	(45,730)	0	0	0	1.2
TOTAL	\$3,443,738	\$3,443,738	\$0	\$0	\$0	43.7

JUDICIAL DEPARTMENT – OADC						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2022-23 APPROPRIATION:						
HB 22-1329 (Long Bill)	\$50,570,572	\$50,490,572	\$80,000	\$0	\$0	20.5
Other legislation	(4,919)	(4,919)	0	0	0	0.0
TOTAL	\$50,565,653	\$50,485,653	\$80,000	\$0	\$0	20.5
FY 2023-24 REQUESTED APPROPRIATION:						
FY 2022-23 Appropriation	\$50,565,653	\$50,485,653	\$80,000	\$0	\$0	20.5
OADC R1 EDI/HR Coordinator	140,409	140,409	0	0	0	0.9
OADC R2 Holistic Defense Coordinator	185,906	185,906	0	0	0	0.9
OADC R3 Post Conviction Unit	0	0	0	0	0	9.0
OADC R4 Appointment Specialist	85,526	85,526	0	0	0	0.9
OADC R5 Municipal Court Program Analyst	87,312	87,312	0	0	0	0.9
OADC R6 Social Worker Fellowships	0	0	0	0	0	1.8
OADC R7 Comp Plan Maintenance	131,182	131,182	0	0	0	0.0
OADC R8 Contractor Rate Increase - Attorneys	4,724,448	4,724,448	0	0	0	0.0
OADC R9 Contractor Rate Increase - Non-attorneys	1,361,808	1,361,808	0	0	0	0.0
OADC Technical Operating Alignment	0	0	0	0	0	0.0
Centrally appropriated line items	177,443	177,443	0	0	0	0.0
Annualize prior year legislation and budget actions	(13,619)	(13,619)	0	0	0	0.5
TOTAL	\$57,446,068	\$57,366,068	\$80,000	\$0	\$0	35.4
INCREASE/(DECREASE)	\$6,880,415	\$6,880,415	\$0	\$0	\$0	14.9
Percentage Change	13.6%	13.6%	0.0%	0.0%	0.0%	72.7%

OADC R1 EDI/HR COORDINATOR: The request includes an increase of \$140,000 General Fund and 0.9 FTE for an equity, diversity, and inclusion coordinator who will also serve as the human resources coordinator for the agency.

OADC R2 HOLISTIC DEFENSE COORDINATOR: The request includes an increase of \$186,000 General Fund and 0.9 FTE for a Holistic Defense Coordinator. The concept of holistic defense includes the use of social workers, clinical advocates, and resource advocates, in addition to attorneys, paralegals, and investigators to resolve cases more effectively and reduce recidivism.

OADC R3 POST CONVICTION UNIT: The request includes a net-neutral adjustment from the Conflict-of-interest Contracts to Personal Services totaling \$1.2 million to fund a 10-member Post Conviction Unit. The OADC currently contracts with attorneys for all legal services; however, the OADC believes it would be more effective and cost-effective to assign post-conviction/appellate cases to a more experienced and directed in-house team. The team would include five attorneys including a managing attorney, two investigators, a paralegal, a social worker, and an administrative assistant. Staff has received guidance from the Office of Legislative Legal Services that Section 21-2-103 (4), C.R.S., specifies that the OADC "shall provide legal representation for indigent persons by contracting with licensed attorneys and investigators..." **Although not requested by the agency, it appears that this request item may require legislation to accommodate this request.**

OADC R4 APPOINTMENT SPECIALIST: The request includes an increase of \$86,000 General Fund and 0.9 FTE for an appointment specialist to assist the appointment manager who is currently the only staff charged with intake and administration of case appointments.

OADC R5 MUNICIPAL COURT PROGRAM ANALYST: The request includes an increase of \$87,000 General Fund and 0.9 FTE for a municipal court program analyst to handle the financial administration and management aspects of the Municipal Courts Program. The program currently includes a coordinator and administrative assistant provided in S.B. 18-203 (Conflict-free Representation in Municipal Courts). While the program support staff are funded by General Fund, the Municipal Court Program itself is cash funded with a continuously appropriated cash fund.

OADC R6 SOCIAL WORKER FELLOWSHIPS: The request includes a net neutral adjustment from the Conflict-of-interest Contracts line item totaling \$197,000, and adding 2.0 FTE, to establish two, ongoing, two-year social worker fellowships modeled on the Greater Colorado and Inclusivity attorney fellowships approved last year. The Greater Colorado Fellow is intended to serve rural communities and the Inclusivity Fellow is for the targeted recruitment of forensic social workers who identify as Black, Indigenous, and people of color (BIPOC).

OADC R7 COMP PLAN MAINTENANCE: The request includes an increase of \$131,000 General Fund for compensation plan maintenance adjustments.

OADC R8 CONTRACTOR RATE INCREASE - ATTORNEYS: The request includes an increase of \$4.7 million General Fund for the multi-agency, attorney contractor rate increase request to fund an 18.0 percent increase in attorney contractor rates from \$85 to \$100 per hour.

OADC R9 CONTRACTOR RATE INCREASE - NON-ATTORNEYS: The request includes an increase of \$1.4 million General Fund for the multi-agency, non-attorney contractor rate increase request to fund an 18.0 percent increase in contractor rates for paralegals, investigators, social workers, and agency specific support contractors.

OADC TECHNICAL OPERATING ALIGNMENT: The request includes a net-neutral adjustment from the Conflict-of-interest Contracts line item to operating expenses totaling \$84,000 to accommodate increased costs related to IT infrastructure and Westlaw/Lexis subscriptions.

CENTRALLY APPROPRIATED LINE ITEMS: The request includes a net increase of \$177,000 General Fund for centrally appropriated items, summarized in the following table.

CENTRALLY APPROPRIATED LINE ITEMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Salary survey	\$125,040	\$125,040	\$0	\$0	\$0	0.0
Health, life, and dental	34,857	34,857	0	0	0	0.0
AED	8,749	8,749	0	0	0	0.0
SAED	8,749	8,749	0	0	0	0.0
Short-term disability	48	48	0	0	0	0.0
TOTAL	\$177,443	\$177,443	\$0	\$0	\$0	0.0

ANNUALIZE PRIOR YEAR LEGISLATION AND BUDGET ACTIONS: The request includes a net decrease of \$14,000 General Fund to reflect the FY 2023-24 impact of prior year bills and budget actions. Adjustments are summarized in the following table.

ANNUALIZE PRIOR YEAR LEGISLATION AND BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
OADC FY23 R3 IS Director	\$3,739	\$3,739	\$0	\$0	\$0	0.1
OADC FY23 R2 Staff Acct	1,242	1,242	0	0	0	0.1
OADC FY23 R5 GC&I Fellowships	(12,400)	(12,400)	0	0	0	0.2
OADC FY23 R1 CAS	(6,200)	(6,200)	0	0	0	0.1
TOTAL	(\$13,619)	(\$13,619)	\$0	\$0	\$0	0.5

JUDICIAL DEPARTMENT – OCR						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2022-23 APPROPRIATION:						
HB 22-1329 (Long Bill)	33,940,024	31,844,975	0	2,095,049	0	35.9
Other legislation	(7,385)	(6,666)	0	(719)	0	0.0
TOTAL	\$33,932,639	\$31,838,309	\$0	\$2,094,330	\$0	35.9
FY 2023-24 REQUESTED APPROPRIATION:						
FY 2022-23 Appropriation	\$33,932,639	31,838,309	\$0	\$2,094,330	\$0	35.9
OCR R1 Contractor Rate Increase - Attorneys	3,769,013	3,769,013	0	0	0	0.0
OCR R2 Court-appointed Counsel Caseload Adjustment	(362,203)	(634,018)	0	271,815	0	0.0
OCR R3 EDI Staff Attorney	181,935	181,935	0	0	0	1.0
OCR R4 Contractor Rate Increase - Non-attorneys	366,844	350,753	0	16,091	0	0.0
OCR R5 Admin Staff	109,291	109,291	0	0	0	1.1
OCR R6 Comp Plan Maintenance	175,171	152,851	0	22,320	0	0.0
OCR R7 Training Increase	80,000	0	0	80,000	0	0.0
Centrally appropriated line items	192,139	171,760	0	20,379	0	0.0
Annualize prior year legislation and budget actions	(33,301)	(27,101)	0	(6,200)	0	0.0
TOTAL	\$38,411,528	\$35,912,793	\$0	\$2,498,735	\$0	38.0
INCREASE/(DECREASE)	\$4,478,889	\$4,074,484	\$0	\$404,405	\$0	2.1
Percentage Change	13.2%	12.8%	0.0%	19.3%	0.0%	5.8%

OCR R1 CONTRACTOR RATE INCREASE - ATTORNEYS: The request includes an increase of \$3.8 million General Fund for the multi-agency, attorney contractor rate increase request to fund an 18.0 percent increase in attorney contractor rates from \$85 to \$100 per hour.

OCR R2 COURT-APPOINTED COUNSEL CASELOAD ADJUSTMENT: The request includes a net decrease of \$362,000 total funds, including a decrease of \$634,000 General Fund for a projected decrease in caseload and an increase of \$272,000 reappropriated funds from federal Title IV-E funds for additional representation in caseload funded by Title IV-E funds.

OCR R3 EDI STAFF ATTORNEY: The request includes an increase of \$182,000 General Fund and 1.0 FTE for a staff attorney to lead equity, diversity, and inclusion initiatives and awareness for the agency.

OCR R4 CONTRACTOR RATE INCREASE - NON-ATTORNEYS: The request includes an increase of \$367,000 total funds, including an increase of \$351,000 General Fund for the multi-agency, non-attorney contractor rate increase request to fund an 18.0 percent increase in contractor rates for case consultants, licensed case consultants, and paralegals.

OCR R5 ADMIN STAFF: The request includes an increase of \$109,000 General Fund and a net increase of 1.1 FTE for adjustments to two positions: to move the Case Operations Assistant from half- to full-time (+0.5 FTE) in support of the Foster Youth in Transition Program created in H.B. 21-1094; and to reclassify the current 0.4 FTE staff assistant position to a full time Accountant II position (+0.6 FTE) to better support finance and operations functions.

OCR R6 COMP PLAN MAINTENANCE: The request includes an increase of \$175,000 total funds, including an increase of \$153,000 General Fund for compensation plan maintenance adjustments.

OCR R7 TRAINING INCREASE: The request includes an increase of \$80,000 reappropriated funds originating from federal Title IV-E funds for enhanced training initiatives and programs.

CENTRALLY APPROPRIATED LINE ITEMS: The request includes a net increase of \$192,000 total funds, including an increase of \$172,000 General Fund, for centrally appropriated items, summarized in the following table.

CENTRALLY APPROPRIATED LINE ITEMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Salary survey	\$184,026	\$166,852	\$0	\$17,174	\$0	0.0
Leased space	14,114	14,114	0	0	0	0.0
AED	5,914	5,371	0	543	0	0.0
SAED	5,914	5,371	0	543	0	0.0
Health, life, and dental	(17,676)	(19,810)	0	2,134	0	0.0
Short-term disability	(153)	(138)	0	(15)	0	0.0
TOTAL	\$192,139	\$171,760	\$0	\$20,379	\$0	0.0

ANNUALIZE PRIOR YEAR LEGISLATION AND BUDGET ACTIONS: The request includes a net decrease of \$33,000 total funds, including a decrease of \$27,000 General Fund, to reflect the FY 2023-24 impact of prior year bills and budget actions. Adjustments are summarized in the following table.

ANNUALIZE PRIOR YEAR LEGISLATION AND BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
OCR FY23 R2 Staff Attorney	\$6,699	\$12,899	\$0	(\$6,200)	\$0	0.0
OCR FY23 R4 IT Operating	(40,000)	(40,000)	0	0	0	0.0
TOTAL	(\$33,301)	(\$27,101)	\$0	(\$6,200)	\$0	0.0

JUDICIAL DEPARTMENT – ORPC						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2022-23 APPROPRIATION:						
HB 22-1329 (Long Bill)	\$31,191,058	\$25,529,320	\$48,000	\$5,613,738	\$0	15.8
Other legislation	(4,193)	(3,907)	0	(286)	0	0.0
TOTAL	\$31,186,865	\$25,525,413	\$48,000	\$5,613,452	\$0	15.8
FY 2023-24 REQUESTED APPROPRIATION:						
FY 2022-23 Appropriation	\$31,186,865	25,525,413	\$48,000	\$5,613,452	\$0	15.8
ORPC R1 Contractor Rate Increase - Attorneys	3,377,211	3,369,883	0	7,328	0	0.0
ORPC R2 Policy and Legislative Staff Attorney	185,839	185,839	0	0	0	1.0
ORPC R3 Paralegal	98,866	98,866	0	0	0	1.0
ORPC R4 Contractor Rate Increase - Non-attorneys	1,263,685	446,420	0	817,265	0	0.0
ORPC R5 Parent Advocacy Coordinator	113,458	113,458	0	0	0	1.0
ORPC R6 Medical Consultant	146,037	146,037	0	0	0	1.0
Centrally appropriated line items	146,313	128,944	0	17,369	0	0.0
Annualize prior year legislation and budget actions	5,386	5,386	0	0	0	0.2
TOTAL	\$36,523,660	\$30,020,246	\$48,000	\$6,455,414	\$0	20.0
INCREASE/(DECREASE)	\$5,336,795	\$4,494,833	\$0	\$841,962	\$0	4.2
Percentage Change	17.1%	17.6%	0.0%	15.0%	0.0%	26.6%

ORPC R1 CONTRACTOR RATE INCREASE - ATTORNEYS: The request includes an increase of \$3.4 million General Fund for the multi-agency, attorney contractor rate increase request to fund an 18.0 percent increase in attorney contractor rates from \$85 to \$100 per hour.

ORPC R2 POLICY AND LEGISLATIVE STAFF ATTORNEY: The request includes an increase of \$186,000 General Fund and 1.0 FTE for a policy and legislative staff attorney position to support increased policy tracking, oversight, and coordination across the networks of local, state, and federal legislation and policies and to better support work with legislative committees engaged in child welfare reform.

ORPC R3 PARALEGAL: The request includes an increase of \$99,000 General Fund and 1.0 FTE for a staff paralegal position to support daily operations of the agency with research, coordination, and communications.

ORPC R4 CONTRACTOR RATE INCREASE - NON-ATTORNEYS: The request includes an increase of \$1.2 million total funds, including \$446,000 General Fund for the multi-agency, non-attorney contractor rate increase request to fund an 18.0 percent increase in contractor rates for paralegals, investigators, social workers, and parent and family advocates.

ORPC R5 PARENT ADVOCACY COORDINATOR: The request includes an increase of \$113,000 General Fund and 1.0 FTE for a parent advocacy coordinator to enhance the voice of parents and families in the child welfare and judicial systems.

ORPC R6 MEDICAL CONSULTANT: The request includes an increase of \$146,000 General Fund and 1.0 FTE for a medical consultant position to serve as a legal expert and resource for family defense legal teams.

CENTRALLY APPROPRIATED LINE ITEMS: The request includes a net increase of \$146,000 total funds including \$129,000 General Fund for centrally appropriated items, summarized in the following table.

CENTRALLY APPROPRIATED LINE ITEMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Salary survey	\$110,284	\$102,824	\$0	\$7,460	\$0	0.0
Health, life, and dental	15,558	6,779	0	8,779	0	0.0
AED	10,175	9,612	0	563	0	0.0
SAED	10,175	9,612	0	563	0	0.0
Short-term disability	121	117	0	4	0	0.0
TOTAL	\$146,313	\$128,944	\$0	\$17,369	\$0	0.0

ANNUALIZE PRIOR YEAR LEGISLATION AND BUDGET ACTIONS: The request includes a net increase of \$5,000 General Fund and 0.2 FTE to reflect the FY 2023-24 impact of prior year bills and budget actions. Adjustments are summarized in the following table.

ANNUALIZE PRIOR YEAR LEGISLATION AND BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
ORPC FY23 R2 EDI Specialist	\$4,888	\$4,888	\$0	\$0	\$0	0.1
ORPC FY23 R3 Social Work Outreach Coord	498	498	0	0	0	0.1
TOTAL	\$5,386	\$5,386	\$0	\$0	\$0	0.2

JUDICIAL DEPARTMENT – OCPO						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2022-23 APPROPRIATION:						
HB 22-1329 (Long Bill)	\$1,355,945	\$1,355,945	\$0	\$0	\$0	10.5
Other legislation	195,467	195,467	0	0	0	0.0
TOTAL	\$1,551,412	\$1,551,412	\$0	\$0	\$0	10.5
FY 2023-24 REQUESTED APPROPRIATION:						
FY 2022-23 Appropriation	\$1,551,412	1,551,412	\$0	\$0	\$0	10.5
OCPO R1 HR Support Services	110,803	110,803	0	0	0	1.0
OCPO R2 Client Services Analyst	103,052	103,052	0	0	0	1.0
OCPO R3 Community Engage and Outreach	129,095	129,095	0	0	0	0.5
OCPO R4 Comp Plan Maintenance	88,560	88,560	0	0	0	0.0
OCPO R5 Operating Restoration	10,000	10,000	0	0	0	0.0
OCPO R6 Contract Investigator Services	48,191	48,191	0	0	0	0.0
Centrally appropriated line items	131,991	131,991	0	0	0	0.0
Annualize prior year legislation and budget actions	(31,311)	(31,311)	0	0	0	0.0
TOTAL	\$2,141,793	\$2,141,793	\$0	\$0	\$0	13.0
INCREASE/(DECREASE)	\$590,381	\$590,381	\$0	\$0	\$0	2.5
Percentage Change	38.1%	38.1%	0.0%	0.0%	0.0%	23.8%

OCPO R1 HR SUPPORT SERVICES: The request includes an increase of \$111,000 General Fund and 1.0 FTE for a Human Resource Analyst II position to function as human resources (HR) support services manager.

OCPO R2 CLIENT SERVICES ANALYST: The request includes an increase of \$103,000 General Fund and 1.0 FTE for an additional client services analyst position due to an increase in caseload. The Client Services Team, the primary operational unit for the program, is charged with reviewing and responding to concerns and questions brought to the agency by citizens and currently consists of five analysts.

OCPO R3 COMMUNITY ENGAGE AND OUTREACH: The request includes an increase of \$129,000 General Fund and 0.5 FTE for three community engagement and outreach components: (1) an increase of \$54,000 and 0.5 FTE to transition the Public Information Coordinator to full time; (2) one-time funding of \$35,000 for an equity, diversity, and inclusion contract consultant to evaluate the agency's culture, processes, and program landscape; and (3) an increase of \$40,000 to fund the Tori Shuler Youth Program for youth outreach initiatives and programs.

OCPO R4 COMP PLAN MAINTENANCE: The request includes an increase of \$89,000 General Fund for compensation plan maintenance adjustments.

OCPO R5 OPERATING RESTORATION: The request includes an increase of \$10,000 General Fund for the restoration of an equivalent base reduction taken in FY 2020-21 that previously supported IT infrastructure, licenses, and subscriptions, accommodated through shared licenses and vacancy savings.

OCPO R6 CONTRACT INVESTIGATOR SERVICES: The request includes an increase of \$48,000 General Fund for a part-time contract investigator.

CENTRALLY APPROPRIATED LINE ITEMS: The request includes a net increase of \$3.5 million General Fund for centrally appropriated items, summarized in the following table.

CENTRALLY APPROPRIATED LINE ITEMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Salary survey	\$51,605	\$51,605	\$0	\$0	\$0	0.0
Health, life, and dental	47,692	47,692	0	0	0	0.0
AED	13,855	13,855	0	0	0	0.0
SAED	13,855	13,855	0	0	0	0.0
Paid Family and Medical Leave Insurance	4,636	4,636	0	0	0	0.0
Short-term disability	348	348	0	0	0	0.0
TOTAL	\$131,991	\$131,991	\$0	\$0	\$0	0.0

ANNUALIZE PRIOR YEAR LEGISLATION AND BUDGET ACTIONS: The request includes a net decrease of \$366,000 total funds, including a decrease of \$1.4 million General Fund, to reflect the FY 2023-24 impact of prior year bills and budget actions. Adjustments are summarized in the following table.

ANNUALIZE PRIOR YEAR LEGISLATION AND BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
SB 18-200 PERA unfunded liability	\$1,552	\$1,552	\$0	\$0	\$0	0.0
OCPO H.B. 22-1240 Mandatory Reporters	(13,500)	(13,500)	0	0	0	0.0
OCPO FY23 R9 Office Infrastructure	(9,300)	(9,300)	0	0	0	0.0
OCPO H.B. 22-1375 Child Res Trtmt	(8,000)	(8,000)	0	0	0	0.0
OCPO FY23 R8 Pub Info Coord	(2,063)	(2,063)	0	0	0	0.0
TOTAL	(\$31,311)	(\$31,311)	\$0	\$0	\$0	0.0

JUDICIAL DEPARTMENT – IEC						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2022-23 APPROPRIATION:						
HB 22-1329 (Long Bill)	\$273,878	\$273,878	\$0	\$0	\$0	1.5
Other legislation	(299)	(299)	0	0	0	0.0
TOTAL	\$273,579	\$273,579	\$0	\$0	\$0	1.5
FY 2023-24 REQUESTED APPROPRIATION:						
FY 2022-23 Appropriation	\$273,579	273,579	\$0	\$0	\$0	1.5
IEC R1 Website Upgrade for HB21-1110	50,000	50,000	0	0	0	0.0
Centrally appropriated line items	29,842	29,842	0	0	0	0.0
Annualize prior year legislation and budget actions	(1,867)	(1,867)	0	0	0	0.0
TOTAL	\$351,554	\$351,554	\$0	\$0	\$0	1.5
INCREASE/(DECREASE)	\$77,975	\$77,975	\$0	\$0	\$0	0.0
Percentage Change	28.5%	28.5%	0.0%	0.0%	0.0%	0.0%

R1 WEBSITE UPGRADE FOR HB21-1110: The request includes an increase of \$50,000 General Fund for a website upgrade in compliance with H.B. 21-1110 (CO Laws for Persons with Disabilities).

CENTRALLY APPROPRIATED LINE ITEMS: The request includes a net increase of \$30,000 General Fund for centrally appropriated items, summarized in the following table.

CENTRALLY APPROPRIATED LINE ITEMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Health, life, and dental	\$17,533	\$17,533	\$0	\$0	\$0	0.0
Salary survey	8,683	8,683	0	0	0	0.0
AED	1,435	1,435	0	0	0	0.0
SAED	1,435	1,435	0	0	0	0.0
Paid Family and Medical Leave Insurance	726	726	0	0	0	0.0
Short-term disability	30	30	0	0	0	0.0
TOTAL	\$29,842	\$29,842	\$0	\$0	\$0	0.0

ANNUALIZE PRIOR YEAR LEGISLATION AND BUDGET ACTIONS: The request includes a net decrease of \$2,000 General Fund to reflect the FY 2023-24 impact of prior year bills and budget actions. Adjustments are summarized in the following table.

ANNUALIZE PRIOR YEAR LEGISLATION AND BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
SB 18-200 PERA unfunded liability	\$261	\$261	\$0	\$0	\$0	0.0
IEC FY23 R1 IEC Staffing	(2,128)	(2,128)	0	0	0	0.0
TOTAL	(\$1,867)	(\$1,867)	\$0	\$0	\$0	0.0

JUDICIAL DEPARTMENT – OPG						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2022-23 APPROPRIATION:						
HB 22-1329 (Long Bill)	1,720,586	0	1,521,637	198,949	0	14.0
Other legislation	(1,100)	0	(961)	(139)	0	0.0
TOTAL	\$1,719,486	\$0	\$1,520,676	\$198,810	\$0	14.0
FY 2023-24 REQUESTED APPROPRIATION:						
FY 2022-23 Appropriation	\$1,719,486	0	\$1,520,676	\$198,810	\$0	14.0
Centrally appropriated line items	217,456	0	213,152	4,304	0	0.0
Annualize prior year legislation and budget actions	(41,541)	0	(35,446)	(6,095)	0	0.0
TOTAL	\$1,895,401	\$0	\$1,698,382	\$197,019	\$0	14.0
INCREASE/(DECREASE)	\$175,915	\$0	\$177,706	(\$1,791)	\$0	0.0
Percentage Change	10.2%	0.0%	11.7%	(0.9%)	0.0%	0.0%

OPG NO REQUESTS: The OPG did not submit a budget request item.

CENTRALLY APPROPRIATED LINE ITEMS: The request includes a net increase of \$217,000 total funds for centrally appropriated items summarized in the following table.

CENTRALLY APPROPRIATED LINE ITEMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Health, life, and dental	\$118,760	\$0	\$118,365	\$395	\$0	0.0
Salary survey	63,613	0	60,017	3,596	0	0.0
AED	32,969	0	32,815	154	0	0.0
SAED	32,969	0	32,815	154	0	0.0
Paid Family and Medical Leave Insurance	3,921	0	3,914	7	0	0.0
Short-term disability	940	0	942	(2)	0	0.0
Legal services	(35,716)	0	(35,716)	0	0	0.0
TOTAL	\$217,456	\$0	\$213,152	\$4,304	\$0	0.0

ANNUALIZE PRIOR YEAR LEGISLATION AND BUDGET ACTIONS: The request includes a net decrease of \$42,000 total funds to reflect the FY 2023-24 impact of prior year bills and budget actions. Adjustments are summarized in the following table.

ANNUALIZE PRIOR YEAR LEGISLATION AND BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
SB 18-200 PERA unfunded liability	\$1,859	\$0	\$1,754	\$105	\$0	0.0
OPG FY23 R1/BA1 OPG Staff	(43,400)	0	(37,200)	(6,200)	0	0.0
TOTAL	(\$41,541)	\$0	(\$35,446)	(\$6,095)	\$0	0.0

JUDICIAL DEPARTMENT – CJD						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2022-23 APPROPRIATION:						
HB 22-1329 (Long Bill)	0	0	0	0	0	0.0
Other legislation	1,143,438	1,143,438	0	0	0	4.0
TOTAL	\$1,143,438	\$1,143,438	\$0	\$0	\$0	4.0
FY 2023-24 REQUESTED APPROPRIATION:						
FY 2022-23 Appropriation	\$1,143,438	1,143,438	\$0	\$0	\$0	4.0
CJD R1 Comp Plan Maintenance	128,977	128,977	0	0	0	0.0
CJD R2 Rule Revision Consultation	25,000	25,000	0	0	0	0.0
CJD R3 IT Services	25,000	25,000	0	0	0	0.0
Centrally appropriated line items	170,983	170,983	0	0	0	0.0
Annualize prior year legislation and budget actions	(430,061)	(430,061)	0	0	0	0.0
TOTAL	\$1,063,337	\$1,063,337	\$0	\$0	\$0	4.0
INCREASE/(DECREASE)	(\$80,101)	(\$80,101)	\$0	\$0	\$0	0.0
Percentage Change	(7.0%)	(7.0%)	0.0%	0.0%	0.0%	0.0%

CJD R1 COMP PLAN MAINTENANCE: The request includes an increase of \$129,000 General Fund for compensation plan maintenance adjustments.

CJD R2 RULE REVISION CONSULTATION: The request includes an increase of \$25,000 General Fund for consultation services to review and revise the current Colorado Rules of Judicial Discipline.

CJD R3 IT SERVICES: The request includes an increase of \$25,000 General Fund for IT infrastructure and related services, licenses, and subscriptions.

CENTRALLY APPROPRIATED LINE ITEMS: The request includes a net increase of \$171,000 General Fund for centrally appropriated items, summarized in the following table.

CENTRALLY APPROPRIATED LINE ITEMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Health, life, and dental	\$66,042	\$66,042	\$0	\$0	\$0	0.0
AED/SAED	44,340	44,340	0	0	0	0.0
Legal services	33,207	33,207	0	0	0	0.0
Salary survey	24,705	24,705	0	0	0	0.0
Paid Family and Medical Leave Insurance	2,024	2,024	0	0	0	0.0
Short-term disability	665	665	0	0	0	0.0
TOTAL	\$170,983	\$170,983	\$0	\$0	\$0	0.0

ANNUALIZE PRIOR YEAR LEGISLATION AND BUDGET ACTIONS: The request includes a net decrease of \$430,000 General Fund to reflect the FY 2023-24 impact of prior year bills and budget actions. Adjustments are summarized in the following table.

ANNUALIZE PRIOR YEAR LEGISLATION AND BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
SB 18-200 PERA unfunded liability	\$739	\$739	\$0	\$0	\$0	0.0
CCJD S.B. 22-201 Comm on Jud Discipline	(430,800)	(430,800)	0	0	0	0.0
TOTAL	(\$430,061)	(\$430,061)	\$0	\$0	\$0	0.0

SUMMARY OF ISSUES PRESENTED TO THE JOINT BUDGET COMMITTEE

ADMINISTRATIVE SERVICES FOR INDEPENDENT AGENCIES: The creation of independent agencies in the Judicial Department has increased in recent years. This organizational structure has delivered highly effective and efficient, dedicated mission services for the provision of Judicial-system or Judicial-adjacent services and programs. However, the proliferation has generated increased administrative complexity for the budget process; and will generate administrative resource inefficiencies if more consistent administrative and fiscal support is addressed separately for each agency. The current and future use of the independent agency model for judicial-system and -adjacent programs requires a more sustainable solution for the provision of administrative and fiscal support services and to streamline budget administration and processes.

BRIDGES PROGRAM INDEPENDENT AGENCY: The State Court Administrator's Office (SCAO) and the Bridges Program submitted their response to RFI #5 that requested the SCAO to study the future of the Bridges Program. The RFI response includes recommendations to expand the program over three years to build capacity to serve the current estimated need for competency cases and to position the Program as an independent agency in the Judicial Branch.

INCREASED FLEXIBILITY FOR THE AGENCY PROVISION OF COURT-APPOINTED COUNSEL: The three independent agencies that provide legal representation through contracts with attorneys, the Office of the Alternate Defense Counsel (OADC), the Office of the Child's Representative (OCR), and the Office of the Respondent Parents' Counsel (ORPC), jointly request an 18 percent increase in attorney contractor rates from \$85 to \$100 per hour. All three face similar concerns related to contractor retention at an hourly rate that is less than the average market salary and comparable contract rates for attorneys. While a contractor rate increase may be appropriate or even necessary, there may be additional policies that would provide flexibility to the independent agencies to augment a solution based solely on increased funding.

COUNTIES SPECIAL FUNDING REQUEST 23RD JD: The Counties of Arapahoe, Douglas, Elbert, and Lincoln and the 18th Judicial District Attorney's Office have submitted a special request for state funding for the formation of the 23rd Judicial District that will begin in January 2025. This request totals \$10.0-10.2 million as currently identified.

ONE-TIME FUNDING AUTHORIZED IN RECENT LEGISLATIVE SESSIONS: During the 2020B, 2021, and 2022 legislative sessions, the General Assembly allocated significant one-time funding to the Judicial Department that included \$1.0 million originating as state General Fund and \$45.7 million originating as federal Coronavirus State Fiscal Recovery funds (ARPA funds).

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Department of Labor and Employment

The Department of Labor and Employment is responsible for administering unemployment insurance programs, supporting the state’s system of one-stop workforce centers and workforce development programs, enforcing the state’s labor laws, regulating workers’ compensation insurance, administering vocational rehabilitation programs, and inspecting a variety of industries from retail fuel locations to amusement park rides. The Department’s FY 2022-23 appropriation represents approximately 0.9 percent of statewide operating appropriations and 0.2 percent of statewide General Fund appropriations.

FY 2022-23 APPROPRIATION AND FY 2023-24 REQUEST

DEPARTMENT OF LABOR AND EMPLOYMENT						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2022-23 APPROPRIATION:						
HB 22-1329 (Long Bill)	\$311,749,059	\$24,066,641	\$95,116,682	\$6,875,563	\$185,690,173	1,326.2
Other legislation	25,498,754	7,896,748	17,470,812	248,364	(117,170)	18.3
TOTAL	\$337,247,813	\$31,963,389	\$112,587,494	\$7,123,927	\$185,573,003	1,344.5
FY 2023-24 REQUESTED APPROPRIATION:						
FY 2022-23 Appropriation	\$337,247,813	31,963,389	\$112,587,494	\$7,123,927	\$185,573,003	1,344.5
R1 Employment support fund	0	0	0	0	0	0.0
R2 UI Fraud prevention	2,391,856	0	2,391,856	0	0	12.0
R3 Wage theft enforcement workers payments	201,252	0	201,252	0	0	1.2
R4 Business enterprise program people who are blind	0	0	0	0	0	0.0
R5 Independent living services provider rate increase	192,356	192,356	0	0	0	0.0
Non-prioritized decision items	1,328,624	308,546	599,832	11,532	408,714	0.0
Technical adjustments	55,559,534	0	38,757,707	3,791,982	13,009,845	346.0
Centrally appropriated line items	27,224,405	4,384,548	14,893,346	36,642	7,909,869	0.0
Annualize prior year budget actions	(201,028)	(201,028)	0	0	0	0.0
Annualize prior year legislation	(19,627,908)	(6,157,908)	(13,470,000)	0	0	(2.6)
TOTAL	\$404,316,904	\$30,489,903	\$155,961,487	\$10,964,083	\$206,901,431	1,701.1
INCREASE/(DECREASE)	\$67,069,091	(\$1,473,486)	\$43,373,993	\$3,840,156	\$21,328,428	356.6
Percentage Change	19.9%	(4.6%)	38.5%	53.9%	11.5%	26.5%

R1 EMPLOYMENT SUPPORT FUND: The Department requests a statutory change to establish a cap mechanism for the Employment Support Fund (ESF) that would change the method of premium collections for the ESF, Benefit Recovery Fund, and Unemployment Insurance Technology Fund. These changes would address federal conformity with how these funds are collected and how experience ratings are calculated.

R2 UI FRAUD PREVENTION: The Department requests an increase of \$2.4 million in cash fund spending authority in FY 2023-24 and \$2.3 million in FY 2024-25 to continue to fund anti-fraud technology and 12.0 FTE in the Unemployment Insurance Division at the levels established under federal pandemic funding. The Department will continue to pursue federal funding options during this time, and also envisions having better capacity to assess FTE needs in the future.

R3 WAGE THEFT ENFORCEMENT WORKERS PAYMENTS: The Department requests a statutory change to transfer funds from the Wage Theft Enforcement Fund (WTEF) to a new Wage & Hour Outstanding Losses Expenditure (WHOLE) Fund as well as an increase of \$201,252 in cash fund spending authority and 1.2 FTE in FY 2023-24 and \$195,654 in FY 2024-25 and ongoing from the WTEF to assist in wage theft investigation compliance and processing wage theft payments. The requested statutory change would allow the Department to transfer any amounts above the statutory cap in the WTEF to the WHOLE fund, which would then be used to make payments to workers who have been victims of wage theft. This would help manage the excess cash fund revenues the WTEF continues to have and create a system where wage theft payment obligations are transferred from workers to the Department. The Department would then continue to enforce employer’s obligation to pay.

R4 BUSINESS ENTERPRISE PROGRAM FOR PEOPLE WHO ARE BLIND: The Department requests an (I) notation be added to the Business Enterprise Program – Program Operated Stands, Repair Costs, and Operator Benefits line item in the Long Bill due to fluctuating revenues in the related cash fund. Because (I) notations reflect informational amounts as determined in statute, this is being interpreted as a request for statutory authority for the Department to continuously appropriate the cash fund.

R5 INDEPENDENT LIVING SERVICES PROVIDER RATE INCREASE: The Department requests an ongoing increase of \$192,356 General Fund, for a provider rate increase of 3.0 percent for Independent Living Centers in FY 2023-24 and ongoing. This decision item is linked to actions the Committee takes on the Community Provider Rate common policy.

NON-PRIORITIZED DECISION ITEMS: The request includes \$1.3 million in non-prioritized decision items including \$308,546 General Fund.

NON-PRIORITIZED DECISION ITEMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
OIT Budget package	\$1,281,071	\$304,895	\$577,635	\$11,401	\$387,140	0.0
DPA COE common policy	22,971	1,895	8,623	111	12,342	0.0
NP2 Annual fleet vehicle request	16,874	1,295	9,964	17	5,598	0.0
DPA Transfer perf. budgeting to DPA	4,136	25	1,164	3	2,944	0.0
NP4 Capitol complex staffing	3,572	436	2,446	0	690	0.0
TOTAL	\$1,328,624	\$308,546	\$599,832	\$11,532	\$408,714	0.0

TECHNICAL ADJUSTMENTS: The request includes two technical adjustments shown below. These adjustments are informational true-ups for the FAMLI cash fund which is continuously appropriated, and vocational rehabilitation funds which are based on federal funding allocations.

TECHNICAL ADJUSTMENTS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FAMLI (I) true-up	\$38,757,707	\$0	\$38,757,707	\$0	\$0	346.0
DVR RF (I) true-up	16,801,827	0	0	3,791,982	13,009,845	0.0
TOTAL	\$55,559,534	\$0	\$38,757,707	\$3,791,982	\$13,009,845	346.0

CENTRALLY APPROPRIATED LINE ITEMS: The request includes adjustments to centrally appropriated line items for the following line items. *These request items will be addressed in separate staff briefings for Compensation Common Policies, the Department of Personnel and the Governor's Office.*

CENTRALLY APPROPRIATED LINE ITEMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Payments to OIT	\$9,960,792	\$2,370,661	\$4,490,997	\$88,970	\$3,010,164	0.0
Health, life, and dental	7,585,459	978,762	5,038,352	(52,130)	1,620,475	0.0
Salary survey	7,428,410	578,352	3,342,269	30,877	3,476,912	0.0
AED	1,590,451	179,057	1,104,098	(7,670)	314,966	0.0
SAED	1,590,451	179,057	1,104,098	(7,670)	314,966	0.0
Legal services	620,794	0	275,881	0	344,913	0.0
Leased space	493,347	74,944	418,403	0	0	0.0
Short-term disability	38,272	5,041	30,241	(309)	3,299	0.0
Capitol Complex leased space	453	55	311	0	87	0.0
PERA Direct Distribution	(1,706,405)	25,182	(689,533)	(15,005)	(1,027,049)	0.0
ALJ services	(164,888)	(454)	(163,215)	0	(1,219)	0.0
CORE adjustment	(87,420)	(529)	(24,591)	(69)	(62,231)	0.0
Risk management and property adjustment	(63,221)	(3,391)	(19,639)	(239)	(39,952)	0.0
Workers' compensation	(47,023)	(2,189)	(14,325)	(113)	(30,396)	0.0
Shift differential	(15,066)	0	0	0	(15,066)	0.0
Annualize prior year salary survey	(1)	0	(1)	0	0	0.0
TOTAL	\$27,224,405	\$4,384,548	\$14,893,346	\$36,642	\$7,909,869	0.0

ANNUALIZE PRIOR YEAR BUDGET ACTIONS: The request includes a net decrease of \$201,028 General Fund to annualize the skills-based hiring decision item in FY 2022-23.

ANNUALIZE PRIOR YEAR LEGISLATION: The request includes a net decrease of \$19.6 million total funds to reflect the FY 2023-24 impact of bills passed in previous sessions, summarized in the following table.

ANNUALIZE PRIOR YEAR LEGISLATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
SB21-251 GF loan FAMILI	\$1,530,000	\$0	\$1,530,000	\$0	\$0	0.0
SB22-230 Collective bargaining counties	140,236	140,236	0	0	0	0.8
SB22-161 Wage theft employee misclassification	57,776	57,776	0	0	0	1.1
SB22-097 Whistleblower protection	214	214	0	0	0	0.5
HB22-1394 Fund just transition	(15,000,000)	0	(15,000,000)	0	0	0.0
SB22-140 Expansion of experiential learning	(6,100,000)	(6,100,000)	0	0	0	(5.1)
SB22-210 License suppl health	(238,223)	(238,223)	0	0	0	0.3
HB22-1308 Agricultural workforce	(17,911)	(17,911)	0	0	0	(0.2)
TOTAL	(\$19,627,908)	(\$6,157,908)	(\$13,470,000)	\$0	\$0	(2.6)

SUMMARY OF ISSUES PRESENTED TO THE JOINT BUDGET COMMITTEE

ONE-TIME FUNDING AUTHORIZED IN RECENT LEGISLATIVE SESSIONS: This issue summarizes the impact of recent one-time funding authorized for the Department including \$41.1 million originating as state General Fund and \$717.0 million originating as federal Coronavirus State Fiscal Recovery funds (ARPA funds).

UNEMPLOYMENT INSURANCE: This issue provides background information on recent changes to and the current status of the State Unemployment Insurance program, and summarizes the Department's two requests related to UI programming.

PAID FAMILY & MEDICAL LEAVE INSURANCE STATE PREMIUMS: This issue provides background information on the Paid Family and Medical Leave Insurance program and explains the impact of H.B. 22-1133 on State Paid Family and Medical Leave Insurance premiums.

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Department of Law

The Attorney General is one of five independently elected constitutional officers of the State. As the chief executive officer of the Department of Law, the Attorney General represents and defends the legal interests of the people of the State of Colorado and serves as the legal counsel and advisor to state agencies. The Department's FY 2022-23 appropriation represents approximately 0.3 percent of statewide operating appropriations and 0.1 percent of statewide General Fund appropriations.

FY 2022-23 APPROPRIATION AND FY 2023-24 REQUEST

DEPARTMENT OF LAW						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2022-23 APPROPRIATION:						
HB 22-1329 (Long Bill)	\$112,114,238	\$20,361,958	\$19,915,728	\$68,605,451	\$3,231,101	581.2
Other legislation	1,461,979	261,943	596,843	606,097	(2,904)	10.9
TOTAL	\$113,576,217	\$20,623,901	\$20,512,571	\$69,211,548	\$3,228,197	592.1
FY 2023-24 REQUESTED APPROPRIATION:						
FY 2022-23 Appropriation	\$113,576,217	\$20,623,901	\$20,512,571	\$69,211,548	\$3,228,197	592.1
R1 Federal interstate additional FTE	236,766	236,766	0	0	0	1.8
R2 Special Prosecution organized retail crime	651,189	651,189	0	0	0	4.5
R3 Criminal investigator coordinated compensation	596,478	72,790	372,100	12,012	139,576	0.0
R4 Patterns and practices	143,122	143,122	0	0	0	0.9
R5 IT asset maintenance	200,939	53,403	26,432	114,006	7,098	0.0
R6 Admin section support	230,512	0	0	230,512	0	2.0
R7 Representation of CDPHE	459,969	0	0	459,969	0	2.4
R9 Refinance Safe2Tell MTCF to GF	(16,187)	202,285	(218,472)	0	0	(0.2)
BA1 DOL Total Compensation	3,879,055	747,769	141,977	2,991,699	(2,390)	0.0
Centrally appropriated line items	5,893,863	1,892,737	768,767	2,967,305	265,054	0.0
Indirect cost adjustment	633,779	0	70,452	570,251	(6,924)	0.0
Nonprioritized items	379,962	30,615	15,874	330,360	3,113	1.3
Prior year legislation	362,878	33,661	312,415	16,802	0	3.5
Prior year budget actions	61,473	45,128	(265,025)	148,012	133,358	0.7
Technical changes	2,761	(292,401)	344,324	(58,853)	9,691	6.2
TOTAL	\$127,292,776	\$24,440,965	\$22,081,415	\$76,993,623	\$3,776,773	615.2
INCREASE/(DECREASE)	\$13,716,559	\$3,817,064	\$1,568,844	\$7,782,075	\$548,576	23.1
Percentage Change	12.1%	18.5%	7.6%	11.2%	17.0%	3.9%

R1 FEDERAL INTERSTATE ADDITIONAL FTE: The Department is requesting \$236,766 General Fund and 1.8 FTE in FY 2023-24 annualizing to \$242,048 and 2.0 FTE in the out years to attend responsibilities associated with the Colorado River negotiations. Staff participates in litigation, when necessary, but also by actively serving as negotiation counsel to arrive at creative solutions for managing the basin consistent with existing laws under increasingly variable conditions. Because no major rivers flow into Colorado, Colorado must satisfy all its water demands from sources within the State. This unit's attorneys and staff are experts in Colorado's river matters and dedicated to protecting the state's interests.

R2 SPECIAL PROSECUTION ORGANIZED RETAIL CRIME: The Department is requesting 4.5 FTE and \$660,249 General Fund to increase staff capacity for special prosecutions. This request annualizes to 5.0 FTE and \$678,016 in out years. The demand for special prosecution resources has increased to help combat complex and organized criminal activity. The Department's workload has more than doubled related to assistance requested by entities that typically refer cases to the Department for special prosecutions.

R3 CRIMINAL INVESTIGATOR COORDINATED COMPENSATION: The Department, in conjunction with the Department of Personnel, is requesting an increase of \$296,478 total funds, including \$72,790 General Fund in FY 2023-24 and \$272,012 total funds in FY 2024-25 including \$66,783 General Fund in FY 2024-25 and ongoing for salary increases within the criminal investigator job classification series. By increasing salaries to be more in line with the Colorado labor market, the Department will ensure better retention of current high functioning investigators and will also provide the Department the ability to make competitive salary offers for vacant positions.

R4 PATTERNS AND PRACTICES: The Department is requesting \$143,122 General Fund and 0.9 FTE to increase staff capacity for patterns and practices investigations as authorized by Senate Bill 20-217 and associated enforcement areas. This request annualizes to \$147,826 General Fund and 1.0 FTE in out years. A similar request was submitted for the FY 2022-23 budget cycle but was not adopted by the Joint Budget Committee at the time. One reason for the denial was that due to the confidential nature of ongoing investigations of alleged misconduct investigated by the program, the quality of information JBC staff can share with the the Committee directly in publicly shared documents and discussions is handicapped. *Therefore, JBC staff recommends the Committee add a discussion about the Patterns and Practices program to the Department of Law's hearing agenda to be addressed during the executive session that traditionally occurs during the department's hearing.*

R5 IT ASSET MAINTENANCE: The Department is requesting \$200,939 total funds, including \$53,403 General Fund to its Information Technology Asset Maintenance line item. This request will provide necessary resources to address the annual replacement of the department's IT infrastructure, accommodating for the recent increases in FTE. The request is primarily for annual licensing for software but also includes a variety of hardware with a life cycle of at least four years and for as many as seven. *JBC staff recommends the Committee refer this budget request to the Joint Technology Committee for analysis and recommendations.*

R6 ADMIN SECTION SUPPORT: The Department is requesting \$230,512 reappropriated funds spending authority and 2.0 FTE for FY 2023-24, and \$216,372 and 2.0 FTE in out years to meet increasing administrative workload specifically in the Human Resources (HR) and Financial Services units due to the general expansion in programmatic responsibilities and Department staffing. Based on FY24 budget estimates, roughly 74 percent of indirect recoveries are recovered from the Legal Services to State Agencies Line Item. Assuming roughly 484,000 hours of legal support to client agencies in FY 24, this request, if funded, will increase the legal allocation for each state agency by roughly \$0.35 per hour. For the 2022-23 fiscal year, the blended rate for legal services is \$105.74, which is based on an estimated 512,280 hours of blended legal services.

R7 REPRESENTATION OF CDPHE: The Department is requesting an increase in reappropriated spending authority of \$190,332 in FY 2022-23 and annualizing to \$459,969 reappropriated funds in FY 2023-24. This request has a supplemental component that staff will make recommendations on and the Committee will decide upon during the January supplemental cycle. This request is somewhat technical in nature because the Colorado Department of Public Health and Environment's unique use of the Department of Law for cash funded programs has resulted in the common policy estimates implemented in FY 2017-18 providing an insufficient appropriation to accomplish all it must under its legal obligations.

R8 FALSE CLAIMS RECOVERY CASH FUND SPENDING AUTHORITY: The Department is requesting \$300,000 CF spending authority in a new line item, “False Claims Recovery Cash Fund” within the Consumer Protection Long Bill Budget Group. The request provides the Department spending authority such that in the event recoveries are received that it can make the required reimbursements to those entities defrauded and that recoveries and penalties were made on behalf of pursuant to law enacted in HB 22-1119 (Colorado False Claims Act).

R9 REFINANCE SAFE2TELL MTCF TO GF: The Department of Law is requesting \$202,218 General Fund and 0.2 FTE with a corresponding reduction to the Marijuana Tax Cash Fund appropriation of \$218,412 and 0.2 FTE for FY 2023-24. This request annualizes by \$13,206 General Fund, not including associated state paid benefits requested through the annual Total Compensation Request, and 0.2 FTE in the out years to continue operating the Safe2Tell program. The goal is to refinance two positions funded by the Marijuana Tax Cash Fund with General Fund due to the Department of law stating the nexus between the Safe2Tell program and the purposes of the Marijuana Tax Cash Fund are minimal. The reduction is greater than the increase in General Fund in the first year, due to moving a cash funded position to General Fund. These positions were originally requested to be funded with General Fund, however, pressure on balancing the General Fund pushed this budget item to be funded by the Marijuana Tax Cash Fund.

BA1 DOL TOTAL COMPENSATION: The Department of Law is modifying its FY 2023-24 Total Compensation request to accommodate information and data that was not available prior to November 1st. The request includes incremental increases to the Department’s original request for employee salary and benefits for an additional \$3,879,055 total funds, including an increase of \$747,769 in General Fund. The Department’s attorney positions are not included in the Total Compensation Survey performed by the Department of Personnel. As such, the Department annually contracts to assess the attorney classification pay ranges, salaries, and salary increases within the local marketplace to determine competitive and appropriate salary increase requests. The Department’s marketplace is generally public sector attorney employers along the Front Range.

The Department is currently experiencing an unprecedented increase in attorney departures and job offers being declined as a result of salary. Although the Department has also experienced various other reasons leading to turnover during FY 2021-22, employees who left the Department for outside employment largely reported their departure was due to the state’s less competitive salary levels. Many of these departures were to other public sector positions with the other surveyed employers, where former employees were receiving much higher salaries for comparable roles and responsibilities.

The biggest and most notable issue elaborated upon by the report is that the Department is not currently paying at a competitive placement within the pay range, as compared to the market, despite having pay ranges that are generally similar to market pay ranges.

CENTRALLY APPROPRIATED LINE ITEMS: The request includes adjustments to centrally appropriated line item, as detailed in the following table.

CENTRALLY APPROPRIATED LINE ITEMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Salary survey	\$3,808,664	\$923,087	\$421,059	\$2,367,104	\$97,414	0.0
Health, life, and dental	989,327	355,332	195,820	360,478	77,697	0.0
Payments to OIT	800,693	228,214	101,155	439,431	31,893	0.0
AED	299,848	94,653	51,569	131,883	21,743	0.0
SAED	299,848	94,653	51,569	131,883	21,743	0.0
DPA Paid family leave	279,025	68,594	33,787	168,877	7,767	0.0
Legal services	115,190	44,245	70,945	0	0	0.0
Risk management & property adjustment	52,548	25,189	(341)	22,872	4,828	0.0
Short-term disability	3,394	1,505	899	467	523	0.0
ALJ services	191	0	191	0	0	0.0
PERA Direct Distribution	(736,961)	54,251	(150,459)	(640,753)	0	0.0
Workers' compensation	(12,401)	2,948	(5,667)	(10,898)	1,216	0.0
CORE adjustment	(5,503)	66	(1,760)	(4,039)	230	0.0
TOTAL	\$5,893,863	\$1,892,737	\$768,767	\$2,967,305	\$265,054	0.0

INDIRECT COST ADJUSTMENT: The request includes adjustments to indirect costs across the department.

NONPRIORITIZED ITEMS: The request includes six decision items originating in other departments. The following table summarizes the non-prioritized requests, which will be addressed in separate staff briefings.

NONPRIORITIZED ITEMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
NP5 PHE Water legal services	\$250,000	\$0	\$0	\$250,000	\$0	1.3
NP4 OIT Budget package	117,034	31,104	15,395	66,401	4,134	0.0
DPS Digital trunk radio	8,625	2,396	5,126	1,103	0	0.0
NP1 DPA COE common policy	8,584	2,268	1,129	4,884	303	0.0
NP3 DPA Transfer perf. Budget to DPA	527	140	69	299	19	0.0
NP2 Fleet vehicle adjustment	(4,808)	(5,293)	(5,845)	7,673	(1,343)	0.0
TOTAL	\$379,962	\$30,615	\$15,874	\$330,360	\$3,113	1.3

PRIOR YEAR BUDGET ACTIONS: The request includes adjustments related to prior year legislation.

ANNUALIZE PRIOR YEAR LEGISLATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
HB 22-1119 False Claims Act for base	\$300,396	\$0	\$300,396	\$0	\$0	2.0
HB 22-1244 Toxic air protection	251,353	0	0	251,353	0	1.4
SB 22-161 Employer & employee	205,196	205,196	0	0	0	1.2
SB 22-130 State entity authority P3	70,477	0	0	70,477	0	0.3
SB 22-034 Business filing fraud for base	34,956	0	34,956	0	0	0.3
HB 22-1235 Sunset Vet Practices Act	29,571	0	0	29,571	0	0.2
SB 22-034 Business filing fraud	25,663	0	25,663	0	0	0.3
SB 22-154 Increasing safety in assist.	24,840	0	0	24,840	0	0.2
SB 15-288 Elected Official compensation	4,711	0	0	4,711	0	0.0
HB 22-1326 Fentanyl response	(150,000)	(150,000)	0	0	0	0.0
HB 22-1295 Dept of Early Childhood	(118,284)	0	0	(118,284)	0	(0.7)
HB 22-1284 Surprise health billing protections	(88,713)	0	0	(88,713)	0	(0.5)
HB 22-1359 Household econ. recovery plan	(34,499)	0	0	(34,499)	0	(0.2)

ANNUALIZE PRIOR YEAR LEGISLATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
HB 22-1242 Regulate tiny homes	(30,752)	0	0	(30,752)	0	(0.2)
SB 22-025 Security token capital financing	(30,000)	0	0	(30,000)	0	(0.2)
HB 22-1376 K-12 Supportive learning envir.	(30,000)	0	(30,000)	0	0	0.0
HB 21-1122 First Responder interactions	(21,535)	(21,535)	0	0	0	(0.3)
HB 22-1355 Producer recycling responsibility	(20,503)	0	0	(20,503)	0	(0.1)
SB 22-070 K-12 Personnel evaluators	(19,714)	0	0	(19,714)	0	(0.1)
SB 22-205 Intoxicating hemp and THC	(18,600)	0	(18,600)	0	0	0.0
SB 22-114 Fire suppression pond rights	(11,828)	0	0	(11,828)	0	0.0
SB 22-160 Loans for res. owned comms.	(9,857)	0	0	(9,857)	0	(0.1)
TOTAL	\$362,878	\$33,661	\$312,415	\$16,802	\$0	3.5

PRIOR YEAR BUDGET ACTIONS: The request includes adjustments related to prior year budget actions.

ANNUALIZE PRIOR YEAR BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 22-23 Medicaid fraud unit	\$123,301	\$30,825	\$0	\$0	\$92,476	0.7
Prior year salary survey	89,550	(126,279)	13,660	194,637	7,532	0.0
Carr building leased space	64,172	133,100	(66,547)	(35,376)	32,995	0.0
Attorney registration and CLE	10,450	7,482	(5,938)	8,551	355	0.0
FY 22-23 POST course redevelopment	(206,200)	0	(206,200)	0	0	0.0
FY 22-23 R2 Admin support of agency	(19,800)	0	0	(19,800)	0	0.0
TOTAL	\$61,473	\$45,128	(\$265,025)	\$148,012	\$133,358	0.7

TECHNICAL CHANGES: The request includes several technical adjustments that result in a net increase of \$2,761 total funds and a decrease of \$292,401 General Fund.

SUMMARY OF ISSUES PRESENTED TO THE JOINT BUDGET COMMITTEE

CODIFY LITIGATION MANAGEMENT FOOTNOTE: Since FY 1994-95 the Department's appropriations have included a line item and appropriation called Litigation Management, which allows the Department to pay for unanticipated legal costs that arise over the course of the fiscal year (especially when the General Assembly is not in session). The Department has also used this line item for technology costs that would otherwise require a General Fund appropriation. This appropriation has reduced the need for legal services supplemental requests related to the Legal Services to State Agencies program (LSSA) and other unanticipated litigation with flexibility provided via a Long Bill footnote. The recommendation is to codify the footnote in statute.

MAJOR LITIGATION PENDING AGAINST THE STATE: The Department of Law submits an annual report to the State Controller discussing pending litigation against the State that could have a significant financial impact. The 2023-24 report includes cases involving the following departments: Corrections, Health Care Policy and Financing, Higher Education, Natural Resources, Public Health and Environment, Revenue, and Transportation.

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Department of Local Affairs

The Department of Local Affairs (DOLA) is responsible for building community and local government capacity by providing training, technical, and financial assistance to localities. The Department's FY 2022-23 appropriation represents approximately 1.1 percent of statewide operating appropriations and 0.4 percent of statewide General Fund appropriations.

FY 2022-23 APPROPRIATION AND FY 2023-24 REQUEST

DEPARTMENT OF LOCAL AFFAIRS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2022-23 APPROPRIATION:						
HB 22-1329 (Long Bill)	\$326,146,188	\$47,566,505	\$177,126,262	\$18,870,766	\$82,582,655	209.6
Other Legislation	115,932,883	7,775,044	104,677,159	3,488,829	(8,149)	12.3
TOTAL	\$442,079,071	\$55,341,549	\$281,803,421	\$22,359,595	\$82,574,506	221.9
FY 2023-24 REQUESTED APPROPRIATION:						
FY 2022-23 Appropriation	\$442,079,071	55,341,549	\$281,803,421	\$22,359,595	\$82,574,506	221.9
R1 Resources for DOLA/HCPF voucher program	1,659,303	1,659,303	0	0	0	0.8
R2 Fort Lyon Supportive Residential Community	750,000	750,000	0	0	0	0.0
R3 Resiliency and disaster recovery capacity increase	186,714	186,714	0	0	0	1.8
R4 Property valuation database forecast staff	232,726	232,726	0	0	0	1.8
R5 Accelerate production of manufactured buildings	540,471	0	540,471	0	0	4.0
R6 EDO capacity expansion	379,613	7,445	2,379	369,789	0	3.0
R7 Moffat Tunnel District lease renewal	290,000	0	290,000	0	0	0.0
R8 Architectural support for rural main streets	0	0	0	0	0	1.0
Non-prioritized decision items	126,676	25,309	29,866	45,572	25,929	0.0
Technical adjustments	37,815,873	0	922,261	(4,800,000)	41,693,612	0.0
Annualize prior year budget actions	6,463,417	6,387,742	0	75,675	0	0.6
Centrally appropriated line items	1,711,171	1,009,547	304,519	128,723	268,382	0.0
Indirect cost assessment	251,581	0	43,547	138,983	69,051	0.0
Annualize prior year legislation	(114,343,730)	(6,563,468)	(104,780,262)	(3,000,000)	0	0.6
TOTAL	\$378,142,886	\$59,036,867	\$179,156,202	\$15,318,337	\$124,631,480	235.5
INCREASE/(DECREASE)	(\$63,936,185)	\$3,695,318	(\$102,647,219)	(\$7,041,258)	\$42,056,974	13.6
Percentage Change	(14.5%)	6.7%	(36.4%)	(31.5%)	50.9%	6.1%

R1 RESOURCES FOR DOLA/HCPF VOUCHER PROGRAM: The request includes \$1,659,303 General Fund and 0.8 FTE in FY 2023-24 and \$3,417,069 General Fund and 1.6 FTE in FY 2024-25 and ongoing to fund an additional 400 Community Access Team – Transition Services vouchers. These vouchers support persons with disabilities that require long-term services and support to transition out of institutions, or prevent institutionalization, using Medicaid's Transition Services benefit. If approved, the request will result in estimated General Fund savings in the Department of Health Care Policy and Financing (HCPF) of \$2.4 million in FY 2023-24, \$6.9 million in FY 2024-25, and \$9.0 million in FY 2025-26 and ongoing once all additional vouchers have been put into use. The Department identified this request as proven (Step 5).

R2 FORT LYON SUPPORTIVE RESIDENTIAL COMMUNITY: The request includes \$750,000 General Fund in FY 2023-24 and ongoing to continue operating the Fort Lyon Supportive Residential Community. This facility has been operational since 2013 and serves over 250 people per year struggling with homelessness and substance use disorders. The appropriation for Fort Lyon has remained unchanged at approximately \$5.0 million General Fund since FY 2016-17. Rising operating and vendor costs have crowded out funds that can be used for vocational and educational programs and dedicated support for finding housing post-graduation from the facility. The request includes operating funds to eliminate gaps that have been filled by grants in recent years (\$100,000), staffing resources to support

educational, vocational, and housing services (\$350,000), and facilities management staff to tackle long-term maintenance and energy efficiency projects (\$300,000). Staff at Fort Lyon are contracted through Colorado Coalition for the Homeless; the Long Bill appropriation includes 1.0 FTE for program management. The Department identified this request as evidence-informed (Step 4).

R3 RESILIENCY AND DISASTER RECOVERY CAPACITY INCREASE: The request includes \$186,714 General Fund and 1.8 FTE in FY 2023-24 and \$187,732 General Fund and 2.0 FTE in FY 2024-25 and ongoing for additional staff to implement the Department’s resiliency and disaster recovery duties. The request would fund a Local Resiliency Specialist in the Colorado Resiliency Office and a dedicated Disaster Housing Recovery Specialist in the Division of Housing. Following a sunset review in 2021, the Colorado Resiliency Office was extended through September 2037 by H.B. 22-1225 (Sunset Continue Colorado Resiliency Office). The Division of Housing has responsibilities related to the Colorado Disaster Emergency Act, State Emergency Operations Plan, and Colorado Resiliency Framework which are currently dealt with by diverting existing staff after disasters occur. The Department identified this request as theory-informed (Step 2).

R4 PROPERTY VALUATION DATABASE FORECAST STAFF: The request includes \$232,726 General Fund and 1.8 FTE in FY 2023-24 and \$237,744 General Fund and 2.0 FTE in FY 2024-25 and ongoing for additional staff in the Division of Property Taxation. This includes a Property Valuation Data Manager responsible for property valuation data collection, analysis, mapping, and publishing and a Property Valuation Analyst that will provide property valuation and tax analysis for specific executive and legislative proposals. The request states that the level and types of data currently collected and administered by the Division of Property Taxation are insufficient to conduct detailed analysis and reporting, and that the complexity and frequency of requests from the General Assembly, the Governor’s Office, and public interest groups have grown in recent years.

R5 ACCELERATE PRODUCTION OF MANUFACTURED BUILDINGS: The request includes \$540,471 cash funds and 4.0 FTE in FY 2023-24 and \$522,471 cash funds and 4.0 FTE in FY 2024-25 and ongoing for the Manufactured Buildings Program. This program supports, licenses, and regulates the residential and non-residential factory-built industry in Colorado and is entirely fee-funded. Demand for plan review and inspection services has rebounded substantially since the Great Recession while staffing has remained unchanged for the last eleven years, resulting in significant processing delays. Not only has the appropriation for this program not kept up with growing activity in recent years, legislation such as H.B. 22-1282 (The Innovative Housing Incentive Program)) will likely result in additional demand for this program that was not accounted for in the Legislative Council Staff Fiscal Note. The Department identified this request as theory-informed (Step 2).

R6 EXECUTIVE DIRECTOR’S OFFICE (EDO) CAPACITY EXPANSION: The request includes \$379,613 total funds, including \$7,445 General Fund, and 3.0 FTE in FY 2023-24 and \$358,613 total funds, including \$7,445 General Fund, and 3.0 FTE in FY 2024-25 and ongoing for additional staff in the Executive Director’s Office and an increase in the appropriation for Information Technology Asset Maintenance. The additional positions consist of:

- 0.5 FTE Payroll Technician;
- 0.5 FTE Timekeeping and Leave Coordinator;
- 1.0 FTE Revolving Loan Funds Accounting Specialist; and
- 1.0 FTE Business Product Manager.

The Department received funding for a similar request in FY2022-23 to address growth through FY 2020-21. Legislation passed during the 2021 and 2022 sessions resulted in DOLA receiving more than twenty new programs, 35.1 permanent FTE, and 40.2 temporary FTE. The Department identified this request as theory-informed (Step 3).

R7 MOFFAT TUNNEL DISTRICT LEASE RENEWAL: The request includes \$290,000 cash funds from the Moffat Tunnel Cash Fund, with roll-forward authority in FY 2024-25, for the renegotiation of a lease with Union Pacific Railroad that expires in January 2025. The Department of Local Affairs is the custodian of the Moffat Tunnel Improvement District and administers leases with Union Pacific and Century Link, which generate approximately \$30,000 in revenue to the Moffat Tunnel Cash Fund annually. Under current law, lease payment revenue from the property is to be distributed to the nine Improvement District counties (Adams, Boulder, Denver, Eagle, Gilpin, Grand, Jefferson, Moffat, and Routt) after the Department has set aside sufficient funds for administrative costs. These distributions have not occurred since 2008 when the Department decided to retain a fund balance for potential future liabilities. This situation is addressed in Long Bill footnote number 77.

R8 ARCHITECTURAL SUPPORT FOR RURAL MAIN STREETS: The request includes 1.0 FTE in FY 2023-24 and ongoing, paid for by existing reappropriated funds, to permanently hire an architect for the Colorado Main Street Program. The existing architect is currently funded by a State Historical Fund grant through an intergovernmental agreement. History Colorado has indicated they cannot afford to continue the agreement due to declines in limited gaming revenue. The request will use existing reappropriated Energy and Mineral Impact Assistance funds to begin paying this employee’s salary, therefore diminishing the amount of funding available for training and grants to Main Street participants. The Department identified this request as theory-informed (Step 2).

NON-PRIORITIZED DECISION ITEMS: The request includes a net increase of \$126,676 total funds, including \$25,309 General Fund, for requests that originate in the Governor’s Office of Information Technology (OIT) and the Department of Personnel.

NON-PRIORITIZED DECISION ITEMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
OIT Budget package	\$114,505	\$33,976	\$23,250	\$37,094	\$20,185	0.0
DPA Capitol complex staffing	23,813	7,066	4,835	7,714	4,198	0.0
DPA Transfer perf. budgeting to DPA	5,150	1,528	1,046	1,668	908	0.0
DPA COE Common Policy	3,620	1,074	735	1,173	638	0.0
DPA Annual fleet request	(20,412)	(18,335)	0	(2,077)	0	0.0
TOTAL	\$126,676	\$25,309	\$29,866	\$45,572	\$25,929	0.0

TECHNICAL ADJUSTMENTS: The request includes an increase of \$41,693,612 federal funds and \$922,261 cash funds shown in the Long Bill for informational purposes and a decrease of \$4,800,000 reappropriated funds related to a technical issue addressed in the prior year.

TECHNICAL ADJUSTMENTS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Informational funds adjustment	\$42,615,873	\$0	\$922,261	\$0	\$41,693,612	0.0
Reappropriated funds adjustment	(4,800,000)	0	0	(4,800,000)	0	0.0
TOTAL	\$37,815,873	\$0	\$922,261	(\$4,800,000)	\$41,693,612	0.0

ANNUALIZE PRIOR YEAR BUDGET ACTIONS: The request includes an increase of \$6.5 million total funds, including \$6.4 million General Fund, for the out-year cost of prior year budget actions.

ANNUALIZE PRIOR YEAR BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2022-23 BA1 state housing vouchers	\$6,387,742	\$6,387,742	\$0	\$0	\$0	0.3
FY 2022-23 R1 operational staff adjustment	75,675	0	0	75,675	0	0.3
TOTAL	\$6,463,417	\$6,387,742	\$0	\$75,675	\$0	0.6

CENTRALLY APPROPRIATED LINE ITEMS: The request includes a net increase of \$1,711,171 total funds for centrally appropriated line items, summarized in the table below.

CENTRALLY APPROPRIATED LINE ITEMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Salary survey	\$956,230	\$288,707	\$172,018	\$268,031	\$227,474	0.0
Legal services	735,518	491,039	247,437	(2,958)	0	0.0
Health, life, and dental	412,341	218,488	(7,439)	48,911	152,381	0.0
AED	15,059	18,369	(34,325)	779	30,236	0.0
SAED	15,059	18,369	(34,325)	779	30,236	0.0
Administrative law judge services	453	0	453	0	0	0.0
Annualize prior year salary survey	0	0	1	0	(1)	0.0
PERA Direct Distribution	(192,934)	18,462	(68,021)	(84,078)	(59,297)	0.0
CORE adjustment	(190,742)	(43,785)	(13,949)	(72,461)	(60,547)	0.0
Capitol Complex leased space	(34,818)	(216)	36,879	(18,631)	(52,850)	0.0
Payment to risk management and property funds	(3,159)	(319)	3,707	(6,547)	0	0.0
Workers' compensation	(1,640)	80	3,224	(4,944)	0	0.0
Short-term disability	(196)	353	(1,141)	(158)	750	0.0
TOTAL	\$1,711,171	\$1,009,547	\$304,519	\$128,723	\$268,382	0.0

INDIRECT COST ASSESSMENT: The request includes net adjustments to indirect costs across all divisions.

ANNUALIZE PRIOR YEAR LEGISLATION: The request includes a net decrease of \$114.3 million total funds, including \$6.6 million General Fund, to reflect the FY 2023-24 impact of bills passed in previous sessions, summarized in the following table.

ANNUALIZE PRIOR YEAR LEGISLATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
HB 22-1389 Financial literacy exchange program	\$197,226	\$17,226	\$180,000	\$0	\$0	0.5
HB 22-1242 Reg tiny homes manufacture sale & install	130,664	(227,612)	358,276	0	0	4.0
HB 22-1287 Protections mobile home residents	10,459	10,459	0	0	0	0.2
HB 22-1083 CO homeless contribution income tax credit	7,509	7,509	0	0	0	0.5
SB 22-211 Repurpose Ridge View campus	(45,000,000)	0	(45,000,000)	0	0	(2.3)
SB 22-1356 Small community-based nonprofit grants	(35,000,000)	0	(35,000,000)	0	0	(0.5)
SB 22-146 Middle income access expansion program	(25,000,000)	0	(25,000,000)	0	0	0.0
SB 22-005 Law enforce agency peace officer services	(6,000,000)	(3,000,000)	0	(3,000,000)	0	(2.5)
HB 22-1013 Microgrids for community resilience grants	(3,368,292)	(3,368,292)	0	0	0	0.4
SB 22-168 Backcountry search and rescue	(318,538)	0	(318,538)	0	0	0.0
HB 22-1416 Property tax administrative procedures	(2,000)	(2,000)	0	0	0	0.0
SB 22-206 Disaster preparedness & recovery resources	(758)	(758)	0	0	0	0.3
TOTAL	(\$114,343,730)	(\$6,563,468)	(\$104,780,262)	(\$3,000,000)	\$0	0.6

SUMMARY OF ISSUES PRESENTED TO THE JOINT BUDGET COMMITTEE

INFORMATIONAL ISSUE: R3 AND THE COLORADO RESILIENCY OFFICE: This issue discusses the Department's R3 request for additional staff related to DOLA's resiliency and disaster recovery duties and provides a history of the Colorado Resiliency Office in relation to this request.

ONE-TIME FUNDING AUTHORIZED IN RECENT LEGISLATIVE SESSIONS: During the 2020B, 2021, and 2022 legislative sessions, the General Assembly allocated significant one-time funding to the Department of Local Affairs. This included \$484.1 million originating as state General Fund and \$453.1 originating as federal Coronavirus State Fiscal Recovery funds (ARPA funds) for new and existing initiatives within the Department.

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Department of Military and Veterans Affairs

The Department of Military and Veterans Affairs is responsible for training and maintaining Colorado's Army and Air National Guard to protect the safety and health of Colorado's residents and serve as a reserve force for the U.S. Armed Forces. The Department also administers state programs that assist U.S. military veterans. The Department's FY 2022-23 appropriation represents approximately 0.4 percent of statewide operating appropriations and 0.1 percent of statewide General Fund appropriations.

FY 2022-23 APPROPRIATION AND FY 2023-24 REQUEST

DEPARTMENT OF MILITARY AND VETERANS AFFAIRS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATE D FUNDS	FEDERAL FUNDS	FTE
FY 2022-23 APPROPRIATION:						
HB 22-1329 (Long Bill)	\$142,995,648	\$12,637,704	\$1,571,484	\$80,305	\$128,706,155	2,513.9
Other legislation	35,319	16,769	422	0	18,128	0.0
TOTAL	\$143,030,967	\$12,654,473	\$1,571,906	\$80,305	\$128,724,283	2,513.9
FY 2023-24 REQUESTED APPROPRIATION:						
FY 2022-23 Appropriation	\$143,030,967	12,654,473	\$1,571,906	\$80,305	\$128,724,283	2,513.9
R1 Cash fund restoration	4,908,395	4,908,395	0	0	0	0.0
R2 Veterans cemetery staff	160,502	160,502	0	0	0	1.8
R3 Senior executive staff additions	320,257	320,257	0	0	0	1.8
R4 Technical funding adjustment	0	0	0	0	0	0.0
Centrally appropriated line items	716,568	435,758	23,808	0	257,002	0.0
Annualize prior year budget actions	3,880	3,880	0	0	0	0.0
Indirect cost assessment	47	0	(10,205)	10,252	0	0.0
Non-prioritized request	(153,999)	(153,999)	0	0	0	0.0
Technical adjustments	0	0	25,000	(25,000)	0	0.0
TOTAL	\$148,986,617	\$18,329,266	\$1,610,509	\$65,557	\$128,981,285	2,517.5
INCREASE/(DECREASE)	\$5,955,650	\$5,674,793	\$38,603	(\$14,748)	\$257,002	3.6
Percentage Change	4.2%	44.8%	2.5%	(18.4%)	0.2%	0.1%

R1 CASH FUND RESTORATION: [LEGISLATION RECOMMENDED] The request is for a one-time \$4.9 million General Fund transfer to restore funds that were swept from the Real Estate Proceeds Cash Fund in FY 2020-21. During the COVID-19 pandemic, H.B. 20-1406 (Cash Funds Transfer to the General Fund) transferred these funds from the Department to augment state revenues. These cash funds were from the sale of real estate acquired for military purposes, and the restoration of these cash funds would allow the Department to move forward with its plans for two new readiness centers. Additionally, failure to restore these cash funds would put \$46.7 million in federal matching funds at risk.

R2 VETERANS CEMETERY STAFF: The request is for \$160,502 General Fund and 1.8 FTE to staff and support the Veterans Memorial Cemetery in Western Colorado. Over the last twenty years, annual interments at the cemetery have increased significantly. This additional personnel is requested so that the Veterans Memorial Cemetery can maintain its high service level to Colorado veterans and their families and ensure that the cemetery remains compliant with National Cemetery Administration operating requirements. For more detail, please see related Briefing Issue.

R3 SENIOR EXECUTIVE STAFF ADDITIONS: The request is for \$320,257 General Fund and 1.8 FTE to add a Chief Financial Officer and a Chief Operating Officer to the Department's leadership team. The Adjutant General and her executive staff oversee 5,500 National Guard Service members and 2,100 Civil Air Patrol volunteers. While the current

Department leadership structure has remained static for fifteen years, the operational tempo has extensively expanded. According to the Department, these positions would help the Adjutant General and her staff carry out the Department's mission and values.

R4 TECHNICAL FUNDING ADJUSTMENT: [LEGISLATION REQUIRED] The request asks the JBC to consider sponsoring legislation to allow two changes in current policy. The first is for a statutory change adjusting the appropriation duration for the Veterans Trust Fund. This change would enable Tobacco Master Settlement funds credited to the Veterans Trust Fund, used for capital improvements and grants, to be available for three years. This practice is in line with other capital-related appropriations. The second component to the request is for a change in statute which would amend the allowable uses of the Real Estate Proceeds Cash Fund to include environmental impact studies. These adjustments would allow the Department to efficiently and effectively respond to changes in the real estate market and capitalize on opportunities as they arise.

CENTRALLY APPROPRIATED LINE ITEMS: The request includes an increase of \$716,568 total funds for centrally appropriated line items, summarized in the table below.

CENTRALLY APPROPRIATED LINE ITEMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Salary survey	\$627,521	\$261,311	\$9,469	\$0	\$356,741	0.0
Payment to risk management and property funds	91,219	91,219	0	0	0	0.0
Common policy provider rate adjustment	39,040	39,040	0	0	0	0.0
PERA Direct Distribution	38,472	41,356	(2,884)	0	0	0.0
Legal services	23,198	23,198	0	0	0	0.0
Workers' compensation	21,553	8,621	0	0	12,932	0.0
OIT Budget package	19,767	19,767	0	0	0	0.0
DPA annual fleet request - vehicle lease payments	12,570	9,428	0	0	3,142	0.0
Shift differential	5,476	0	0	0	5,476	0.0
Capitol Complex leased space adjustment	1,695	1,695	0	0	0	0.0
Annualize prior year salary survey	0	0	0	0	0	0.0
Health, life, and dental	(54,429)	(20,762)	15,763	0	(49,430)	0.0
AED	(46,126)	(11,776)	727	0	(35,077)	0.0
SAED	(46,126)	(11,776)	727	0	(35,077)	0.0
CORE adjustment	(14,746)	(14,746)	0	0	0	0.0
Short-term disability	(2,516)	(817)	6	0	(1,705)	0.0
TOTAL	\$716,568	\$435,758	\$23,808	\$0	\$257,002	0.0

ANNUALIZE PRIOR-YEAR BUDGET ACTION: The request includes an increase of \$3,880 total funds for the annualization of a prior-year budget action related to digital trunk radios.

INDIRECT COST ADJUSTMENT: The request includes an increase of \$47 total funds for the indirect cost adjustment.

NON-PRIORITIZED ITEMS: The request includes three non-prioritized items summarized in the table below, aggregating to a reduction of \$153,999.

NON-PRIORITIZED REQUEST						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
NP DPA COE Common Policy	\$2,925	\$2,925	\$0	\$0	\$0	0.0
NP Transfer performance budgeting to DPA	724	724	0	0	0	0.0
NP OIT common policy adjustment	(157,648)	(157,648)	0	0	0	0.0
TOTAL	(\$153,999)	(\$153,999)	\$0	\$0	\$0	0.0

TECHNICAL ADJUSTMENTS: The request includes a net-zero technical adjustment, summarized in the table below.

TECHNICAL ADJUSTMENTS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Grand Junction one refinance	\$0	\$0	\$25,000	(\$25,000)	\$0	0.0
TOTAL	\$0	\$0	\$25,000	(\$25,000)	\$0	0.0

SUMMARY OF ISSUE PRESENTED TO THE JOINT BUDGET COMMITTEE

R2 VETERANS CEMETERY STAFF: The Department requests \$160,502 General Fund and 1.8 FTE to staff and support the Veterans Memorial Cemetery in Western Colorado. This issue brief provides background information regarding Veterans Memorial Cemetery in Western Colorado, which has experienced significant growth in recent years, leading to staffing capacity issues.

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Department of Natural Resources

The Department of Natural Resources is responsible for developing, protecting, and enhancing Colorado's natural resources for the use and enjoyment of present and future residents and visitors.

FY 2022-23 APPROPRIATION & FY 2023-24 REQUEST

DEPARTMENT OF NATURAL RESOURCES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2022-23 APPROPRIATION:						
HB 22-1329 (Long Bill)	346,673,795	38,428,154	274,317,373	7,894,474	26,033,794	1,554.8
Other legislation	155,156,242	261,197	94,911,459	59,990,401	(6,815)	2.3
TOTAL	\$501,830,037	\$38,689,351	\$369,228,832	\$67,884,875	\$26,026,979	1,557.1
FY 2023-24 REQUESTED APPROPRIATION:						
FY 2022-23 Appropriation	\$501,830,037	38,689,351	\$369,228,832	\$67,884,875	\$26,026,979	1,557.1
R01 COGCC mission change	3,325,126	0	3,325,126	0	0	29.0
R02 CO River policy and technical support	1,868,315	982,752	885,563	0	0	13.9
R03 Wildfire mitigation package	0	0	0	0	0	0.0
R04 Severance Tax for wildfire mitigation	5,000,000	0	5,000,000	0	0	0.0
R05 Inclusive recruitment & retention	399,876	20,315	204,458	175,103	0	2.0
R06 Keep CO Wild support	2,353,138	0	2,353,138	0	0	1.0
R07 Winter recreation and safety	1,108,178	0	1,108,178	0	0	5.5
R08 Resources for state parks	1,821,114	0	1,821,114	0	0	19.0
R09 Resources for wildlife management	715,807	0	715,807	0	0	6.0
R10 CPW business tech staff	464,835	0	464,835	0	0	5.0
R11 Wildlife water & research projects	511,260	0	511,260	0	0	4.0
R12 Financial administration & support	310,467	0	0	310,467	0	2.0
R13 Water plan data & mapping specialist	149,838	0	149,838	0	0	1.0
R14 SLB field ops capacity	101,895	0	101,895	0	0	1.0
R15 Vehicles for water admin staff	34,063	34,063	0	0	0	0.0
R16 True-up CWCB FEMA funding	105,000	0	0	0	105,000	1.0
R17 Water plan legislative placeholder	0	0	0	0	0	0.0
Technical adjustments	19,017,466	0	19,017,466	0	0	0.0
Centrally appropriated line items	11,862,678	1,640,160	9,402,893	670,690	148,935	0.0
Impacts driven by other agencies	764,721	112,671	614,115	23,032	14,903	0.0
Annualize prior year budget actions	668,868	43,644	619,622	1,144	4,458	0.2
Indirect cost assessment	391,290	856,196	348,415	(856,196)	42,875	0.0
Annualize prior year legislation	(154,187,997)	(151,718)	(94,036,279)	(60,000,000)	0	2.2
TOTAL	\$398,615,975	\$42,227,434	\$321,836,276	\$8,209,115	\$26,343,150	1,649.9
INCREASE/(DECREASE)	(\$103,214,062)	\$3,538,083	(\$47,392,556)	(\$59,675,760)	\$316,171	92.8
Percentage Change	(20.6%)	9.1%	(12.8%)	(87.9%)	1.2%	6.0%

R01 COGCC MISSION CHANGE: The request, from the Oil and Gas Conservation Commission, includes an increase of \$2,775,397 cash funds from the Oil and Gas Conservation and Emergency Response Fund and 29.0 FTE in FY 2023-24 to increase capacity in response to recent changes to the division's mission as a result of rulemaking. The Department is requesting an additional \$549,729 cash funds for employee benefits for a total requested amount of \$3,325,126.

R02 CO RIVER POLICY & TECHNICAL SUPPORT: The Department requests an increase of \$1.9 million total funds and 13.9 FTE starting in FY 2023-24. Of this amount, \$982,752 would come from the General Fund and \$885,563 would come from the CWCB Construction Fund. The team consists of 2.0 FTE for the Executive Director’s Office, 4.0 FTE for the CWCB, and 7.9 FTE for Division of Water Resources. The request assumes that all positions would be hired at the base of the second quartile of the relevant salary range.

The Department describes the requested FTE as an “interdisciplinary team of technical, policy, and water administration experts focused on the Colorado River system.” The purpose of the team is to “meet Colorado’s interstate [water] obligations while advancing its position on the Colorado River.” For more detail, see Briefing Issue #2 on page 18.

R03 WILDFIRE MITIGATION INVESTMENT PACKAGE [LEGISLATION REQUIRED]: The Department requests that the JBC sponsor legislation for a one-time transfer of \$9.0 million General Fund to multiple cash funds as shown in the table below. This request aims to “reduce overall wildfire risk in Colorado through effective mitigation projects combined with community outreach, education, and incentive efforts that advance the mission of wildfire risk reduction and home hardening.” The Department describes this request as “theory-informed.”

R03 WILDFIRE MITIGATION INVESTMENT PACKAGE PROPOSED TRANSFERS				
DEPARTMENT	FUND	AMOUNT	FUND TYPE	PURPOSE
Natural Resources	Wildfire Mitigation Capacity Development Fund	\$2,000,000	Continuously-appropriated	Support up to two large-scale, high-priority wildfire mitigation projects through the Colorado Strategic Wildfire Action Program (COSWAP)
Higher Education	Healthy Forests Vibrant Communities Fund	4,000,000	Continuously-appropriated	\$2.0 million would support the hiring of 11 positions for four years in various Colorado State Forest Service office. These positions would develop and implement wildfire mitigation projects on federal lands (leveraging federal funding), possibly facilitating 5,000-15,000 acres of mitigation work per year. \$2.0 million would go to public education and outreach efforts, building off efforts developed in response to S.B. 22-007 (Increase Wildfire Mitigation Outreach Efforts).
Higher Education	Forest Restoration and Wildfire Risk Mitigation Fund	1,000,000	Continuously-appropriated	Local and state agency planning & management
Public Safety	Wildland Urban Interface Home Hardening Fund	2,000,000	New fund	Provide funds to make homes more fire-resistant. Priority for existing homes in areas deemed to be moderate or higher risk in wildland-urban interface areas.

R04 SEVERANCE TAX FOR WILDFIRE MITIGATION [LEGISLATION REQUIRED]: The Department requests that the JBC sponsor legislation to authorize an annual, on-going \$5.0 million appropriation from the Severance Tax Operational Fund to the Wildfire Mitigation Development Capacity Development Fund. This cash fund supports the Colorado Strategic Wildfire Action Program (COSWAP). For more detail, see Briefing Issue #3 on page 22. The Department describes this request as “theory-informed.”

R05 INCLUSIVE RECRUITMENT AND RETENTION: The Department requests an increase of \$399,876 total funds, including \$20,315 General Fund, and 2.0 FTE starting in FY 2023-24. The request assumes that both FTE would be hired in the second quartile of the salary range.

The purpose of these funds and FTE is to “facilitate an engaged and diverse workforce within the department, and to cultivate an inclusive environment for its employees.” They would do this by, among other things, expanding efforts related to skills-based hiring and retention. The Department describes skills-based hiring and retention as: (1) Broadening job qualification requirements, and (2) “Upskilling” the current workforce for promotional opportunities. The request also describes a desire for a “more coordinated presence within the community college system.”

The request also includes \$119,500 total funds for a new online learning & performance management system. This system would replace a decentralized system of Microsoft Word and PDF files. The Department also aims to use it to provide continuous formal performance feedback, as opposed to the current process of an annual performance review.

R06 KEEP CO WILD SUPPORT: The Department requests an increase of \$2.35 million from the Parks and Outdoor Recreation Cash Fund and 1.0 FTE starting in FY 2023-24. These funds would support the implementation of the Keep Colorado Wild Pass (KCW) on January 1, 2023.¹ Most of the requested funds (\$1.7 million) would support the development, purchase, and distribution of public outreach materials. The table below provides a detailed breakdown of estimated costs related to the outreach effort.

Keep Colorado Wild Pass Fee Outreach Materials			
Row	Item	Annual Cost	Source/Calculation
A	Materials in County Clerk and Recorder offices	\$145,185	FY 2022-23 Cost Estimate
B	Materials mailed to Colorado households	\$827,566	FY 2022-23 Cost Estimate
C	Purchased media, public service announcements, web content	\$576,000	FY 2022-23 Cost Estimate
D	Contract with multicultural marketing agency	\$120,000	FY 2022-23 Cost Estimate
E	Spanish translation	\$10,000	FY 2022-23 Cost Estimate
F	Total	\$1,678,751	Sum of Rows

Source: FY 23-24 R06 Keep CO Wild Support

The Department expects to submit an FY 2022-23 supplemental budget request related to this decision item.

R07 WINTER RECREATION AND SAFETY [LEGISLATION REQUIRED]: The Department requests an increase of \$1.1 million cash funds and 5.5 FTE for the Colorado Avalanche Information Center (CAIC) in FY 2023-24. The request annualizes to \$1.0 million and 7.5 FTE in FY 2024-25. Funding for FY 2023-24 would come from the Severance Tax Operational Fund via a one-time transfer to the Colorado Avalanche Information Center Fund. This transfer requires legislation. Funding for FY 2024-25 and future years would come from KCW Pass revenues deposited into the Colorado Avalanche Information Center Cash Fund.

The Department is attempting to bridge a funding gap between \$750,000 received through H.B. 21-1326 (General Fund Support DNR Programs) and \$1.0 million from the Keep CO Wild Pass that the CAIC Fund expects to receive in FY 2024-25. The CAIC has been using the \$750,000 from H.B. 21-1326 to: (1) Replace outdated IT infrastructure, (2) Improve forecast methodologies and public communication tools, and (3) Implement a new staffing model. The Department describes this request as “theory-informed.”

¹ The KCW Pass is an annual state parks pass that can be purchased for \$29.00 through the annual vehicle registration process beginning January 1, 2023.

R08 RESOURCES FOR STATE PARKS: The Department requests an increase of \$1.8 million from the Parks Cash Fund and 19.0 FTE in FY 2023-24. Of these 19.0 FTE, fourteen are a continuation of staff funded through H.B. 21-1326 (General Fund Support DNR Programs). The five new FTE consists of two park rangers and three park resource technicians. The two park rangers would be located at Lory State Park and Crawford State Park. The technicians would be located at Jackson Lake State Park and Elkhead Reservoir State Park, with the third technician split between Eleven Mile and Spinney Mountain State Parks. The request also includes funding for 17 additional vehicles. It also assumes salaries at the average in each job classification.

R09 RESOURCES FOR WILDLIFE MANAGEMENT: The Department requests an increase of \$715,807 from the Wildlife Cash Fund and 6.0 FTE in FY 2023-24. The request includes 3.0 wildlife managers, 2.0 biologists, and a property maintenance technician with salaries at the average for each job classification. It also includes funding for fourteen additional vehicles.

R10 CPW BUSINESS TECH STAFF: The Department requests an increase of \$464,835 from the Wildlife Cash Fund and 5.0 FTE in FY 2023-24. This includes two technicians to support daily activities, including hardware, software, applications, stakeholder meetings, and an increasing workload supporting a hybrid workspace. The request also includes a business analyst and project manager to support business technology changes, improvements, new development, and ongoing maintenance. Finally, the request includes a capital asset data technician responsible for tracking and maintaining updated records required for all of CPW's facilities and infrastructure projects, including underground utilities. The request assumes salaries at the average for each job classification.

R11 WILDLIFE WATER & RESEARCH PROJECTS: The Department requests an increase of \$511,260 from the Wildlife Cash Fund and 4.0 FTE in FY 2023-24. Two FTE will focus on wildlife research, one will focus primarily on research related to public involvement in CPW's work, and another will focus on Fish and Wildlife Mitigation Plans used in the federal water project permitting process. The request assumes salaries at the average for each job classification.

R12 FINANCIAL ADMINISTRATION AND BUDGET SUPPORT: The Department requests an increase of \$310,467 reappropriated funds and 2.0 FTE for FY 2023-24. The request includes funds for a new Chief Financial Officer (CFO) and a Budget and Policy Analyst III position. The CFO would oversee DNR's accounting, procurement, and budget offices with a salary in the third quartile. The new Budget and Policy Analyst would bring DNR's budget staff up to 4.0 FTE with a salary at the base of the second quartile.

R13 WATER PLAN DATA & MAPPING SPECIALIST: The Department requests an increase of \$149,838 from the CWCB Construction Fund and 1.0 FTE for FY 2023-24. This specialist would work in the CWCB's Water Supply Planning Section and "perform technical Geographic Information System (GIS) data analysis and watershed mapping related to conservation, agriculture, and equity."

R14 SLB FIELD OPS CAPACITY: The request, from the State Land Board, includes an increase of \$78,012 cash funds from the State Land Board Trust Administration Fund and 1.0 FTE in FY 2023-24 to hire a Field Operations District Resource Specialist. The Department is also asking for an additional \$23,883 cash funds for employee benefits for a total requested amount of \$101,895.

R15 VEHICLES FOR WATER ADMIN STAFF: The Department requests an increase of \$34,063 General Fund to lease 24 new electric vehicles that will be phased in over three fiscal years. Costs will rise to \$88,332 General Fund in FY 2024-25 and \$136,643 General Fund in FY 2025-26. Full-time field staff will utilize these vehicles rather than their own personal vehicles. The request includes funds for all-wheel or four-wheel drive vehicles, plus the costs of home charging stations.

R16 TRUE UP CWCB FEMA FUNDING: The Department requests an increase of \$105,000 federal funds and 1.0 FTE in FY 2023-24 to reflect updated federal funding levels. The request also includes a net-zero transfer of \$70,000 cash funds from the Severance Tax Operation Fund between line items.

R17 WATER PLAN LEGISLATIVE PLACEHOLDER: The Department requests that the JBC approve a one-time \$5.0 million General Fund placeholder for the Water Plan Grant Program in FY 2023-24. The Department proposes that the transfer occur in the annual CWCB Projects Bill, so the JBC does not have to sponsor legislation related to this placeholder.

TECHNICAL ADJUSTMENTS: The request includes an increase \$19.0 million cash funds related to informational fund adjustments in line items for Colorado Parks and Wildlife.

CENTRALLY APPROPRIATED LINE ITEMS: The request includes an increase of \$11.9 million total funds for centrally appropriated line items.

CENTRALLY APPROPRIATED LINE ITEMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Salary survey	\$7,824,733	\$1,124,437	\$6,252,440	\$275,313	\$172,543	0.0
Payments to OIT	1,754,038	74,158	1,818,492	(82,086)	(56,526)	0.0
Health, life, and dental	1,669,002	(154,890)	1,135,843	672,026	16,023	0.0
Legal services	1,582,632	540,954	1,054,494	(22,908)	10,092	0.0
Digital trunk radio payments	686,838	0	686,838	0	0	0.0
AED	391,664	8,432	334,680	39,850	8,702	0.0
SAED	391,664	8,432	334,680	39,850	8,702	0.0
Vehicle lease payments	112,479	(1,778)	95,048	(4,820)	24,029	0.0
Risk management and property funds	37,250	(5,425)	42,896	492	(713)	0.0
PERA Direct Distribution	(1,999,288)	79,467	(1,996,970)	(81,785)	0	0.0
Workers' compensation	(243,403)	0	(228,332)	1,148	(16,219)	0.0
Capitol Complex leased space	(242,401)	(18,492)	(44,949)	(166,600)	(12,360)	0.0
CORE adjustment	(75,044)	(2,582)	(68,294)	(578)	(3,590)	0.0
Leased space	(24,255)	(10,777)	(11,938)	151	(1,691)	0.0
Short-term disability	(2,630)	(1,776)	(1,434)	637	(57)	0.0
Shift differential	(601)	0	(601)	0	0	0.0
TOTAL	\$11,862,678	\$1,640,160	\$9,402,893	\$670,690	\$148,935	0.0

IMPACTS DRIVEN BY OTHER AGENCIES: The request includes a net increase of \$764,721 total funds for non-prioritized decision items driven by other agencies.

IMPACTS DRIVEN BY OTHER AGENCIES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
OIT Budget package	\$701,249	\$98,627	\$575,411	\$17,687	\$9,524	0.0
DPA Capitol complex staffing	28,576	9,064	10,000	4,307	5,205	0.0
DPA COE common policy	28,267	4,480	22,907	880	0	0.0
DPA Transfer perf. budgeting to DPA	6,629	500	5,797	158	174	0.0
TOTAL	\$764,721	\$112,671	\$614,115	\$23,032	\$14,903	0.0

ANNUALIZE PRIOR YEAR BUDGET ACTIONS: The request includes a net increase of \$231,960 total funds for prior year budget actions.

ANNUALIZE PRIOR YEAR BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Minimum wage adjustment	\$436,908	\$3,155	\$422,272	\$6,235	\$5,246	0.0
FY23 R07 Internet protocol phones	402,653	57,541	336,203	8,909	0	0.0
FY23 BA03 Sweetwater Lake	108,297	0	108,297	0	0	0.0
FY23 R10 Records access system	8,483	0	8,483	0	0	0.0
FY23 R01 Outdoor rec. and conservation	(132,750)	0	(132,750)	0	0	0.0
FY23 BA02 Big game policy report	(56,000)	0	(56,000)	0	0	0.0
FY23 R02 Staff for water plan	(42,000)	0	(42,000)	0	0	0.0
FY23 R04 Water accounting staff	(15,255)	(15,255)	0	0	0	0.2
FY22 R01 Fishers Peak funding	(8,203)	0	(8,203)	0	0	0.0
FY23 R06 Assistant director energy inno.	(7,000)	0	0	(7,000)	0	0.0
FY23 BA01 Tribal liaison	(7,000)	0	0	(7,000)	0	0.0
FY23 R5 SLB water res	(7,000)	0	(7,000)	0	0	0.0
FY23 R03 Outdoor regional partnerships	(7,000)	0	(7,000)	0	0	0.0
Annualize prior year salary survey	(5,265)	(1,797)	(2,680)	0	(788)	0.0
TOTAL	\$668,868	\$43,644	\$619,622	\$1,144	\$4,458	0.2

INDIRECT COST ASSESSMENT: The request includes a net increase in the Department’s indirect cost assessment.

ANNUALIZE PRIOR YEAR LEGISLATION: The request includes a net decrease of \$154.2 million total funds for the impact of prior year legislation.

ANNUALIZE PRIOR YEAR LEGISLATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
HB21-1318 Outdoor equity program	\$750,000	\$0	\$750,000	\$0	\$0	0.0
HB22-1348 Oversight chem oil gas	232,221	0	232,221	0	0	3.2
HB22-1361 Oil & gas reporting	61,500	0	61,500	0	0	0.0
SB22-206 Disaster prep and recovery	2,868	2,868	0	0	0	0.1
SB22-028 Groundwater compact	(120,000,000)	0	(60,000,000)	(60,000,000)	0	0.0
HB22-1316 CWCB projects	(17,080,000)	0	(17,080,000)	0	0	0.0
HB22-1379 Wildfire prevention	(15,000,000)	0	(15,000,000)	0	0	0.0
HB22-1151 Turf replacement	(2,000,000)	0	(2,000,000)	0	0	(0.8)
SB22-168 Search & rescue	(1,000,000)	0	(1,000,000)	0	0	0.0
SB22-199 Native pollinating insects	(148,304)	(148,304)	0	0	0	(0.3)
SB22-114 Fire suppression ponds	(6,282)	(6,282)	0	0	0	0.0
TOTAL	(\$154,187,997)	(\$151,718)	(\$94,036,279)	(\$60,000,000)	\$0	2.2

SUMMARY OF ISSUES PRESENTED TO THE JOINT BUDGET COMMITTEE

INFORMATIONAL ISSUE ONE-TIME FUNDING AUTHORIZED IN RECENT LEGISLATIVE SESSIONS (EDO, CPW, CWCB, DWR): This brief focuses on significant one-time funding allocated to the Department of Natural Resources during the 2021 and 2022 legislative sessions.

INFORMATIONAL ISSUE #2 R02 COLORADO RIVER POLICY & TECHNICAL SUPPORT: This brief provides an abridged explanation of the request in order to provide the Committee with an opportunity to pose questions to the Department.

ISSUE #3 R04 SEVERANCE TAX FOR WILDFIRE MITIGATION: This brief provides additional detail about the request and the proposed funding source.

SEVERANCE TAX OPERATIONAL FUND UPDATE AND HOUSE BILL 22-1391: This issue brief summarizes the current Severance Tax Operational Fund revenue and distribution amounts based on the September 2022 economic forecast from Legislative Council Staff. The brief also reviews the changes in how severance taxes are calculated and collected as a result of House Bill 22-1391.

R-01 COGCC MISSION CHANGE OPERATIONAL AND REGULATORY SUPPORT: Senate Bill 19-181 changed the Colorado Oil and Gas Conservation Commission’s (COGCC) mission from fostering to regulating oil and gas development and production. It further prescribed rulemaking for the Division to undertake to carry out that mission change. This issue brief describes the Department’s request for funding to hire staff to implement changes based on that rulemaking.

ONE-TIME FUNDING AUTHORIZED IN RECENT LEGISLATIVE SESSIONS (DRMS, OGCC, SLB): This brief focuses on significant one-time funding allocated to the Department of Natural Resources during the 2021 and 2022 legislative sessions.

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Department of Personnel

The Department of Personnel is responsible for administering the state personnel system, which includes approximately 27,000 full time equivalent (FTE) staff, excluding the Department of Higher Education. In addition, the Department provides general support services for state agencies which include: oversight of procurement and financial activities and CORE operations; state archives; maintenance of Capitol Complex buildings, provision of central business services, and management of the State's motor vehicle fleet; administrative law judge services; coordination of capital construction and controlled maintenance projects and centralized lease management; administration of the State's personnel selection, classification, compensation, and employee benefit programs; and oversight of the State's liability, property, and workers' compensation insurance programs. The Department's FY 2022-23 appropriation represents approximately 0.6 percent of statewide operating appropriations and 0.2 percent of statewide General Fund appropriations.

FY 2022-23 APPROPRIATION AND FY 2023-24 REQUEST

DEPARTMENT OF PERSONNEL						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2022-23 APPROPRIATION:						
H.B. 22-1329 (Long Bill)	\$230,446,221	22,926,329	\$11,477,215	\$196,042,677	\$0	424.8
Other legislation	6,943,125	4,656,864	389,406	1,896,855	0	18.4
TOTAL	\$237,389,346	\$27,583,193	\$11,866,621	\$197,939,532	\$0	443.2
FY 2023-24 REQUESTED APPROPRIATION:						
FY 2022-23 Appropriation	\$237,389,346	27,583,193	\$11,866,621	\$197,939,532	\$0	443.2
R1 COE common policy	0	(467,374)	41,392	425,982	0	0.0
R2 Labor union support team	1,833,908	1,833,908	0	0	0	15.1
R3 COWINS Partnership Agreement amendments	30,004,602	30,004,602	0	0	0	58.9
R4 Centralized sustainability office	478,234	478,234	0	0	0	3.2
R5 Statewide central services support	2,072,601	2,072,601	0	0	0	15.7
R6 Capitol Complex staffing	595,329	0	0	595,329	0	6.9
R7 State fleet management workload	198,073	0	0	198,073	0	1.8
R8 Transfer of Performance Budgeting system	105,562	0	0	105,562	0	1.0
R9 OAC case management system upgrade	219,000	0	219,000	0	0	0.0
R10 IDS inserter equipment	0	0	0	0	0	0.0
R11 Employee engagement survey vendor	285,000	285,000	0	0	0	0.0
R12 Annual fleet vehicle replacements	2,719,485	0	0	2,719,485	0	0.0
Centrally appropriated line items	6,013,461	4,215,948	230,472	1,567,041	0	0.0
Risk management base adjustment	5,958,829	0	0	5,958,829	0	0.0
CORE operations base adjustment	490,940	0	2,176,300	(1,685,360)	0	0.0
Non-prioritized requests	449,348	200,544	10,360	238,444	0	0.0
Indirect cost assessment	331,445	(762,390)	35,276	1,058,559	0	0.0
Capitol Complex leased space base adjustment	266,163	0	3,974,157	(3,707,994)	0	0.0
Annualize prior year budget actions	446	219,821	(243,029)	23,654	0	0.0
Procurement card rebate refinance	0	(100,000)	100,000	0	0	0.0
Annualize prior year legislation	(3,459,094)	(2,354,708)	(309,513)	(794,873)	0	2.7
Technical adjustments	(923,855)	(785,076)	(138,779)	0	0	0.0
TOTAL	\$285,028,823	\$62,424,303	\$17,962,257	\$204,642,263	\$0	548.5
INCREASE/(DECREASE)	\$47,639,477	\$34,841,110	\$6,095,636	\$6,702,731	\$0	105.3
Percentage Change	20.1%	126.3%	51.4%	3.4%	0.0%	23.8%

R1 CENTER FOR ORGANIZATIONAL EFFECTIVENESS (COE) COMMON POLICY [REQUIRES LEGISLATION]: The request includes a decrease of \$467,374 General Fund, offset by an increase of \$41,392 cash funds and \$425,982 reappropriated funds, to change the funding model of the Department’s Center for Organizational Effectiveness from a fee-for-service program to a common policy in FY 2023-24. The request annualized to \$482,374 reappropriated funds in FY 2024-25. The request also includes non-prioritized request affecting multiple departments statewide. The Department identifies this request as theory-informed.

The change to a common policy distributes the cost of the COE amongst the various Departments and agencies within the State, showing as non-prioritized requests is operating budgets statewide. The cost distribution carries a General Fund impact, partially offsetting the reduction requested within the Department of Personnel’s operating budget. The net impact of the request is an increase of \$425,983 total funds, including a decrease of \$272,416 General Fund, in FY 2023-24.

R1 COE COMMON POLICY FY 2023-24 BUDGET IMPACT					
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
Personnel	\$0	(\$467,374)	\$41,392	\$425,982	\$0
Statewide	425,983	194,958	130,210	82,805	18,010
Net budget impact	\$425,983	(\$272,416)	\$171,602	\$508,787	\$18,010

R2 LABOR UNION SUPPORT TEAM: The request includes an increase of \$1.8 million General Fund and 15.1 FTE in FY 2023-24 to provide additional support with the negotiations and implementation of the COWINS Partnership Agreement and its 38 side agreements. The request annualizes to \$2.3 million General Fund and 19.7 FTE in FY 2024-25 and ongoing. The request also includes a non-prioritized request in the Governor’s Office for \$420,341 General Fund and 2.8 FTE in FY 2023-24, annualizing to \$398,653 General Fund and 3.0 FTE in FY 2024-25. The Department indicates that a related supplemental request also will be made.

CROSS-DEPARTMENT IMPACT SUMMARY - R2 LABOR UNION SUPPORT TEAM						
	FY 2022-23		FY 2023-24		FY 2024-25	
	GENERAL FUND	FTE	GENERAL FUND	FTE	GENERAL FUND	FTE
Personnel	\$174,042	1.3	\$1,833,908	15.1	\$2,268,009	19.7
Governor's Office	0	0.0	420,341	2.8	398,653	3.0
Total	\$174,042	1.3	\$2,254,249	17.9	\$2,666,662	22.7

The request more than doubles the current appropriations to the Labor Relations Services subdivision within the Division of Human Resources. The requested FTE includes negotiators, an attorney, data analysts, program and administration support staff, and trainers.

R3 COWINS PARTNERSHIP AGREEMENT AMENDMENTS: The request includes an increase of \$30.0 million General Fund and 58.9 FTE in FY 2023-24 to: provide implementation support of Article 31.6 of the COWINS Partnership Agreement; implement professional development bonuses; expand recruitment, marketing, and branding; and expand leadership training programs. The request annualizes to \$27.6 million General Fund and 34.0 FTE in FY 2024-25 and ongoing. The Department indicates that a related supplemental request also will be made.

IMPACT SUMMARY - R3 COWINS PARTNERSHIP AGREEMENT AMENDMENTS										
REQUEST ASPECT	FY 2022-23				FY 2023-24				FY 2024-25	
	GENERAL FUND	FTE			GENERAL FUND	FTE			GENERAL FUND	FTE
		TERM-LIMITED	PERMANENT	TOTAL		TERM-LIMITED	PERMANENT	TOTAL		
Article 31.6 support	\$1,267,083	8.5	0.3	8.8	\$5,004,602	35.6	16.0	51.6	\$2,572,696	26.0
Professional Development	0	0.0	0.0	0.0	15,000,000	0.0	1.8	1.8	15,000,000	2.0
Recruitment and marketing	0	0.0	0.0	0.0	7,500,000	0.0	0.9	0.9	7,500,000	1.0
Leadership Training	0	0.0	0.0	0.0	2,500,000	0.0	4.6	4.6	2,500,000	5.0
Total	\$1,267,083	15.3	0.3	8.8	\$30,004,602	35.6	23.3	58.9	\$27,572,696	34.0

R4 CENTRALIZED SUSTAINABILITY OFFICE: The request includes an increase of \$478,234 General Fund and 3.2 FTE in FY 2023-24 to create a central Sustainability Office within the Department to coordinate and implement sustainability practices across state agencies. The request annualizes to \$489,369 General Fund and 3.5 FTE in FY 2024-25 and ongoing. JBC staff is assessing whether or not this request requires legislation.

R5 STATEWIDE CENTRAL SERVICES SUPPORT: The request includes an increase of \$2.1 million General Fund and 15.7 FTE in FY 2023-24 to provide additional administrative, human resources, financial operations and reporting, procurement and contract support, and vendor engagement. The request annualizes to \$2.1 million General Fund and 17.0 FTE in FY 2024-25 and ongoing. The additional centralized support staff are intended to address increased workload resulting from steady growth in the number of people employed by the State over the last decade.

IMPACT SUMMARY - R5 STATEWIDE CENTRAL SERVICES SUPPORT				
	FY 2023-24		FY 2023-24	
	GENERAL FUND	FTE	GENERAL FUND	FTE
Executive Director's Office	\$578,407	2.8	\$605,877	3.0
Div. of Human Resources	635,226	5.5	640,462	6.0
Div. of Accounts and Control	858,968	7.4	872,793	8.0
Total	\$2,072,601	15.7	\$2,119,132	17.0

R6 CAPITOL COMPLEX STAFFING: The request includes an increase of \$595,329 reappropriated funds and 6.9 FTE in FY 2023-24 to increase maintenance and groundskeeping staffing within the Capitol Complex. The request annualizes to \$569,312 reappropriated funds and 7.5 FTE in FY 2024-25 and ongoing. The additional staffing resources are to address an increase in ongoing maintenance and groundskeeping work, as well as to accommodate heightened cleaning duties in the Capitol during legislative session to address an increase in small, ad hoc events. The request also includes non-prioritized request affecting multiple departments statewide, as well as having an impact on the Capitol Complex leased space common policy.

R6 CAPITOL COMPLEX STAFFING FY 2023-24 BUDGET IMPACT						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Personnel	\$595,329	\$0	\$0	\$595,329	\$0	6.9
Statewide	595,329	367,564	48,568	147,897	31,300	0.0
Net budget impact	\$1,190,658	\$367,564	\$48,568	\$743,226	\$31,300	6.9

R7 STATE FLEET MANAGEMENT WORKLOAD: The request includes an increase of \$198,073 reappropriated funds and 1.8 FTE in FY 2023-24 to address workload increases in the management of the State's fleet of vehicles. The request annualizes to \$196,360 reappropriated funds and 2.0 FTE in FY 2024-25 and ongoing.

R8 TRANSFER OF PERFORMANCE BUDGETING SYSTEM: The request includes an increase of \$105,562 reappropriated funds and 1.0 FTE in FY 2023-24 and ongoing to transfer the management of the State’s Performance Budgeting system from the Governor’s Office to the Office of the State Controller. The request also includes non-prioritized request affecting multiple departments statewide.

R9 OAC CASE MANAGEMENT SYSTEM UPGRADE: The request includes an increase of \$219,000 cash funds in FY 2023-24 to upgrade the Office of Administrative Courts case management system. The request annualizes to \$21,000 reappropriated funds in FY 2024-25 and ongoing.

R10 INTEGRATED DOCUMENT SOLUTIONS (IDS) INSERTER EQUIPMENT: The request includes a budget neutral shift of \$307,243 reappropriated funds between line items within Integrated Document Solutions in FY 2023-24 and ongoing for the lease-purchase of a new high-volume printing inserter to replace the currently underperforming equipment.

R11 EMPLOYEE ENGAGEMENT SURVEY VENDOR: The request includes an increase of \$285,000 General Fund in FY 2023-24 to address increased vendor costs for the biennial Employee Engagement Survey, which gives state employees the opportunity to provide operational feedback.

R12 ANNUAL FLEET VEHICLE REPLACEMENTS: The request includes an increase of \$2.7 million reappropriated funds to replace 583 vehicles in the State’s fleet. Of the vehicles to be replaced, the Department has identified 410 as potential alternative fuel vehicles (AFV), 259 electric vehicles. For individual State agencies, this request will require an increase of \$659,347 in total funding for the respective Vehicle Lease Payments line item appropriations, with an estimated \$16,365 increase in General Fund in FY 2023-24. The request also includes non-prioritized request affecting multiple departments statewide

CENTRALLY APPROPRIATED LINE ITEMS: The request includes adjustments to centrally appropriated line items:

CENTRALLY APPROPRIATED LINE ITEMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Payments to OIT	\$2,349,611	\$663,657	\$90,500	\$1,595,454	\$0	0.0
Salary survey	1,929,591	838,534	63,008	1,028,049	0	0.0
Health, life, and dental	1,086,364	597,313	1,817	487,234	0	0.0
Legal services	305,206	277,738	105,266	(77,798)	0	0.0
Capitol Complex leased space	248,510	1,472,232	(9,652)	(1,214,070)	0	0.0
AED	233,561	162,059	(3,095)	74,597	0	0.0
SAED	233,561	162,059	(3,095)	74,597	0	0.0
Workers’ compensation	71,574	30,420	3,962	37,192	0	0.0
Vehicle lease payments	38,391	0	390	38,001	0	0.0
Short-term disability	4,304	3,758	(221)	767	0	0.0
PERA Direct Distribution	(265,053)	45,824	(17,991)	(292,886)	0	0.0
Risk management and property adjustment	(149,553)	(18,654)	3,150	(134,049)	0	0.0
CORE adjustment	(53,368)	(10,723)	90	(42,735)	0	0.0
ALJ services	(11,926)	(8,269)	(3,657)	0	0	0.0
Shift differential	(7,312)	0	0	(7,312)	0	0.0
TOTAL	\$6,013,461	\$4,215,948	\$230,472	\$1,567,041	\$0	0.0

RISK MANAGEMENT BASE ADJUSTMENT: The request includes an increase of \$5,958,829 reappropriated funds for adjustments to the Risk Management program for anticipated payments to be required by the liability, property, and workers’ compensation components of the common policies. This increase is driven primarily by increases in property policies, liability legal services, and liability claims.

CORE OPERATIONS BASE ADJUSTMENT: The request includes an increase \$490,940 total funds, including an increase of \$2.2 million cash funds and a decrease of \$1.7 million reappropriated funds, for CORE operations base adjustments.

NON-PRIORITIZED REQUESTS: The request includes the following non-prioritized request items, which are linked to decision items in other departments and common policy decisions.

NON-PRIORITIZED REQUESTS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
OIT Budget package	\$238,026	\$83,052	\$8,567	\$146,407	\$0	0.0
DPA Capitol complex staffing	202,411	114,384	1,472	86,555	0	0.0
DPA COE common policy	5,928	2,067	213	3,648	0	0.0
DPA Transfer perf. budgeting to DPA	2,983	1,041	108	1,834	0	0.0
TOTAL	\$449,348	\$200,544	\$10,360	\$238,444	\$0	0.0

INDIRECT COST ASSESSMENT: The request includes a net increase of \$331,445 total funds, including a decrease of \$762,390 General Fund, for adjustments to indirect costs across the Department.

CAPITOL COMPLEX LEASED SPACE BASE ADJUSTMENT: The request includes an increase of \$266,163 total funds, including an increase of \$4.0 million cash funds and a decrease of \$3.7 million reappropriated funds, for base adjustments to the Capitol Complex leased space common policy.

ANNUALIZE PRIOR YEAR BUDGET ACTIONS: The request includes a net increase of \$446 total funds for prior year budget actions, summarized in the following table.

ANNUALIZE PRIOR YEAR BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 13-14 CP2 employee engagement Survey	\$215,000	\$215,000	\$0	\$0	\$0	0.0
FY 20-21 R2 Telematics for state fleet vehicle	214,539	0	0	214,539	0	0.0
FY 22-23 NPBA1 Colorado WINS Partnership Agreement	76,391	31,288	2,499	42,604	0	0.0
FY 22-23 R7 CCLS Svc Cont	54,472	0	(245,528)	300,000	0	0.0
FY 21-22 R4 OAC translation services	35,000	0	0	35,000	0	0.0
FY 22-23 R8 IDS infrastructure refresh	0	0	0	0	0	0.0
FY 22-23 BA4 HCPF pub health emergency end	(295,300)	0	0	(295,300)	0	0.0
FY 22-23 BA3 IDS spending authority	(273,189)	0	0	(273,189)	0	0.0
FY 22-23 Governor's transition funding	(25,000)	(25,000)	0	0	0	0.0
FY 22-23 salary survey	(1,319)	(1,319)	0	0	0	0.0
FY 22-23 R5 Equity for people with disabilities	(79)	(79)	0	0	0	0.0
FY 22-23 R10 Tuition reimbursement program	(69)	(69)	0	0	0	0.0
TOTAL	\$446	\$219,821	(\$243,029)	\$23,654	\$0	0.0

PROCUREMENT CARD REBATE REFINANCE: The request includes a net-zero refinance of \$100,000 General Fund with an equivalent amount of cash funds from rebates anticipated from the state purchasing card program. The Procurement Card Program has realized an increase in rebate revenue, which is used to offset General Fund.

ANNUALIZE PRIOR YEAR LEGISLATION: The request includes a net decrease of \$3.5 million total funds to reflect the FY 2023-24 impact of bills passed in previous sessions, summarized in the following table.

ANNUALIZE PRIOR YEAR LEGISLATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROP. FUNDS	FEDERAL FUNDS	FTE
SB 13-276 Disability Investigational And Pilot Support Fund	\$82,000	\$0	\$82,000	\$0	\$0	0.0
SB 22-051 Policies to reduce emissions from built environment	81,966	81,121	0	845	0	1.0
HB 22-1325 Primary care alternative payment models	18,593	18,593	0	0	0	0.3
HB 22-1007 Assistance landowner wildfire mitigation	664	0	0	664	0	0.0
HB 22-1083 Colorado homeless contribution income tax credit	428	0	0	428	0	0.0
HB 21-1303 Global warming potential for public project materials	0	0	0	0	0	0.1
SB 22-097 Whistleblower protection health/safety	0	(228,499)	0	228,499	0	0.0
SB 22-206 Disaster preparedness and recovery resources	0	0	(19,334)	19,334	0	0.0
SB 22-233 TABOR refund mechanism for FY 2021-22 only	(1,715,635)	0	0	(1,715,635)	0	0.0
SB 22-193 Air quality improvement investments	(750,000)	(750,000)	0	0	0	0.0
HB 22-1397 Statewide equity office	(458,744)	(458,744)	0	0	0	0.9
HB 21-1311 Income tax	(252,574)	0	0	(252,574)	0	0.0
SB 22-163 Establish State procurement equity program	(212,651)	(1,174,013)	0	961,362	0	0.4
SB 14-214 PERA studies conducted by actuarial firm	(125,000)	(125,000)	0	0	0	0.0
SB 22-217 Programs that benefit persons with disabilities	(65,545)	0	(65,545)	0	0	0.0
SB 22-130 State entity authority for public-private partnerships	(18,600)	288,034	(306,634)	0	0	0.0
SB 22-013 Boards and commissions	(14,105)	0	0	(14,105)	0	0.0
HB 22-1026 Alternative transportation options tax credit	(12,194)	0	0	(12,194)	0	0.0
HB 22-1205 Senior housing income tax credit	(11,165)	0	0	(11,165)	0	0.0
HB 22-1337 State Personnel Director's compensation report	(6,200)	(6,200)	0	0	0	0.0
HB 22-1010 Early childhood educator income tax credit	(332)	0	0	(332)	0	0.0
TOTAL	(\$3,459,094)	(\$2,354,708)	(\$309,513)	(\$794,873)	\$0	2.7

TECHNICAL ADJUSTMENTS: The request includes a net decrease of \$1.0 million total funds for technical adjustments, summarized in the following table.

TECHNICAL ADJUSTMENTS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROP. FUNDS	FEDERAL FUNDS	FTE
CO state archive digital storage	\$57,834	\$57,834	\$0	\$0	\$0	0.0
OSA software adjust	3,689	3,689	0	0	0	0.0
ADL equiv. payments	(985,378)	(846,599)	(138,779)	0	0	0.0
TOTAL	(\$923,855)	(\$785,076)	(\$138,779)	\$0	\$0	0.0

SUMMARY OF ISSUES PRESENTED TO THE JOINT BUDGET COMMITTEE

ONE-TIME FUNDING AUTHORIZED IN RECENT LEGISLATIVE SESSIONS: During the 2021 and 2022 legislative sessions, the General Assembly allocated significant one-time funding to the Department of Personnel that included \$750,000 originating as state General Fund and \$1.8 million originating as federal Coronavirus State Fiscal Recovery funds (ARPA funds).

R1 CENTER FOR ORGANIZATIONAL EFFECTIVENESS COMMON POLICY: The Department of Personnel has requested a restructure and refinance of the Center for Organizational Effectiveness (COE), which would shift its funding from a fee-for-service model to an operating common policy.

OPERATING COMMON POLICIES – OVERVIEW AND REQUESTS: The Department of Personnel currently administers centralized budgeting policies described as Operating Common Policies. These policies refer to an array of statewide services, including Administrative Law Judge Services, Workers’ Compensation, Payment to Risk Management and Property Funds, Capitol Complex Leased Space and Utilities, CORE Operations, Vehicle Lease Payments, and the Document Solutions Group.

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Department of Public Health and Environment

The Department of Public Health and Environment is responsible for responsible for protecting and improving the health of the people of Colorado and ensuring the quality of Colorado's environment. The Department's FY 2022- 23 appropriation represents approximately 2.4 percent of statewide operating appropriations and 1.4 percent of statewide General Fund appropriations.

FY 2022-23 APPROPRIATION AND FY 2023-24 REQUEST

DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2022-23 APPROPRIATION:						
Long Bill (H.B. 22-1329)	\$756,286,389	\$156,852,349	\$226,496,227	\$48,494,927	\$324,442,886	1,673.0
Other legislation	157,168,072	42,983,344	85,003,480	29,181,248	0	57.9
TOTAL	\$913,454,461	\$199,835,693	\$311,499,707	\$77,676,175	\$324,442,886	1,730.9
FY 2023-24 REQUESTED APPROPRIATION:						
FY 2022-23 Appropriation	\$913,454,461	199,835,693	\$311,499,707	\$77,676,175	\$324,442,886	1,730.9
R1 Protective water quality control	4,125,165	4,125,165	0	0	0	31.0
R2 Water infrastructure state fund match	66,126,060	0	6,011,460	0	60,114,600	0.0
R3 Health facilities cash fund fee relief	2,100,000	2,100,000	0	0	0	0.0
R4 Dairy protection fee relief	412,000	412,000	0	0	0	0.0
R5 Sustaining environmental justice	0	4,487,382	(4,487,382)	0	0	0.0
R6 Vital statistics fee relief	1,383,409	1,383,409	0	0	0	0.0
R7 Syphilis outreach	876,949	1,241,949	0	0	(365,000)	0.9
R8 Low income radon mitigation	400,000	400,000	0	0	0	0.0
R9 EpiTrax disease surveillance platform	554,000	0	0	554,000	0	0.0
R10 Technical adjustments	0	0	0	0	0	0.0
R11 Sothern Ute environmental commission	40,000	40,000	0	0	0	0.0
R12 Water quality environmental justice	444,594	444,594	0	0	0	4.2
R13 Colorado central cancer registry	70,938	210,536	0	0	(139,598)	0.0
R14 LPHA caseload adjustment	120,000	120,000	0	0	0	0.0
R15 Denver emissions technical center	22,192	0	22,192	0	0	0.0
R16 Provider rate increase	282,486	225,712	56,774	0	0	0.0
Centrally appropriated line items	22,609,580	7,148,989	4,083,685	2,691,530	8,685,376	0.0
Non-prioritized decision items	1,323,882	740,773	160,091	401,110	21,908	0.0
Other technical adjustments	0	0	0	0	0	0.5
Annualize prior year budget actions	(38,208,239)	(50,109,926)	15,549,175	121,469	(3,768,957)	45.0
Annualize prior year legislation	(117,387,458)	(39,024,621)	(57,362,837)	(21,000,000)	0	32.4
TOTAL	\$858,750,019	\$133,781,655	\$275,532,865	\$60,444,284	\$388,991,215	1,844.9
INCREASE/(DECREASE)	(\$54,704,442)	(\$66,054,038)	(\$35,966,842)	(\$17,231,891)	\$64,548,329	114.0
Percentage Change	(6.0%)	(33.1%)	(11.5%)	(22.2%)	19.9%	6.6%

R1 PROTECTIVE WATER QUALITY CONTROL: The Department requests \$4,125,165 General Fund and 31.0 FTE in FY 2023-24, annualizing to \$5,961,596 General Fund and 46.0 FTE in FY 2024-25 to address Clean Water program permitting and Drinking Water Program inspection backlogs.

R2 WATER INFRASTRUCTURE STATE FUNDS MATCH: The Department requests that the Joint Budget Committee sponsor legislation to revise the statutory language of the Small Communities Water and Wastewater Grant Fund, which is continuously appropriated. The Department seeks to add language around allowable uses for the fund so that it can be used as a state match for the federal Infrastructure Investment and Jobs Act. The Department is expected to increase expenditures by \$6.0 million cash funds in FY 2023-34 to obtain this match of \$60.0 million in federal Funds.

R3 HEALTH FACILITIES CASH FUND FEE RELIEF: The Department requests a one-time \$2.1 million General Fund appropriation to the Health Facilities and Emergency Medical Services Division to address projected shortfalls in the Health Facilities General Licensure, Assisted Living Residence, and Home Care Agency cash funds in FY 2023-24.

R4 DAIRY PROTECTION FEE RELIEF: The Department requests a one-time of \$412,000 General Fund appropriation in FY 2023-24 to the Colorado Dairy Program in order to maintain current program activities. A similar one-time appropriation was used for this purpose in FY 2022-23.

R5 SUSTAINING ENVIRONMENTAL JUSTICE: The Department requests an increase of \$4,487,382 General Fund and a decrease of \$4,487,382 cash funds from the Stationary Sources Control Fund in FY 2023-24. This represents a net zero refinancing of the our-year impacts of HB 21-1266, which funded the program for two years with General Fund before switching to Cash Fund revenue beginning next year.

R6 VITAL STATISTICS FEE RELIEF: The Department requests a one-time \$1.4 million General Fund appropriation to address revenue shortfalls in the Vital Statistics Records Cash Fund in FY 2023-24. The request would allow the Division to update its Birth and Death Records System while continuing to ensure the cash fund's sustainability.

R7 SYPHILIS OUTREACH: The Department requests an increase of \$1.24 million General Fund in FY 2023-24 and \$1.25 million General Fund in FY 2024-25 and ongoing to continue and expand upon the Congenital Syphilis Prevention Pilot Project. The project provides access to syphilis screening and treatment of women of reproductive age in the criminal justice system and outreach settings through partnerships with local public health and community-based agencies. This pilot project began in Pueblo County through a federal grant expiring in FY 2022-23. This request would allow the continuation of the project in Pueblo County and expansion into El Paso and Jefferson Counties. The Department identifies this request as evidence-informed.

R8 LOW INCOME RADON MITIGATION: The Department requests an increase of \$400,000 General Fund in FY 2023-24 and ongoing for the expansion of the Low-Income Radon Mitigation Assistance Program.

R9 EPI-TRAX DISEASE SURVEILLANCE PLATFORM: The Department requests an increase of \$554,000 reappropriated funds to support the hosting and vendor management of EpiTrax. EpiTrax is a core disease surveillance system that will consolidate the number of current disease surveillance systems. The Department received approval from the Centers for Disease Control and Prevention (CDC) to use supplemental federal COVID funding for implementation and initial costs of transitioning to the platform, and is requesting additional funding for ongoing operation and maintenance costs. Beginning in FY 2024-25 and on, the Department is estimating the net reappropriation will be \$134,000, as the transition is expected to save about \$420,000 in annual common policy billing based on current OIT rates to operate the systems EpiTrax will replace.

R10 TECHNICAL ADJUSTMENTS: The Department requests two technical adjustments. The first adjustment is to include a footnote in the Long Bill allowing for a two-year extension of out-year spending authority for the Emergency Medical Services Provider Grants line item. The second adjustment is beginning in FY 2023-24 and ongoing, to reappropriate \$375,000 in funding for payments for behavioral health organizations, appropriated via H.B. 21-1281, to the Community Behavioral Health Disaster Preparedness and Response Cash Fund rather than a direct General Fund appropriation to the Department. The legislation created the cash fund and appropriated funding to the Department, however when spending authority expires, that funding reverts to the General Fund and does not leave a balance for emergency behavioral health responses.

R11 SOTHERN UTE ENVIRONMENTAL COMMISSION: The Department requests an increase of \$40,000 General Fund in FY 2023-24 and ongoing. The requested appropriation will fulfill a 50 percent split with the Sothern Ute tribe to staff the Ute/CDPHE Joint Environmental Commission.

R12 WATER QUALITY ENVIRONMENTAL JUSTICE: The Department requests an increase of \$444,594 General Fund and 4.2 FTE in FY 2023-24, and \$494,925 General Fund and 4.2 in FY 2024-25 and beyond. The Department received \$271,798 General Fund and 1.8 FTE from HB 22-1322, but included a departmental difference with Legislative Council Staff on the amount of resources they believe they need to implement the requirements of the bill.

R13 COLORADO CENTRAL CANCER REGISTRY: The Department requests a \$210,536 General Fund appropriation in FY 2023-24 and ongoing to continue to fund 2.0 FTE in staffing positions for the Colorado Central Cancer Registry. A federal CDC National Program of Cancer Registries grant award expires after FY 2022-23 which currently funds these two FTE. The Department identifies this request as data-informed.

R14 LPHA CASELOAD ADJUSTMENT: The Department requests an increase of \$120,000 General Fund in FY 2023-24 and ongoing to provide increased state support for Local Public Health Agencies (LPHAs) to conduct inspections for retail food establishments, schools, and childcare centers. This requested increase is a result of the Tri-County Health Department breaking into three separate LPHAs.

R15 DENVER EMISSIONS TECHNICAL CENTER: The Department is requesting an increase of \$22,192 cash funds from the AIR account of the Highway Users Tax Fund in FY 2023-24, increasing slightly every year after. The request is for the spending authority to execute a new 20-year lease with the Denver Emissions Technical Center for vehicle emissions inspection services.

R16 PROVIDER RATE INCREASE: The Department requests \$282,486 in total funds, including \$225,712 General Fund and \$56,774 cash funds from the Marijuana Tax Cash Fund, for a provider rate increase of 3.0 percent for local public health agencies in FY 2023-24 and ongoing. This decision item is linked to actions the Committee takes on the Community Provider Rate common policy.

CENTRALLY APPROPRIATED LINE ITEMS: The request includes adjustments to centrally appropriated line items for the following line items. *These request items will be addressed in separate staff briefings for Compensation Common Policies, the Department of Personnel and the Governor's Office.*

CENTRALLY APPROPRIATED LINE ITEMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Salary survey	\$10,983,241	\$2,742,989	\$2,872,369	\$870,133	\$4,497,750	0.0
Health, life, and dental	6,899,533	1,259,013	828,726	464,621	4,347,173	0.0
Payments to OIT	2,589,397	1,196,008	449,721	943,668	0	0.0
AED	1,845,275	876,924	353,143	115,723	499,485	0.0
SAED	1,845,275	876,924	353,143	115,723	499,485	0.0
Leased space	590,419	0	8,500	581,919	0	0.0
Legal services	89,644	89,644	0	0	0	0.0
Short-term disability	47,652	24,618	8,594	2,825	11,615	0.0
ALJ services	18,073	1,800	0	16,273	0	0.0
PERA Direct Distribution	(2,058,560)	118,427	(790,511)	(216,344)	(1,170,132)	0.0
CORE adjustment	(152,406)	(15,000)	0	(137,406)	0	0.0
Payment to risk management and property funds	(50,244)	(5,000)	0	(45,244)	0	0.0
Workers' compensation	(21,657)	(2,100)	0	(19,557)	0	0.0
Lease Depreciation Payments	(15,169)	(15,169)	0	0	0	0.0
Capitol Complex leased space	(893)	(89)	0	(804)	0	0.0
TOTAL	\$22,609,580	\$7,148,989	\$4,083,685	\$2,691,530	\$8,685,376	0.0

NON-PRIORITIZED DECISION ITEMS: The request includes an increase of \$1.3 million total funds, including \$740,773 General Fund, for adjustments related to budget requests from the Department of Personnel for FY 2023-24. *These request items will be addressed in separate staff briefings for the Department of Personnel and the Governor's Office.*

NON-PRIORITIZED DECISION ITEMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
OIT Budget package	\$682,833	\$211,910	\$62,905	\$386,110	\$21,908	0.0
NP06 Law CDPHE costs	578,537	459,969	113,568	5,000	0	0.0
DPS Digital trunk radio	39,942	39,942	0	0	0	0.0
DPA COE common policy	27,745	27,745	0	0	0	0.0
DPA Transfer perf. budgeting to DPA	11,207	1,207	0	10,000	0	0.0
Transfer to DOL for CERCLA costs	(16,382)	0	(16,382)	0	0	0.0
TOTAL	\$1,323,882	\$740,773	\$160,091	\$401,110	\$21,908	0.0

OTHER TECHNICAL ADJUSTMENTS: The request includes technical adjustments around FTE.

ANNUALIZE PRIOR YEAR BUDGET ACTIONS: The request includes a net decrease of \$38.2 million total funds for prior year budget actions, summarized in the following table.

ANNUALIZE PRIOR YEAR BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 22-23 BA3 EPA Permit targets	\$108,087	\$0	\$108,087	\$0	\$0	6.0
FY 22-23 R6 Enterprise phone system	64,921	0	0	64,921	0	0.0
FY 22-23 R5 Admin policy staff	56,548	0	0	56,548	0	0.0
FY 22-23 R1 Air quality transformation	(27,671,579)	(43,353,451)	15,681,872	0	0	40.3
Annualize prior year salary survey	(3,768,957)	0	0	0	(3,768,957)	0.0
FY 22-23 BA5 residential care relief	(3,385,000)	(3,385,000)	0	0	0	0.0
FY 22-23 R4 Emgcy med trauma svcs supp	(2,000,000)	(2,000,000)	0	0	0	0.0
FY 22-23 R3 CO gen lic hlth facility prot	(1,000,000)	(1,000,000)	0	0	0	0.0
FY 22-23 R2 CO Dairy Protection	(371,475)	(371,475)	0	0	0	0.0
FY 22-23 BA2 med marijuana registry	(240,784)	0	(240,784)	0	0	(1.3)
TOTAL	(\$38,208,239)	(\$50,109,926)	\$15,549,175	\$121,469	(\$3,768,957)	45.0

ANNUALIZE PRIOR YEAR LEGISLATION: The request includes a net decrease of \$117.4 million total funds to reflect the FY 2023-24 impact of bills passed in previous sessions, summarized in the following table.

ANNUALIZE PRIOR YEAR LEGISLATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
SB22-193 Air quality improvement	\$14,509,324	(\$7,000,000)	\$21,509,324	\$0	\$0	3.5
HB22-1244 Toxic air contaminants	420,048	420,048	0	0	0	10.3
HB21-1266 Environmental justice	296,872	(3,040,353)	3,337,225	0	0	0.7
HB22-1322 Water Quality Regulation	271,798	271,798	0	0	0	1.8
SB22-179 Deter tampering emission system	208,100	208,100	0	0	0	1.2
HB22-1256 Civil involuntary commitment	197,660	197,660	0	0	0	2.1
HB22-1286 Energy perf buildings	185,779	185,779	0	0	0	2.6
HB22-1345 Perfluoroalkyl Polyfluoroalkyl	118,045	118,045	0	0	0	0.9
SB22-224 Protections donor-conceived persons	101,027	101,027	0	0	0	2.4
HB22-1278 Behavioral health admin	69,385	0	69,385	0	0	1.0
SB22-154 Safety assisted living residences	61,144	61,144	0	0	0	0.9
SB22-182 Economic mobility program	51,049	0	51,049	0	0	1.0
HB22-1392 Contaminated land prop tax	10,000	0	10,000	0	0	0.0
HB22-1289 Hth benefits CO children	9,308	9,308	0	0	0	0.2
SB22-186 Rare Disease Council	5,781	5,781	0	0	0	0.2
SB21-260 Transportation System	0	0	0	0	0	0.0
HB22-1251 Cardiac arrest mgmt	0	0	0	0	0	0.8
HB22-1358 Clean water in schools	(43,548,419)	(22,548,419)	0	(21,000,000)	0	2.6
SB22-226 Prgms support health-care wrkfrce	(35,000,000)	0	(35,000,000)	0	0	0.0
HB22-1326 Fentanyl accountability prevention	(31,703,151)	(5,703,151)	(26,000,000)	0	0	0.0
SB22-181 Behavioral health-care wrkfrce	(20,000,000)	0	(20,000,000)	0	0	0.0
SB22-147 Behavioral health services children	(1,500,000)	0	(1,500,000)	0	0	0.0
HB22-1267 Culturally relevant trg hlth prof	(900,000)	(900,000)	0	0	0	0.0
HB21-1189 Regulate air toxics	(618,264)	(800,000)	181,736	0	0	0.7
HB22-1157 Utilization demographic data CDPHE	(360,000)	(360,000)	0	0	0	0.0
SB22-225 Ambulance svc sust & licensing	(133,958)	(133,958)	0	0	0	(0.2)
HB22-1401 Hospital nurse staffing standards	(52,515)	(52,515)	0	0	0	(0.3)
SB22-098 Redispending unused drugs	(47,423)	(47,423)	0	0	0	(0.1)
SB22-170 Uses waste tire fund	(14,050)	0	(14,050)	0	0	0.0
HB22-1284 Hlth ins surprise billing	(7,506)	0	(7,506)	0	0	(0.1)
HB22-1355 Producer recycling	(7,481)	(7,481)	0	0	0	0.2
SB22-210 License suppl health-care staffing agency	(7,301)	(7,301)	0	0	0	0.1
SB22-053 Health facility visitation pandemic	(2,710)	(2,710)	0	0	0	(0.1)
TOTAL	(\$117,387,458)	(\$39,024,621)	(\$57,362,837)	(\$21,000,000)	\$0	32.4

SUMMARY OF ISSUES PRESENTED TO THE JOINT BUDGET COMMITTEE

ONE-TIME FUNDING: This issue describes how during the 2020B, 2021, and 2022 legislative sessions, the General Assembly allocated significant one-time funding to the Department of Public Health and Environment that included \$128.4 million originating as state General Fund and \$113.5 originating as federal Coronavirus State Fiscal Recovery funds (ARPA funds).

PROTECTIVE WATER QUALITY CONTROL: This issue describes the Department's request to address Clean Water Program permitting backlogs and Safe Drinking Water Program inspection backlogs to align with Environmental Protection Agency (EPA) Targets.

HEALTH FACILITIES CASH FUND FEE RELIEF: This issue summarizes the request for health facilities cash fund fee relief and incorporates an RFI the Department submitted on the long-term solvency of the General Licensure Cash Fund.

DAIRY PROTECTION FEE RELIEF: This issue describes the Department’s request for a one-time General Fund increase of \$412,000 to the Dairy Protection Program to subsidize fee revenue from the Dairy Protection Cash Fund. Cash Fund revenue is not currently sufficient to cover the costs of the request.

SYPHILIS OUTREACH: This issue summarizes the request for a continuation of the congenital syphilis pilot prevention project in Pueblo County, and analyzes project outcomes.

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Department of Public Safety

The Department of Public Safety is responsible for maintaining, promoting, and enhancing public safety through law enforcement, criminal investigations, fire and crime prevention, emergency management, recidivism reduction, and victim advocacy. The Department's FY 2022-23 appropriation represents approximately 1.6 percent of statewide operating appropriations and 1.7 percent of statewide General Fund appropriations.

FY 2022-23 APPROPRIATION AND FY 2023-24 REQUEST

DEPARTMENT OF PUBLIC SAFETY						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2022-23 APPROPRIATION:						
HB 22-1329 (Long Bill)	\$565,111,250	\$196,228,138	\$251,344,497	\$48,531,478	\$69,007,137	2,103.3
Other Legislation	56,768,907	45,459,518	5,162,042	6,155,848	(8,501)	26.8
TOTAL	\$621,880,157	\$241,687,656	\$256,506,539	\$54,687,326	\$68,998,636	2,130.1
FY 2023-24 REQUESTED APPROPRIATION:						
FY 2022-23 Appropriation	\$621,880,157	241,687,656	\$256,506,539	\$54,687,326	\$68,998,636	2,130.1
R1 Auto theft prevention initiative	7,915,323	7,915,323	0	0	0	10.1
R2 Create the Office of School Safety	2,093,313	2,093,313	0	0	0	7.3
R3 Fire Aviation Resources	11,830,823	11,830,823	0	0	0	19.3
R4 Grants for physical school security	6,000,000	6,000,000	0	0	0	0.0
R5 Invest in local crime prevention	18,000,000	9,000,000	0	9,000,000	0	0.0
R6 Trooper pay increase	7,303,646	348,788	6,494,679	259,493	200,686	0.0
R7 Identify domestic extremist threats	212,083	212,083	0	0	0	1.8
R8 Threat assessment training	321,034	321,034	0	0	0	0.5
R9 CBI Special investigation units	2,346,937	2,346,937	0	0	0	12.0
R10 Fire investigation and data	6,486,310	3,243,155	0	3,243,155	0	10.1
R11 Tech assist for safer communities	555,358	555,358	0	0	0	2.8
R12 Expand local fire training	4,651,780	4,651,780	0	0	0	14.7
R13 Support local emergency alerts	124,945	124,945	0	0	0	0.9
R14 Statewide fire risk reduction initiative	1,556,309	1,556,309	0	0	0	5.5
R15 Sustain OGM	827,611	827,611	0	0	0	6.3
R16 Expand Office of Research & Statistics	233,443	233,443	0	0	0	1.8
R17 CSP Records plus up	461,139	0	461,139	0	0	5.5
R18 CSP Academy food service	500,000	0	500,000	0	0	0.0
R19 VINE Program upgrade	283,709	283,709	0	0	0	0.0
R20 CSP Equipment staff	244,879	0	244,879	0	0	1.8
R21 Community corrections support staff	77,657	77,657	0	0	0	0.9
R22 Workforce diversity support staff	102,235	102,235	0	0	0	0.9
R23 Licensing behavioral health entities	457,689	0	457,689	0	0	2.8
R24 Limited gaming reduction	(870,026)	0	0	(870,026)	0	(7.0)
R25 Provider rate common policy	2,631,429	2,466,401	0	165,028	0	0.0
Non-prioritized requests	928,294	1,772,565	(790,046)	46,201	(100,426)	1.0
Digital trunk radio common policy	1,195,755	250,917	833,493	86,166	25,179	0.0
Centrally appropriated line items	14,483,102	14,635,297	5,214,295	(5,068,864)	(297,626)	0.0
Annualize prior year legislation	11,563,603	(735,076)	(2,123,751)	14,209,312	213,118	90.5
Annualize prior year budget action	3,084,172	3,781,122	(697,035)	(34)	119	37.1
Indirect cost assessment	880,471	(10,594,347)	54,517	11,531,306	(111,005)	0.0
Technical adjustment	919,737	224,488	53,087	(44,470)	686,632	0.0
TOTAL	\$729,282,917	\$305,213,526	\$267,209,485	\$87,244,593	\$69,615,313	2,356.7
INCREASE/(DECREASE)	\$107,402,760	\$63,525,870	\$10,702,946	\$32,557,267	\$616,677	226.6
Percentage Change	17.3%	26.3%	4.2%	59.5%	0.9%	10.6%

R1 COLORADO AUTO THEFT PREVENTION INITIATIVE [REQUIRES LEGISLATION]: The request includes an increase of \$7,915,323 General Fund and 10.1 FTE in FY 2023-24 for the Colorado Auto Theft Prevention program, term-limited to two fiscal years before the program is reevaluated. The Department identified this request as data-informed (Step 3).

The request includes the following components:

- \$2.8 million General Fund and 4.0 FTE for grants to local law enforcement for increased overtime and operational resources;
- \$2.0 million General Fund and 5.0 FTE to deploy a network of automated license plate readers (ALPRs) to identify stolen vehicles across multi-jurisdictional boundaries;
- \$1.5 million General Fund and 2.0 FTE for a statewide public education and outreach campaign;
- \$1.5 million General Fund for an estimated 10.0 dedicated prosecutors to support District Attorney offices in judicial districts with the highest auto theft rates;
- Approximately \$250,000 General Fund for one-time consulting services to determine a multi-jurisdictional information sharing platform for auto theft tracking.

The Department does not indicate that the request requires legislation. However, the program statute states the following, “It is the intent of the general assembly that... no general fund moneys be used to pay for grants awarded pursuant to this section or for any expenses of the authority.”¹ JBC staff, OLLS staff, and the Department agree that legislation is not required, but is recommended to remove this language from statute if the request is approved in its current form. General Assembly intent language is non-binding, but it would be best practice to remove the language if the General Assembly’s intent has changed.

R2 CREATE THE OFFICE OF SCHOOL SAFETY [REQUIRES LEGISLATION]: The request includes an increase of \$2,093,313 General Fund and 7.3 FTE in FY 2023-24 and \$1,857,472 General Fund in FY 2024-25 and ongoing to create a new Office of School Safety in the Executive Director’s Office. The Department identified this request as data-informed (Step 3).

The request includes a transfer of existing programming from the Division of Homeland Security and Emergency Management, the Division of Criminal Justice, and the School Safety Resource Center into a new Office of School Safety, as well as programmatic increases. The request requires legislation to create the office and transfer statutory authority appropriately.

The requested increase includes the following components:

- \$768,218 General Fund and 4.0 FTE for a new Crisis Response Unit to train school staff on responding to the aftermath of a crisis;
- \$447,307 General Fund for additional technological resources, and online and in-person trainings for school staff and parents;
- \$361,806 General Fund and 1.8 FTE to create a Grants Management Unit to identify funding for school safety and assist local school districts with grant applications;
- \$250,000 General Fund for a five-year grant program to a statewide organization that trains first responders in active shooter situations;
- \$143,773 General Fund and 1.0 FTE to add a certified trainer to the existing School Safety Resource Center staff;
- \$148,693 General Fund and 1.0 FTE for administrative budget support of the new office.

¹ Section 42-5-112 (4)(b), C.R.S.

R3 FIRE AVIATION RESOURCES [LEGISLATION RECOMMENDED]: The request includes an increase of \$11,830,823 General Fund and 19.3 FTE in FY 2023-24, and \$11,657,990 General Fund and 21.0 in FY 2024-25 and ongoing to increase wildfire aviation resources. The Department identified this request as data-informed (Step 3).

The requested increase includes the following components:

- \$2.8 million General Fund and 4.0 FTE for the personnel and operating expenses to staff a second Firehawk helicopter included in the Capital Construction request;
- \$2.7 million General Fund to improve recruitment and retention for DFPC firefighters;
- \$2.5 million General Fund to contract for an additional Type 1 Helicopter or extend the existing 120-day contract to 180 days depending on availability and wildfire outlook;
- \$1.8 million General Fund and 7.0 FTE for critical aviation program personnel to meet the safety and oversight needs of the expanded aviation fleet;
- \$1.1 million General Fund for a state air attack and aerial supervision platform;
- \$899,354 General Fund and 8.3 FTE to increase administrative capacity.

The Department does not indicate that this request requires legislation. However, if legislation is considered to acquire a second Firehawk helicopter, staff recommends that the related FTE costs from this request be included in that legislation rather than the budget.

R4 GRANTS FOR PHYSICAL SCHOOL SECURITY: The request includes an increase of \$6,000,000 General Fund in FY 2023-24 on a one-time basis for the School Security Disbursement Program. The Department identified this request as data-informed (Step 2).

The grant program was created by S.B. 18-269 (School Security Disbursement Program) with a one-time appropriation of \$30.0 million General Fund to provide funding for schools to implement physical security improvements such as door locks and exterior locking doors. The Department received \$60.0 million in requests, and the program was reinstated by H.B. 22-1120 with a one-time appropriation of \$6.0 million General Fund. The Department anticipates that all funding from H.B. 22-1120 will be awarded by June 30, 2023.

The request states that the program will give priority to applicants that commit to providing in-kind resources to proposed projects.

R5 INVEST IN LOCAL CRIME PREVENTION: The request includes a one-time, \$9,000,000 General Fund appropriation in FY 2023-24. The \$9.0 million would be appropriated to two different cash funds:

- \$4.5 million to the Law Enforcement Workforce Recruitment, Retention and Tuition Grant Fund
- \$4.5 million to the Multidisciplinary Crime Prevention & Intervention Grant Fund

R6 TROOPER PAY INCREASE AND GRADUATED PAY SYSTEM: The request includes an increase of \$7,303,646 total funds, including \$348,788 General Fund, on an ongoing basis to provide a targeted base salary increase for State Patrol Troopers in addition to the 5.0 percent across the board common policy compensation request. The request would also add two job classifications within State Patrol to address pay compression issues.

R7 RESOURCES TO IDENTIFY DOMESTIC EXTREMIST THREATS: The request includes an increase of \$212,083 General Fund and 1.8 FTE in FY 2023-24 and \$212,934 General Fund and 2.0 FTE in FY 2024-25 and ongoing to implement a domestic violence extremism program. The Department identified this request as data-informed (Step 3).

The increase would create a statewide Domestic Violence Extremism (DVE) program in the Colorado Information Analysis Center (CIAC) in DHSEM. The program would create a DVE prevention strategy, host one conference and quarterly workshops, and pilot regional threat assessment and management teams. An existing program, Colorado Preventing Targeted Violence (CO-PTV) Program focuses on preventing non-ideological based violence, such as school shootings.

R8 THREAT ASSESSMENT TRAINING: The request includes an increase of \$321,034 General Fund and 0.5 FTE in FY 2023-24, and \$314,034 General Fund annually through FY 2026-27 to provide enhanced threat assessment training. The Department identified this request as data-informed (Step 3).

The request provides a part-time FTE data analyst to accompany the implementation of a \$2.0 million federal grant to measure the effectiveness of threat assessment programs and examine student assessments to prevent training bias.

R9 CBI SPECIAL INVESTIGATIONS UNIT: The request includes an increase of \$2,346,937 General Fund and 12.0 FTE in FY 2023-34, and \$2,264,482 General Fund and 13.0 FTE in FY 2024-25 and ongoing to create two new Special Investigations Units (SIUs) in CBI. The Department identified this request as data-informed (Step 3).

The request adds two SIUs to one existing SIU added in the current fiscal year through the Department's FY 2022-23 CBI Right-sizing request. The addition of two units will allow for one unit to be located in each of CBI's regional offices in Denver, Pueblo, and Grand Junction. The SIUs are meant to assist with any type of major crime without impacting the overall capacity of CBI and local law enforcement. The request anticipates that the immediate focus for the units will be fentanyl-related cases.

R10 RESOURCES FOR FIRE INVESTIGATION AND DATA [REQUIRES LEGISLATION]: The request includes an increase of \$6,486,310 total funds and 10.1 FTE in FY 2023-24, including \$3,243,155 General Fund, and \$4,634,190 total funds in FY 2024-25 and ongoing to increase resources for fire investigation and data collection. The Department identified this request as data-informed (Step 3). This request requires legislation to create the new cash fund and reflects Recommendation 21-03 from the Colorado Fire Commission.

The request is a General Fund appropriation to a new cash fund for the following components:

- Create a new Fire Investigation and Data Analysis cash fund to support the program;
- \$2.0 million for five investigators including at least one canine handler, two unit chiefs, one branch chief, one administrative assistant, and two data management professionals;
- \$400,000 to design and sustain a fire data reporting platform;
- \$250,000 to reimburse fire investigators not employed by DFPC who assist with investigations outside of their jurisdiction;
- \$250,000 for grants to improve data gathering and reporting for rural fire departments that do not have the software and hardware necessary to provide incident data to the state;
- \$150,000 for investigations trailers;
- \$150,000 to develop and sustain a public communications and outreach plan; and,
- \$75,000 for National Fire Incident Reporting System (NFIRS) trainings.

R11 TECHNICAL ASSISTANCE FOR SAFER COMMUNITIES: The request includes an increase of \$555,358 General Fund and 2.8 FTE starting in FY 2023-24. These funds would support a crime-related Technical Assistance Hub within the Division's Office of Research and Statistics.

R12 EXPAND TRAINING FOR LOCAL FIRE DISTRICTS: The request includes an increase of \$4,651,780 General Fund and 14.7 FTE in FY 2023-24, and \$2,748,851 in FY 2024-25 and ongoing, to increase training resources for local firefighters. The Department identified this request as data-informed (Step 3).

The requested increase includes the following components:

- \$2.5 million General Fund and 15.0 FTE ongoing to increase staffing for the Professional Qualifications and Training Section (PQTS), including additional training officers, certification coordinators, supervisors, and administrative positions;
- \$1.6 million General Fund on a one-time basis for additional mobile training equipment, including a mobile driving simulator, mobile pump, aircraft rescue unit, hazardous materials training trailer, and car fire prop;
- \$319,980 General Fund for additional adjunct instructors not employed by DFPC;
- \$250,000 General Fund to remove certification fees; and,
- \$10,000 General Fund for books and training supplies.

R13 SUPPORT LOCAL EMERGENCY ALERT SYSTEMS: The request includes an increase of \$124,945 General Fund and 0.9 FTE in FY 2023-24, and \$127,017 in FY 2024-25 and ongoing, to establish an alert warning preparedness program. The Department identified this request as data-informed (Step 3).

The program will develop an inventory of warning systems and technology, advise local authorities, and provide assistance with training and public education. The request does not implement a statewide emergency alert system.

R14 STATEWIDE FIRE RISK REDUCTION INITIATIVE: The request includes an increase of \$1,556,309 General Fund and 5.5 FTE in FY 2023-24, and \$890,242 in FY 2024-25 and ongoing, to create a Community Risk Reduction (CRR) unit in DFPC. The Department identified this request as data-informed (Step 3). The request reflects recommendation 21-04 of the Colorado Fire Commission.

Resources include six new staff and four educational trailers. The unit would place a CRR specialist in each quadrant of the state to provide technical assistance and aid in developing CRR plans. Each specialist will be assigned a fire education trailer to educate school-age children. The request would fund an existing DFPC program, Fire Safe Colorado, that is currently unfunded and unstaffed. Fire Safe Colorado has an existing steering committee made up of local volunteers that will remain in place under the request.

R15 SUSTAIN OFFICE OF GRANTS MANAGEMENT: The request includes an increase of \$827,611 General Fund and 6.3 FTE in FY 2023-24, and \$828,465 General Fund in FY 2024-25 and ongoing to provide General Fund support for the Office of Grants Management (OGM) in DHSEM. The Department identified this request as data-informed (Step 3).

The OGM currently consists of 4.5 FTE and is funded by the Disaster Emergency Fund and federal emergency grants that limit expenditures on administrative costs. The request would add 2.0 new FTE, and fund existing FTE with General Fund. The request states that General Fund resources will allow the OGM to increase applications for federal grants and allow the office to operate outside of emergency declarations.

R16 OFFICE OF RESEARCH AND STATISTICS EXPANSION: The request includes an increase of \$233443 General Fund and 1.8 FTE starting in FY 2023-24.

R17 COLORADO STATE PATROL RECORDS UNIT PLUS UP: The request includes an increase of \$461,139 cash funds from the Highway Users Tax Fund and 5.5 FTE in FY 2023-24, and \$454,993 cash funds in FY 2024-25 and ongoing, to provide additional records support for CSP. The Department identified this request as data-informed (Step 3).

The request states that CSP has observed increased records requests and requires increased resources to comply with S.B. 20-217 (Enhance Law Enforcement Integrity) and H.B. 21-1215 (Law Enforcement Accountability).

R18 CSP FOOD SERVICE: The request includes an increase of \$500,000 cash funds from the Highway Users Tax Fund on a one-time basis to contract with a food service provider for the CSP Training Academy after the Department has been unable to fill positions that were requested and approved during the FY 2022-23 budget cycle. The requests states that the Department will continue to explore a long-term solution before requesting ongoing funding.

R19 VINE PROGRAM UPGRADE: The request includes an increase of \$283,709 General Fund in FY 2023-24. This annualizes to \$58,080 in FY 2024-25 and would increase by 4.0 percent each year thereafter. These funds aim to support “the final phases of implementation costs for the Victim Notification Everyday (VINE) system,” which provides automated notices to victims of crime regarding changes in an offender’s status. The County Sheriffs of Colorado (CSOC) administers the VINE system using General Fund dollars allocated through the Division.

R20 CSP EQUIPMENT STAFF: The request includes an increase of \$244,879 cash funds from the Highway Users Tax Fund and 1.8 FTE in FY 2023-24, and \$250,758 in FY 2024-25 and ongoing, to manage and support a request for additional equipment resources the Committee and General Assembly approved as part of the FY 2022-23 budget cycle. The Department identified this request as data-informed (Step 2).

R21 COMMUNITY CORRECTIONS SUPPORT STAFF: The request includes an increase of \$77,657 General Fund and 0.9 FTE starting in FY 2023-24. These funds would support the addition of a program assistant within the Division’s Office of Community Corrections (OCC). Per the request, OCC is the largest unit in DCJ but the only unit without administrative support. Administrative duties are currently performed by some of OCC’s 17.7 FTE. These duties include: travel arrangements, purchasing requisitions, board meeting minutes, stakeholder communications, etc.

R22 WORKFORCE DIVERSITY AND SUPPORT STAFF: The request includes an increase of \$102,235 General Fund and 0.9 FTE in FY 2023-24, and \$103,451 General Fund in FY 2024-25 and ongoing, for a new human resources specialist to focus on diversity and inclusion strategies. The Department identified this request as data-informed (Step 3).

R23 LICENSING BEHAVIORAL HEALTH: The request includes an increase of \$457,689 cash funds from the Health Licensing and Inspection Cash Fund and 2.8 FTE in FY 2023-24, and \$437,165 cash funds in FY 2024-25 and ongoing, due to increased workload for fire inspections from H.B. 19-1237 (Licensing Behavioral Health Entities) and H.B. 22-1278 (Behavioral Health Administration). The Department identified this request as data-informed (Step 3).

R24 LIMITED GAMING REDUCTION: The request includes a decrease of \$870,026 reappropriated funds from the Department of Revenue and 7.0 FTE in FY 2023-24 and ongoing to reflect a Limited Gaming unit in CBI that has been dissolved. The request indicates that cases related to gaming will continue to be managed by the CBI Major Crimes Unit, but the dedicated unit is no longer the most efficient use of agency resources. The Department also notes the intent to submit a supplemental request to remove the unit from the current year appropriation.

R25 PROVIDER RATE COMMON POLICY: The request includes an increase of \$2,631,429 total funds, including \$2,466,401 General Fund, for the requested 3.0 percent provider rate common policy increase.

DIGITAL TRUNK RADIO PAYMENTS COMMON POLICY: The request includes \$1,195,755 total funds, including \$250,917 General Fund, for digital trunk radio payments. House Bill 22-1353 (Public Safety Communications Transfer) established the Office of Public Safety Communications, a new office within the Division of Homeland Security and Emergency Management, to transfer public safety communications from the Office of Information Technology (OIT) in the Governor’s Office to the Department of Public Safety. Part of the transfer removed digital trunk radio payments from the annual OIT common policy request, and transferred administration of the common policy to Public Safety. Multiple departments have a new line item for digital trunk radio payments to address this transfer, and staff anticipates making a recommendation for this new common policy during figure setting.

NON-PRIORITIZED REQUESTS: The request includes a net increase of \$928,294 total funds for requests initiated by other agencies, summarized in the table below.

NON-PRIORITIZED REQUESTS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
NP1 OIT Budget package	\$764,307	\$730,962	\$32,717	\$628	\$0	0.0
NP2 JUD R4 Judicial security office	163,113	0	0	163,113	0	1.0
NP4 DPA Capitol complex staffing	67,272	45,745	21,527	0	0	0.0
NP3 DPA COE Common policy	29,122	7,913	19,898	1,311	0	0.0
NP5 Transfer perf. budgeting to DPA	4,187	4,187	0	0	0	0.0
NP6 Vehicle lease payments	(99,707)	983,758	(864,188)	(118,851)	(100,426)	0.0
TOTAL	\$928,294	\$1,772,565	(\$790,046)	\$46,201	(\$100,426)	1.0

CENTRALLY APPROPRIATED LINE ITEMS: The request includes a net increase of \$14,483,102 total funds for centrally appropriated line items, summarized in the table below.

CENTRALLY APPROPRIATED LINE ITEMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Salary survey	\$11,014,091	\$3,387,295	\$6,550,978	\$956,666	\$119,152	0.0
Health, life, and dental	1,942,341	302,605	525,593	1,356,729	(242,586)	0.0
Payment to risk management	1,586,737	1,586,737	0	0	0	0.0
AED	625,619	210,573	151,421	349,296	(85,671)	0.0
SAED	625,619	210,573	151,421	349,296	(85,671)	0.0
Payments to OIT	569,573	6,393,885	(154,493)	(5,669,819)	0	0.0
Legal services	474,744	753,740	0	(278,996)	0	0.0
Capitol Complex leased space	214,476	541,944	189,452	(516,920)	0	0.0
Leased space	106,796	46,630	44,429	15,737	0	0.0
Lease equivalent payment	12,962	0	12,962	0	0	0.0
Short-term disability	5,278	2,335	(3,933)	9,726	(2,850)	0.0
PERA Direct Distribution	(2,096,437)	204,825	(2,114,975)	(186,287)	0	0.0
Workers’ compensation	(346,480)	1,021,010	0	(1,367,490)	0	0.0
Shift differential	(179,466)	(18,497)	(138,560)	(22,409)	0	0.0
CORE adjustment	(69,864)	(5,471)	0	(64,393)	0	0.0
ALJ services	(2,887)	(2,887)	0	0	0	0.0
TOTAL	\$14,483,102	\$14,635,297	\$5,214,295	(\$5,068,864)	(\$297,626)	0.0

ANNUALIZE PRIOR YEAR LEGISLATION: The request includes a net increase of \$11,563,603 total funds to reflect the FY 2023-24 impact of bills passed in previous legislative sessions, summarized in the table below.

ANNUALIZE PRIOR YEAR LEGISLATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
HB 22-1353 DPS comms transfer	\$21,423,362	\$7,200,000	\$0	\$14,223,362	\$0	54.0
SB 22-002 Vol. firefighter resources	4,000,000	4,000,000	0	0	0	0.0
SB 21-113 Firefighting aircraft	3,606,260	3,606,260	0	0	0	16.0
SB 22-206 Disaster preparedness	1,834,418	1,834,418	0	0	0	17.0
HB 22-1274 Sunset school safety	125,032	125,032	0	0	0	0.2
SB 22-077 Interstate LPC compact	115,540	0	115,540	0	0	1.2
HB 22-1210 Sunset DV board	14,919	14,919	0	0	0	0.3
HB 22-1208 Jail data clean-up	14,755	14,755	0	0	0	0.2
SB 22-001 Crime prevention	(10,300,000)	(10,300,000)	0	0	0	(2.0)
HB 22-1326 Fentanyl accountability	(6,864,498)	(6,864,498)	0	0	0	0.2
SB 22-196 Criminal justice health	(1,526,173)	0	(1,739,291)	0	213,118	2.0
HB 22-1318 CO info sharing	(500,000)	0	(500,000)	0	0	0.0
SB 22-145 Resources comm. safety	(99,932)	(99,932)	0	0	0	0.2
SB 22-133 Elected official security	(95,126)	(95,126)	0	0	0	0.7
HB 22-1217 Catalytic converter recs	(94,893)	(94,893)	0	0	0	0.0
SB 22-057 Violent crime brain injury	(65,000)	(65,000)	0	0	0	0.0
SB 22-170 Permissible waste tire fund	(14,050)	0	0	(14,050)	0	0.0
SB 22-150 Indigenous relatives	(11,011)	(11,011)	0	0	0	0.5
TOTAL	\$11,563,603	(\$735,076)	(\$2,123,751)	\$14,209,312	\$213,118	90.5

ANNUALIZE PRIOR YEAR BUDGET ACTIONS: The request includes a net increase of \$3,084,172 total funds to reflect the FY 2023-24 impact of budget requests approved in prior years, summarized in the table below.

ANNUALIZE PRIOR YEAR BUDGET ACTION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 22-23 R1 CBI Increase	\$4,390,802	\$4,390,802	\$0	\$0	\$0	36.0
FY 22-23 R9 Evidence facility	(614,000)	0	(614,000)	0	0	0.0
FY 22-23 R2 Capitol security	(375,620)	(375,620)	0	0	0	1.1
FY 23-23 R12 CCIB system maintenance	(139,320)	(139,320)	0	0	0	0.0
FY 22-23 R6 Resources for SEOC	(49,000)	(49,000)	0	0	0	0.0
FY 22-23 R14 State Patrol admin	(49,000)	0	(49,000)	0	0	0.0
FY 22-23 R5 State toxicology lab	(28,000)	0	(28,000)	0	0	0.0
FY 22-23 R3 Recovery section staff	(21,000)	(21,000)	0	0	0	0.0
FY 22-23 R11 Cybersecurity program	(21,000)	(21,000)	0	0	0	0.0
FY 22-23 Salary survey	(9,690)	(3,740)	(6,035)	(34)	119	0.0
TOTAL	\$3,084,172	\$3,781,122	(\$697,035)	(\$34)	\$119	37.1

INDIRECT COST ASSESSMENT: The request includes a net increase in the Department's indirect cost assessment.

TECHNICAL ADJUSTMENTS: The request includes a net increase of \$919,737 total funds for technical adjustments, summarized in the table below.

TECHNICAL ADJUSTMENT						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Comm. corrections leap-year adj.	\$232,320	\$224,488	\$0	\$7,832	\$0	0.0
Align dispatch with billing	0	0	53,087	(52,302)	(785)	0.0
TOTAL	919,737	224,488	53,087	(44,470)	686,632	0.0

SUMMARY OF ISSUES PRESENTED TO THE JOINT BUDGET COMMITTEE

ONE-TIME FUNDING AUTHORIZED IN RECENT LEGISLATIVE SESSIONS: This issue discusses significant one-time funding to the Department. During the 2021 and 2022 legislative sessions, the General Assembly allocated significant one-time funding to the Department of Public Safety that included \$42.3 million originating as state General Fund and \$43.4 million originating as federal Coronavirus State Fiscal Recovery funds (ARPA funds).

TROOPER COMPENSATION: This issue discusses statutory requirements for State Patrol Trooper compensation, the recent history of targeted trooper salary increases, and the Department's budget request R6: Trooper Pay Increase and Graduated Pay System.

WILDFIRE FUNDING: This issue provides an overview of wildfire and emergency funding, including recent legislative and budget actions related to wildfire and the Department's budget request R3: Fire Aviation Resources.

COMMUNITY CORRECTIONS PER-DIEM RATES: This brief provides a history of per-diem rates for community corrections, including how and why they have changed. It also aims to inform the Committee of recent changes to these rates. Lastly, JBC staff argues that the JBC and General Assembly need a better or different way making targeted rate changes.

CRIME-RELATED REQUESTS FOR FY 2023-24 (R5, R11, R16): This brief provides additional details and analysis regarding the following budget requests:

- **R5 Invest in local crime prevention**
 - \$9.0 million General Fund (one-time) appropriation to two different cash funds:
 - \$4.5 million to the Law Enforcement Workforce Recruitment, Retention and Tuition Grant Fund
 - \$4.5 million to the Multidisciplinary Crime Prevention & Intervention Grant Fund
- **R11 Technical assistance for safer communities**
 - \$555,358 General Fund and 2.8 FTE starting in FY 2023-24
- **R16 Office of Research and Statistics expansion**
 - \$233,443 General Fund and 1.8 FTE starting in FY 2023-24

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Department of Regulatory Agencies

The Department of Regulatory Agencies is statutorily-tasked with ensuring that individuals and businesses who provide Colorado with professional services are doing so ethically and responsibly. These duties are carried out through regulatory programs that license, establish standards, approve rates, investigate complaints, and conduct enforcement through boards, commissions, and advisory committees. The Department's FY 2022-23 appropriation represents approximately 0.3 percent of statewide operating appropriations and 0.0 percent of statewide General Fund appropriations.

FY 2022-23 APPROPRIATION AND FY 2023-24 REQUEST

DEPARTMENT OF REGULATORY AGENCIES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2022-23 APPROPRIATION:						
HB 22-1329 Long Bill	\$116,915,270	\$2,905,370	\$106,162,769	\$6,250,779	\$1,596,352	651.7
Other legislation	3,947,489	110,383	3,782,287	55,637	(818)	17.2
TOTAL	\$120,862,759	\$3,015,753	\$109,945,056	\$6,306,416	\$1,595,534	668.9
FY 2023-24 REQUESTED APPROPRIATION:						
FY 2022-23 Appropriation	\$120,862,759	3,015,753	\$109,945,056	\$6,306,416	\$1,595,534	668.9
R1 Division of Insurance Senior Staffing	440,375	0	440,375	0	0	3.6
R2 Additional vehicles for required inspections	0	0	0	0	0	0.0
R3 Contracting resources for PDAB	260,000	0	260,000	0	0	0.0
R4 Insurance financial analytical support	155,900	0	155,900	0	0	1.8
Non-prioritized decision items	443,289	12,276	431,013	0	0	0.0
Centrally appropriated line items	5,861,223	248,516	5,353,059	107,884	151,764	0.0
Indirect cost assessment	526,321	0	510,159	0	16,162	0.0
Annualize prior year legislation	(1,705,895)	0	(1,705,895)	0	0	7.5
Annualize prior year budget actions	(956,026)	0	(956,026)	0	0	0.0
TOTAL	\$125,887,946	\$3,276,545	\$114,433,641	\$6,414,300	\$1,763,460	681.8
INCREASE/(DECREASE)	\$5,025,187	\$260,792	\$4,488,585	\$107,884	\$167,926	12.9
Percentage Change	4.2%	8.6%	4.1%	1.7%	10.5%	1.9%

R1 DIVISION OF INSURANCE SENIOR STAFFING: The request includes an increase of \$440,375 cash funds in FY 2023-24 and \$485,282 cash funds in FY 2024-25 and ongoing from the Division of Insurance Cash Fund for 4.0 FTE to assist senior leadership in implementing statutorily required programs including the Colorado Option, Reinsurance, and evaluating the accessibility and availability of homeowner's insurance. The Division proposes to hire a Chief of Staff, Division of Insurance Budget Director, Policy Advisor, and Human Resources and Procurement Liaison. *See the first issue brief for more information.*

R2 ADDITIONAL VEHICLES FOR REQUIRED ELECTRICAL, PLUMBING, AND PHARMACY INSPECTIONS: This request includes a budget neutral \$0 transfer from the Operating Expenses line item in the Division of Professions and Occupations to the Vehicle Lease Payments line item in the Executive Director's Office for three new vehicles. At present the lease rate is anticipated to be approximately \$5,000 per vehicle, or a total of \$15,000 for the three requested vehicles.

R3 RESOURCES FOR PRESCRIPTION DRUG AFFORDABILITY REVIEW BOARD: The request includes an increase of \$260,000 from the Division of Insurance Cash Fund in FY 2023-24 and ongoing for consulting and data access services to the assist the Prescription Drug Affordability Review Board (PDAB) in analyzing prescription drug related data. The PDAB conducts affordability reviews and sets Upper Payment Limits for prescription drugs, as required by S.B. 21-175 (Prescription Drug Affordability Review Board). The Department indicates the request is evidence-informed. *See the second issue brief for more information.*

R4 INSURANCE FINANCIAL ANALYTICAL SUPPORT: The request includes an increase of \$155,900 Cash Fund in FY 2022-23 and \$168,998 in FY 2023-24 for 2.0 FTE to support the work of the Financial Affairs and Company Services section of the Division of Insurance. The additional FTE will help the Division manage its' increasing workload given the 82 percent growth of premiums written by domestic insurers from 2017 to 2022.

NON-PRIORITIZED DECISION ITEMS: The request includes a net increase of \$443,289 total funds including \$12,276 General Fund for decision items requested by other departments that impact the agencies covered in this briefing document.

NON-PRIORITIZED DECISION ITEMS				
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	FTE
OIT Budget request package	\$299,634	\$11,789	\$287,845	0.0
Annual fleet decision item	131,273	0	131,273	0.0
COE Common policy	8,964	353	8,611	0.0
Transfer of performance budgeting to DPA	3,418	134	3,284	0.0
TOTAL	\$443,289	\$12,276	\$431,013	0.0

CENTRALLY APPROPRIATED LINE ITEMS: The request includes a net increase of \$5.8 million total funds, including \$248,516 General Fund, for adjustments to centrally appropriated line items. The following table itemizes each requested change.

CENTRALLY APPROPRIATED LINE ITEMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Salary survey	\$3,531,151	\$82,778	\$3,251,579	\$158,821	\$37,973	0.0
Legal services common policy	2,913,707	45,153	2,825,524	24,622	18,408	0.0
Payments to OIT common policy adjustment	918,050	57,428	860,622	0	0	0.0
Leased space escalation	231,869	28,745	172,968	18,626	11,530	0.0
AED	15,557	6,577	(10,914)	2,778	17,116	0.0
SAED	15,557	6,577	(10,914)	2,778	17,116	0.0
PERA Direct distribution	(872,318)	5,242	(819,115)	(52,651)	(5,794)	0.0
Health, life, and dental	(570,044)	28,904	(615,969)	(40,022)	57,043	0.0
ALJ services	(159,894)	(7,224)	(152,670)	0	0	0.0
CORE adjustment	(81,942)	(3,175)	(73,546)	(4,219)	(1,002)	0.0
Risk management and property adjustment	(54,415)	(1,831)	(49,899)	(1,869)	(816)	0.0
Workers' compensation	(20,997)	(690)	(19,301)	(731)	(275)	0.0
Short-term disability	(5,058)	32	(5,306)	(249)	465	0.0
TOTAL	\$5,861,223	\$248,516	\$5,353,059	\$107,884	\$151,764	0.0

ANNUALIZE PRIOR YEAR LEGISLATION: The request includes a net decrease of \$1.7 million total funds and an increase of 7.5 FTE to reflect the FY 2022-23 impact of bills passed in previous sessions, summarized in the following table.

ANNUALIZE PRIOR YEAR LEGISLATION				
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	FTE
SB 22-173 Telepharmacy outlets	\$289,454	\$0	\$289,454	3.0
HB 22-1242 Hospice inpatient PDOs	222,871	0	222,871	2.5
SB 22-040 Actuarial review	178,219	0	178,219	2.0
HB 22-1346 E&P license ratios	158,391	0	158,391	2.0
HB 22-1235 Veterinarians sunset	39,107	0	39,107	0.4
HB 22-1314 Non-consensual towing	27,770	0	27,770	0.4
SB 22-219 Regulate dental therapists	21,232	0	21,232	0.2
HB 22-1246 Regulate tiny homes	6,184	0	6,184	0.0
HB 22-1122 Prescription drug benefit	3,421	0	3,421	0.0
HB 22-1115 PDMP	(1,996,704)	0	(1,996,704)	0.0
HB 22-1284 Health insurance surprise	(233,018)	0	(233,018)	(1.6)
SB 22-206 Disaster preparedness	(230,000)	0	(230,000)	0.0
HB 22-1370 Health-care product insurance requirement	(68,885)	0	(68,885)	0.0
HB 22-1111 Insured losses in fire disaster	(66,781)	0	(66,781)	(1.0)
HB 22-1269 Out-of-state health care	(25,082)	0	(25,082)	0.0
SB 22-077 Counselor compact	(19,312)	0	(19,312)	1.0
HB 22-1278 Behavioral health administration	(12,400)	0	(12,400)	(1.5)
HB 22-1228 Preneed funeral contracts	(362)	0	(362)	0.1
TOTAL	(\$1,705,895)	\$0	(\$1,705,895)	7.5

INDIRECT COST ASSESSMENT: The request includes a net increase to indirect costs of \$160,102 across the Department.

SUMMARY OF ISSUES PRESENTED TO THE JOINT BUDGET COMMITTEE

R1 INCREASE RESOURCES FOR THE EXECUTIVE DIRECTOR’S OFFICE: This issue brief outlines the Department’s request for 4.0 FTE positions for the Division of Insurance to assist senior leadership in implementing statutorily required programs including the Colorado Option, Reinsurance, and evaluating the accessibility and availability of homeowner’s insurance.

R3 IMPLEMENTATION OF PRIMARY CARE AND MATERNAL HEALTH APMs: This issue brief describes outlines the Department’s request for funds for data and consulting services to support the implementation of S.B. 21-175 (Prescription Drug Affordability Review Board).

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Department of Revenue

The Department has three functional groups: the Taxation Business Group collects revenue for the state and for many local governments and assists taxpayers in tax-related matters; the Division of Motor Vehicles regulates motor vehicle safety, issues personal identification documents, and regulates commercial vehicles; and the Specialized Business Group regulates alcohol, tobacco, marijuana, horse racing and off-track betting, sports betting, limited gaming, and automobile dealers and sales persons. The three functional groups are supported by the Executive Director's Office. The Department also operates the Colorado Lottery. The Department's FY 2022-23 appropriation represents approximately 1.2 percent of statewide operating appropriations and 1.0 percent of statewide General Fund appropriations.

FY 2022-23 APPROPRIATION AND FY 2023-24 REQUEST

DEPARTMENT OF REVENUE						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2022-23 APPROPRIATION:						
HB 22-1329 (Long Bill)	\$462,046,781	\$138,605,322	\$313,787,223	\$8,492,481	\$1,161,755	1,661.1
Other legislation	8,673,779	5,017,606	3,397,846	260,360	(2,033)	27.5
TOTAL	\$470,720,560	\$143,622,928	\$317,185,069	\$8,752,841	\$1,159,722	1,688.6
FY 2023-24 REQUESTED APPROPRIATION:						
FY 2022-23 Appropriation	\$470,720,560	\$143,622,928	\$317,185,069	\$8,752,841	\$1,159,722	1,688.6
R1 Taxation call center	479,522	479,522	0	0	0	6.0
R2 Lottery modernization of sales equipment	5,000,000	0	5,000,000	0	0	0.0
R3 Racing compliance requirements	583,300	0	583,300	0	0	4.0
R4 DRIVES and GenTax operational realignment	0	0	0	0	0	0.0
R5 GenTax fuel tracking system reduction	(348,640)	0	(348,640)	0	0	0.0
R6 Marijuana enforcement division cash fund solvency	0	0	0	0	0	0.0
Centrally appropriated line items	14,762,519	5,965,521	8,325,255	197,798	273,945	0.0
Annualize prior year budget actions	2,475,833	0	2,475,833	0	0	0.0
Indirect cost assessment	1,263,633	920,808	1,239,674	(896,849)	0	0.0
Non-prioritized decision items	303,407	93,264	210,143	0	0	0.0
Technical adjustments	(3,349,612)	(4,483,924)	1,134,312	0	0	0.0
Annualize prior year legislation	(4,106,278)	(4,291,127)	361,537	(176,688)	0	0.9
TOTAL	\$487,784,244	\$142,306,992	\$336,166,483	\$7,877,102	\$1,433,667	1,699.5
INCREASE/(DECREASE)	\$17,063,684	(\$1,315,936)	\$18,981,414	(\$875,739)	\$273,945	10.9
Percentage Change	3.6%	(0.9%)	6.0%	(10.0%)	23.6%	0.6%

R1 TAXATION CALL CENTER: The request includes an increase of \$479,522 in General Fund and 6.0 FTE to establish an appointment-based call center in the Taxation Division. The additional call center will function on an appointment basis and work in conjunction with the existing call center to reduce the wait times and better serve Colorado taxpayers. The Department identified this request as theory-informed.

R2 LOTTERY MODERNIZATION OF SALES EQUIPMENT: The request includes a \$5.0 million increase in Lottery Cash Fund spending authority for purchasing self-service lottery vending kiosks and self-updating digital jackpot signs. Twenty-one percent of Colorado's three thousand Lottery retailers have self-service kiosks. This request provides funding for expanding the kiosks and self-updating digital jackpot signage at many independent and chain retailers. The Department identified this request as theory-informed.

R3 RACING COMPLIANCE REQUIREMENTS: The request includes an ongoing increase of \$583,000 and 4.0 FTE from the Racing Cash Fund for the projected workload increase within the Division to implement the federal Horseracing Integrity and Safety Act of 2020. The Department identified this request as theory-informed.

R4 DRIVES AND GENTAX OPERATIONAL REALIGNMENT: The request includes a net-zero funding realignment beginning in FY 2023-24, which would relocate the GenTax System Support Office from the Taxation Business Group to the Executive Director’s Office. Additionally, the request moves the Colorado DRIVES Development Support team from the Division of Motor Vehicles to the Executive Director’s Office. This request would complete FY 2022-23 requests, R1, DMV - DRIVES System Support and R4, Operational Funding Realignment. This reorganization improves operational management and funding alignment.

R5 GENTAX FUEL TRACKING SYSTEM REDUCTION: The request includes a net-zero realignment beginning in FY 2023-24 of \$101,677 cash fund spending authority and 1.5 FTE from Fuel Tracking System to Taxation Services Personal Services; a net-zero realignment starting in FY 2023-24 of \$64,014 cash fund spending authority from Fuel Tracking System to Tax Administration IT System GenTax Support; and a reduction beginning in FY 2023-24 of \$348,640 in cash fund spending authority from Fuel Tracking System. These actions would result in the elimination of the Fuel Tracking System line in the Long Bill.

R6 MARIJUANA ENFORCEMENT DIVISION CASH FUND SOLVENCY: The request asks the JBC to consider sponsoring legislation to transfer one-time funding of \$2.1 million from the Marijuana Tax Cash Fund to the Marijuana Cash Fund as a current-year, FY 2022-23, transfer. The Marijuana Cash Fund is the only funding mechanism for the Marijuana Enforcement Division. This transfer would allow the Marijuana Enforcement Division to maintain its current base operations and end the fiscal year with a positive fund balance in the Marijuana Cash Fund while the Division consults with stakeholders on a revised fee schedule.

CENTRALLY APPROPRIATED LINE ITEMS: The request includes an increase of \$14.8 million in total funds, which includes a \$6.0 million General Fund increase related to employee benefits and other centrally appropriated items. This total includes the following changes:

CENTRALLY APPROPRIATED LINE ITEMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Payments to OIT	\$8,545,296	\$3,063,181	\$5,482,115	\$0	\$0	0.0
Salary survey	6,352,638	2,629,467	3,595,929	35,848	91,394	0.0
OIT Budget package	571,875	314,531	257,344	0	0	0.0
Health, life, and dental	523,875	130,262	156,752	96,440	140,421	0.0
AED	372,380	51,720	250,719	30,226	39,715	0.0
SAED	372,380	51,720	250,719	30,226	39,715	0.0
Temporary Employee related to authorized leave	344,467	156,995	177,194	2,784	7,494	0.0
DPS Digital trunk radio	47,829	47,829	0	0	0	0.0
Leased space	40,380	40,380	0	0	0	0.0
DPA COE common policy	23,840	9,074	14,766	0	0	0.0
DPA Transfer perf. budgeting to DPA	11,073	11,073	0	0	0	0.0
ALJ services	997	0	997	0	0	0.0
Annualize prior year salary survey	0	0	51,190	0	(51,190)	0.0
PERA Direct Distribution	(846,113)	150,048	(1,002,858)	1,382	5,315	0.0
CORE adjustment	(762,446)	(290,784)	(471,662)	0	0	0.0
Legal services	(705,086)	(349,307)	(355,779)	0	0	0.0
Workers’ compensation	(106,504)	(40,619)	(65,885)	0	0	0.0

CENTRALLY APPROPRIATED LINE ITEMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Payment to risk management and property funds	(10,819)	(4,126)	(6,693)	0	0	0.0
Shift differential	(8,043)	0	(8,043)	0	0	0.0
Capitol Complex leased space	(5,119)	(2,405)	(2,714)	0	0	0.0
Short-term disability	(381)	(3,518)	1,164	892	1,081	0.0
TOTAL	\$14,762,519	\$5,965,521	\$8,325,255	\$197,798	\$273,945	0.0

ANNUALIZE PRIOR-YEAR BUDGET ACTIONS: The request includes a net increase of \$2.5 million total funds and is summarized in the following table.

ANNUALIZE PRIOR YEAR BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2021-22 R1 lottery reimagined	\$2,497,833	\$0	\$2,497,833	\$0	\$0	0.0
FY 2022-23 R1 DMV DRIVES support	(22,000)	0	(22,000)	0	0	0.0
TOTAL	\$2,475,833	\$0	\$2,475,833	\$0	\$0	0.0

INDIRECT COST ASSESSMENT: The request includes a net increase of \$1.3 million total funds and \$920,000 General Fund to reflect net adjustments to indirect costs across the Department.

NON-PRIORITIZED REQUESTS: The request includes adjustments related to budget requests made by other departments that affect the Department of Revenue in FY 2022-23, which are summarized in the following table.

NON-PRIORITIZED DECISION ITEMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
NP6 Annual fleet request	\$244,469	\$34,326	\$210,143	\$0	\$0	0.0
NP3 Capitol complex staffing	58,938	58,938	0	0	0	0.0
TOTAL	\$303,407	\$93,264	\$210,143	\$0	\$0	0.0

TECHNICAL ADJUSTMENTS: The request includes technical adjustments reducing \$3.3 million total funds and \$4.5 million General Fund.

TECHNICAL ADJUSTMENTS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Contract escalator for fast enterprises	\$866,401	\$177,311	\$689,090	\$0	\$0	0.0
Technical adjustment for license plate ordering	666,700	19,685	647,015	0	0	0.0
Technical adjustment for driver license documents	659,243	0	659,243	0	0	0.0
Technical adjustment for postage	56,000	47,010	8,990	0	0	0.0
Technical adjustment HB 22-1254	0	0	0	0	0	0.0
Technical adjustment for IDS print production	(4,507,221)	(4,507,221)	0	0	0	0.0
NP2 Gaming DPS	(870,026)	0	(870,026)	0	0	0.0
Technical adjustment for document solutions	(220,709)	(220,709)	0	0	0	0.0
TOTAL	(\$3,349,612)	(\$4,483,924)	\$1,134,312	\$0	\$0	0.0

ANNUALIZE PRIOR-YEAR LEGISLATION: The request includes a net decrease of \$4.1 million total funds, including a decrease of \$4.3 million General Fund, to reflect the FY 2022-23 impact of bills passed in previous sessions, summarized in the following table.

ANNUALIZE PRIOR YEAR LEGISLATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
SB 22-124 SALT parity act retroactive	\$550,446	\$550,446	\$0	\$0	\$0	4.4
HB 22-1388 Vehicle registration & certificate	359,670	(76,482)	436,152	0	0	0.0
HB 22-1414 Healthy school meals for all	177,990	177,990	0	0	0	2.2
SB22-051 Reduce emissions from built environment	122,663	122,663	0	0	0	0.7
SB 22-178 Licensee ability to change marijuana designation	82,996	0	82,996	0	0	1.6
HB 22-1083 Homeless contribution tax credit	39,618	39,618	0	0	0	0.0
HB 22-1007 Assist landowner wildfire mitigation	26,822	26,822	0	0	0	0.0
HB 21-1141 Electric vehicle license plate	17,919	0	17,919	0	0	0.0
HB 22-1361 Oil & gas reporting	12,300	12,300	0	0	0	0.0
HB 22-1320 ABLE saving accounts	2,452	2,452	0	0	0	0.7
HB 22-1353 Public safety communications transfer	0	93,286	(93,286)	0	0	0.0
SB 22-233 TABOR refund	(2,578,995)	(2,578,995)	0	0	0	(11.5)
SB 22-216 Reallocation of limited gaming revenue	(1,250,000)	(1,250,000)	0	0	0	0.0
HB 22-1311 Income tax bill	(686,352)	(686,352)	0	0	0	1.2
SB 21-249 Keep CO wild annual pass	(108,200)	0	0	(108,200)	0	0.0
HB 22-1406 Qualified retailer retain sales tax	(100,000)	(100,000)	0	0	0	0.0
HB 22-1026 Alternative transportation opt	(87,388)	(87,388)	0	0	0	(0.1)
SB 21-257 Mobile machinery exemption	(87,376)	(87,376)	0	0	0	0.1
HB 22-1391 Modification to severance tax	(85,352)	(85,352)	0	0	0	(1.4)
HB 22-1010 Early childhood educator income tax credit	(69,817)	(69,817)	0	0	0	(0.4)
SB 22-217 Programs that benefit persons	(56,937)	0	8,608	(65,545)	0	0.0
HB 22-1205 Senior housing income credit	(50,501)	(50,501)	0	0	0	2.0
HB 22-1392 Contaminated land income & property	(41,102)	(41,102)	0	0	0	0.0
SB 22-107 Pikes peak hill climb license plate	(35,012)	(14,838)	(20,174)	0	0	0.0
HB 22-1014 Epilepsy license plate	(28,236)	(23,940)	(4,296)	0	0	0.0
HB 22-1241 CASA license plate	(25,413)	(14,838)	(10,575)	0	0	0.0
HB 22-1103 Delta sigma theta license plate	(24,568)	(15,976)	(8,592)	0	0	0.0
HB 22-1025 Repeal infrequently used tax expenditures	(24,350)	(24,350)	0	0	0	0.0
SB 22-190 Space Force license plate	(22,077)	(18,258)	(3,819)	0	0	0.0
SB 22-260 Sustainability of transportation	(19,968)	(19,968)	0	0	0	0.0
SB 22-204 Repeal fed government confirm status	(19,397)	0	(19,397)	0	0	0.0
HB 22-1154 Rotary license plate	(17,636)	(15,976)	(1,660)	0	0	0.0
SB 22-006 Sales tax assistance for small bus	(17,600)	(17,600)	0	0	0	0.0
HB 22-1043 Motorcycle & autocycle definition	(15,976)	(15,976)	0	0	0	0.0
SB 22-055 Alcohol monitoring for impaired drivers	(10,294)	(10,294)	0	0	0	0.0
HB 22-1016 Voluntary contribution check-off	(8,913)	0	(8,913)	0	0	0.0
HB 21-1073 Support foster families license plate	(8,753)	0	(8,753)	0	0	0.0
HB 22-1351 Temp reduce road user charge	(5,850)	(5,850)	0	0	0	0.0
HB 22-1254 Vehicle taxes & fees late registration	(4,428)	0	(4,428)	0	0	1.1
HB 22-1024 Sales and use tax exempt school construction	(3,375)	(3,375)	0	0	0	0.0
HB 22-1397 Statewide equity office	(2,943)	0	0	(2,943)	0	0.3
SB 22-032 Simplify local sales & use tax	(2,100)	(2,100)	0	0	0	0.0
SB 21-260 Sustainability of transportation	(245)	0	(245)	0	0	0.0
TOTAL	(\$4,106,278)	(\$4,291,127)	\$361,537	(\$176,688)	\$0	0.9

SUMMARY OF ISSUES PRESENTED TO THE JOINT BUDGET COMMITTEE

REQUEST R1: TAXATION CALL CENTER: The Taxation Services call center has a chronic problem of high call demand coupled with inadequate staffing levels. This challenge has led to unacceptable hold times for taxpayers seeking resolutions to their tax questions. This issue brief summarizes the causes of the increase in call center volume, and explores the impact of a new appointment-based call center on customer service hold times at the Taxpayer Services call center.

REQUEST R2: LOTTERY MODERNIZATION OF SALES EQUIPMENT: The Colorado Lottery seeks to expand self-service kiosks and self-updating digital jackpot display boards throughout the state. Currently, 21 percent of Colorado Lottery retailers have self-service kiosks. This issue brief summarizes the Lottery's recent performance and the impact that the expansion of self-service kiosks and other enhanced merchandising initiatives would have on Lottery revenue and proceeds to beneficiaries.

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Department of State

The Department of State administers statutory provisions that pertain to elections; manages the statewide voter registration database; oversees campaign finance reporting; registers lobbyists and monitors the filing of required disclosures; collects, maintains, and provides public access to business filings; regulates charities and charitable gaming; and certifies notaries public. The Department’s FY 2022-23 appropriation represents approximately 0.1 percent of statewide operating appropriations and 0.0 percent of statewide General Fund appropriations.

FY 2022-23 APPROPRIATION AND FY 2023-24 REQUEST

DEPARTMENT OF STATE						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2022-23 APPROPRIATION:						
HB 22-1329 (Long Bill)	\$34,463,978	\$151,651	\$33,854,978	\$457,349	\$0	146.5
Other legislation	1,173,539	1,000,000	173,539	0	0	0.7
TOTAL	\$35,637,517	\$1,151,651	\$34,028,517	\$457,349	\$0	147.2
FY 2023-24 REQUESTED APPROPRIATION:						
FY 2022-23 Appropriation	\$35,637,517	1,151,651	\$34,028,517	\$457,349	\$0	147.2
R1 2022 HAVA election security grant state match	234,488	0	234,488	0	0	0.0
R2 Digital communications and public awareness	1,414,851	0	1,414,851	0	0	1.8
R3 Website modernization and tech dev capacity	744,040	0	744,040	0	0	3.7
R4 Elections data and investigations enhancement	184,051	0	184,051	0	0	2.8
R5 Modernizing administration to best serve customers	227,764	0	227,764	0	0	3.7
R6 Improved oversight of charity solicitations and charities	137,571	0	137,571	0	0	1.8
Non-prioritized decision items	52,366	0	52,366	0	0	0.0
Technical adjustments	13,048,821	12,600,000	448,821	0	0	0.0
Annualize prior year legislation	(1,124,935)	(663,300)	(4,286)	(457,349)	0	0.3
Centrally appropriated line items	737,184	0	737,184	0	0	0.0
Annualize prior year budget actions	152,819	0	152,819	0	0	0.0
Indirect cost assessment	75,175	(334,424)	75,175	334,424	0	0.0
TOTAL	\$51,521,712	\$12,753,927	\$38,433,361	\$334,424	\$0	161.3
INCREASE/(DECREASE)	\$15,884,195	\$11,602,276	\$4,404,844	(\$122,925)	\$0	14.1
Percentage Change	44.6%	1,007.4%	12.9%	(26.9%)	0.0%	9.6%

R1 2022 HAVA ELECTION SECURITY GRANT STATE MATCH: The request includes \$234,488 in one-time DOS Cash Fund spending authority for FY 2023-24 to match a federal HAVA grant for \$1,172,438. The State must match 20.0 percent of these funds in order to access the federal funds, and must have the spending authority by March 2024. The funding is to support ongoing election administration improvements and must be spent by September 2027.

R2 DIGITAL COMMUNICATIONS AND PUBLIC AWARENESS: The request includes \$1,414,851 in DOS Cash Fund spending authority in FY 2023-24, and \$1,507,382 in FY 2024-25 and ongoing to add 2.0 FTE and a dedicated digital communications budget to the Department. The Department currently has 2.0 FTE dedicated to traditional communications, and would like to add the additional 2.0 FTE to focus on digital communications. An important aspect of this digital communications program would be keeping voters informed and combatting election disinformation, however it would also share information on business filings, notary services, bingo-raffle operators, charitable organizations, and other services.

R3 WEBSITE MODERNIZATION AND TECHNICAL DEVELOPMENT CAPACITY: The request includes \$744,040 in DOS Cash Fund spending authority for FY 2023-24, and \$506,768 in FY 2024-25 and ongoing. The initial one-time funding would support a Departmental website redesign and ensure accessibility compliance with H.B. 21-1110, while the ongoing funding would support an additional 4.0 FTE in the Department to increase development capacity and systems support. In consultation with JBC staff for Information Technology Projects and Joint Technology Committee (JTC) staff, staff recommends that the Committee refer the website redesign portion of this request to the Joint Technology Committee (JTC), pursuant to Joint Rule 45(b). **JBC staff for Information Technology Projects will present this recommendation in a single document for Committee action at a later date.**

R4 ELECTIONS DATA AND INVESTIGATIONS ENHANCEMENT: The request includes \$184,051 in DOS Cash Fund spending authority for FY 2023-24, and \$235,747 in FY 2024-25 and ongoing. The Department is requesting ongoing funding to hire an additional 1.0 FTE to support election code violation investigations on the campaign finance and enforcement team, due to a rising trend in complaints in 2021 and 2022. The Department is also requesting an additional 2.0 FTE to support data analysis on the business analysis/project management team, to be able to analyze election data and distribute that information more quickly.

R5 MODERNIZING ADMINISTRATION TO BEST SERVE CUSTOMERS: The request includes \$227,764 in DOS Cash Fund spending authority for FY 2023-24, and \$293,598 in FY 2024-25 and ongoing. The Department is requesting this funding to hire an additional 2.0 FTE in the Human Resources unit, 1.0 FTE in the Finance unit, and 1.0 FTE for an administrative assistant for Executive staff. The Department is seeing increased workload in all of these areas due to legislative and personnel rule changes as well as budget expansions in State and federal funds. \$80,000 of this request would be for one-time funding to purchase a document management system to reduce inefficiencies in the administrative system and securely hold personnel records.

R6 IMPROVED OVERSIGHT OF CHARITY SOLICITATIONS AND CHARITIES: The request includes \$137,571 in DOS Cash Fund spending authority for FY 2023-24, and \$174,624 in FY 2024-25 and ongoing. The Department is requesting funding to hire an additional 2.0 FTE in the Investigations unit of the Charities Program. The program helps customers understand registration requirements, helps them with the actual registration process, and investigates complaints received from external stakeholders. The number of charities registered in the State continues to grow annually, and the Department is requesting additional funding for FTE in order to continue keep up with this work. The main focus of this additional funding would be to proactively audit charities that show questionable reporting data and to assist charities who improperly report.

NON-PRIORITIZED DECISION ITEMS: The request includes an increase of \$52,366 in cash funds for items requested by other departments that impact the agencies covered in this briefing document.

TECHNICAL ADJUSTMENTS: The request includes \$13.0 million in technical adjustments, including \$12.6 million General Fund. This General Fund appropriation is the Department's estimate of the amount that will be needed to reimburse counties for election costs during the 2024 presidential primary. The other piece is a cash fund adjustment from Electronic Recording Technology Board Fund to reflect the Electronic Recording Technology Board's adjusted balance, shown for informational purposes.

ANNUALIZE PRIOR YEAR LEGISLATION: The request includes adjustments for the second- and third-year impacts of prior year legislation outlined in the table below.

ANNUALIZE PRIOR YEAR LEGISLATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
SB22-153 Internal election security	(\$961,000)	(\$1,000,000)	\$39,000	\$0	\$0	0.0
HB21-1071 Ranked choice voting	(120,649)	336,700	0	(457,349)	0	0.0
SB22-237 Ballot measure campaign finance	(14,309)	0	(14,309)	0	0	0.0
SB22-013 Boards and commissions	(14,105)	0	(14,105)	0	0	0.0
HB22-1060 Contribution limits	(7,500)	0	(7,500)	0	0	0.0
HB22-1093 Updates to bingo and raffles law	(7,372)	0	(7,372)	0	0	0.3
TOTAL	(\$1,124,935)	(\$663,300)	(\$4,286)	(\$457,349)	\$0	0.3

CENTRALLY APPROPRIATED LINE ITEMS: The request includes adjustments to centrally appropriated line items outlined in the table below.

CENTRALLY APPROPRIATED LINE ITEMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Salary survey	\$627,387	\$0	\$627,387	\$0	\$0	0.0
Legal services	252,809	0	252,809	0	0	0.0
Payments to OIT	148,082	0	148,082	0	0	0.0
Leased space	80,000	0	80,000	0	0	0.0
DPA Document management	71,145	0	71,145	0	0	0.0
Workers' compensation	1,820	0	1,820	0	0	0.0
PERA Direct Distribution	(240,235)	0	(240,235)	0	0	0.0
Payment to risk management and property funds	(84,450)	0	(84,450)	0	0	0.0
Health, life, and dental	(40,168)	0	(40,168)	0	0	0.0
ALJ services	(35,742)	0	(35,742)	0	0	0.0
AED	(13,713)	0	(13,713)	0	0	0.0
SAED	(13,713)	0	(13,713)	0	0	0.0
CORE adjustment	(8,104)	0	(8,104)	0	0	0.0
Temporary employees related to authorized leave	(6,330)	0	(6,330)	0	0	0.0
Short-term disability	(1,604)	0	(1,604)	0	0	0.0
TOTAL	\$737,184	\$0	\$737,184	\$0	\$0	0.0

ANNUALIZE PRIOR YEAR BUDGET ACTIONS: The request includes adjustments for prior year impacts of budget actions outlined in the table below.

ANNUALIZE PRIOR YEAR BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Even year HW/SW maintenance increase	\$147,000	\$0	\$147,000	\$0	\$0	0.0
Quadrennial SOS salary increase	5,819	0	5,819	0	0	0.0
Annualize prior year salary survey	0	0	0	0	0	0.0
TOTAL	\$152,819	\$0	\$152,819	\$0	\$0	0.0

INDIRECT COST ASSESSMENT: The request includes a total of \$75,175 cash funds in the Department's indirect cost assessment, as well as related adjustments to General Fund and reappropriated fund amounts.

SUMMARY OF ISSUES PRESENTED TO THE JOINT BUDGET COMMITTEE

DEPARTMENT OF STATE FY 2023-24 REQUESTS AND CASH FUND REVENUES: This issue summarizes the total cost of the Department's FY 2023-24 requests, the amount of FTE being requested, and the potential impact on the Department of State Cash Fund.

ONE-TIME FUNDING AUTHORIZED IN RECENT LEGISLATIVE SESSIONS: This issue summarizes the impact of recent one-time funding authorized for the Department.

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Department of Transportation

The Colorado Department of Transportation (CDOT) is primarily responsible for the construction, maintenance, and operation of Colorado's state highway system, with additional responsibilities relating to aviation, inter-regional bus service, transit, multimodal transportation, and other state transportation systems. Most policy and budget authority for the Department rests with the Transportation Commission, which is composed of eleven governor-appointed members who represent specific districts around the state. Department staff provide support to the Commission as it adopts budgets, establishes policies, and implements Commission decisions. The Department's FY 2022-23 appropriation represents approximately 4.6 percent of statewide operating appropriations and 0.0 percent of statewide General Fund appropriations. Though CDOT does not typically receive General Fund appropriations, it does receive occasional transfers from the General Fund and other sources.

FY 2022-23 APPROPRIATION AND FY 2023-24 REQUEST

DEPARTMENT OF TRANSPORTATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2022-23 APPROPRIATION:						
HB 22-1329 (Long Bill)	1,789,299,665	0	954,579,686	5,478,096	829,241,883	3,327.0
Other Legislation	722,523	0	722,523	0	0	0.0
TOTAL	\$1,790,022,188	\$0	\$955,302,209	\$5,478,096	\$829,241,883	3,327.0
FY 2023-24 REQUESTED APPROPRIATION:						
FY 2023-24 revenue forecast compared to FY 2022-23 forecast						
CM&O revenue update	66,415,460	0	69,953,846	0	(3,538,386)	0.0
HPTE revenue update	27,549,825	0	27,549,825	0	0	0.0
Bridge & Tunnel Enterprise revenue update	7,687,289	0	7,687,289	0	0	0.0
Air Pollution Enterprise revenue update	1,356,125	0	1,356,125	0	0	0.0
Clean Transit Enterprise revenue update	852,543	0	852,543	0	0	0.0
MMOF revenue update	(107,409,680)	0	(107,409,680)	0	0	0.0
Total revenue adjustments	(\$3,548,438)	\$0	(\$10,052)	\$0	(\$3,538,386)	0.0
FY 2023-24 revenue forecast	\$1,786,473,750	\$0	\$955,292,157	\$5,478,096	\$825,703,497	3,327.0
Offsetting revenue allocation adjustments						
Other common policy changes in Administration						
Admin impact	1,196,590	0	1,196,547	43	0	0.0
CM&O impact	(1,196,590)	0	(1,196,547)	(43)	0	0.0
Total-compensation changes in Administration						
Admin impact	32,007	0	32,007	0	0	0.0
CM&O impact	(32,007)	0	(32,007)	0	0	0.0
NP1 OIT Budget request package						
Admin impact	506,286	0	506,286	0	0	0.0
CM&O impact	(506,286)	0	(506,286)	0	0	0.0
NP2 COE common policy						
Admin impact	48,203	0	48,203	0	0	0.0
CM&O impact	(48,203)	0	(48,203)	0	0	0.0
NP3 Transfer performance budgeting to DPA						
Admin impact	1,504	0	1,504	0	0	0.0
CM&O impact	(1,504)	0	(1,504)	0	0	0.0
Impact of offsetting changes in affected divisions						
Admin impact	1,784,590	0	1,784,547	43	0	0
CM&O impact	(1,784,590)	0	(1,784,547)	(43)	0	0
Net impact of offsetting expenditure adjustments	\$0	\$0	\$0	\$0	\$0	0.0
Non-offsetting expenditure adjustments						
Annualize prior year legislation	(751,649)	0	(751,649)	0	0	0.0
Total non-offsetting expenditure adjustments	(\$751,649)	\$0	(\$751,649)	\$0	\$0	0.0

DEPARTMENT OF TRANSPORTATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
TOTAL	\$1,785,722,101	\$0	\$954,540,508	\$5,478,096	\$825,703,497	3,327.0
INCREASE/(DECREASE)	(\$4,300,087)	\$0	(\$761,701)	\$0	(\$3,538,386)	0.0
Percentage Change	(0.2%)	n/a	(0.1%)	0.0%	(0.4%)	0.0%

* Admin refers to the Administration line item, and CM&O refers to the Construction, Maintenance, and Operations line item.

The Department of Transportation did not submit any prioritized budget requests for FY 2023-24.

SUMMARY OF ISSUES PRESENTED TO THE JOINT BUDGET COMMITTEE

ONE-TIME FUNDING AUTHORIZED IN RECENT LEGISLATIVE SESSIONS: This issue discusses one-time funding allocated to the Department of Transportation and related programs during the 2021 and 2022 legislative sessions. The General Assembly provided \$290.4 million originating as state General Fund and \$343.5 originating as federal Coronavirus State Fiscal Recovery funds (ARPA funds) during this timeframe.

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Department of the Treasury

The State Treasurer is one of five independently elected constitutional officers of the state. The Department of the Treasury consists of three sections: Administration, Unclaimed Property Program, and Special Purpose. The Department's FY 2022-23 appropriation represents approximately 2.5 percent of statewide operating appropriations and 2.2 percent of statewide General Fund appropriations.

FY 2022-23 APPROPRIATION AND FY 2023-24 REQUEST

DEPARTMENT OF THE TREASURY						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2022-23 APPROPRIATION:						
HB 22-1329 (Long Bill)	\$968,626,058	\$288,067,810	\$631,842,856	\$48,715,392	\$0	48.8
Other legislation	14,669,709	14,671,902	(2,193)	0	0	16.0
TOTAL	\$983,295,767	\$302,739,712	\$631,840,663	\$48,715,392	\$0	64.8
FY 2023-24 REQUESTED APPROPRIATION:						
FY 2022-23 Appropriation	\$983,295,767	\$302,739,712	\$631,840,663	\$48,715,392	\$0	64.8
R1 Administration division needs	249,510	229,510	20,000	0	0	2.0
R2 UP division needs	341,886	0	341,886	0	0	2.0
R3 Cybersecurity testing	50,000	25,000	25,000	0	0	0.0
R4 Deferred property tax	441,550	441,550	0	0	0	0.0
R5 IT accessibility	367,630	183,815	183,815	0	0	0.0
Non-prioritized decision items	20,622	11,600	9,022	0	0	0.0
Technical adjustments	36,392,051	683,295	35,707,987	769	0	0.0
Centrally appropriated line items	384,362	239,420	144,942	0	0	0.0
Annualize prior year legislation	(202,702,101)	8,917,110	(193,970,883)	(17,648,328)	0	0.0
Annualize prior year funding	(724,307)	(745,850)	21,543	0	0	0.0
TOTAL	\$818,116,970	\$312,725,162	\$474,323,975	\$31,067,833	\$0	68.8
INCREASE/(DECREASE)	(\$165,178,797)	\$9,985,450	(\$157,516,688)	(\$17,647,559)	\$0	4.0
Percentage Change	(16.8%)	3.3%	(24.9%)	(36.2%)	n/a	6.2%

R1 ADMINISTRATION DIVISION NEEDS: The Department is requesting an increase of \$249,510 total funds including \$229,510 General Fund and \$20,000 cash funds from the Unclaimed Property Trust Fund and 2.0 FTE for FY 2023-24 to address specific deficiencies within the Department. Included in this request is also funding for equity, diversity, and inclusion (EDI) training as well as staff recognition and incentive funding.

R2 UP DIVISION NEEDS: The Department is requesting an increase of \$341,886 cash funds from the Unclaimed Property Cash Fund and 2.0 FTE for FY 2023-24 to enhance the division's capacity and to keep pace with increasing property claims and returns.

R3 CYBERSECURITY TESTING: The Department is requesting an increase of \$50,000 total funds including \$25,000 General Fund and \$25,000 cash funds from the Unclaimed Property Cash Fund for FY 2023-24 to implement the second phase of the Department's cybersecurity penetration audit.

R4 DEFERRED PROPERTY TAX: The Department is requesting an increase of \$441,550 General Fund for FY 2023-24 to continue their preparation for the expansion of the deferred property tax program.

R5 IT ACCESSIBILITY: The Department is requesting an increase of \$367,630 total funds including \$183,815 General Fund and \$183,815 cash funds from the Unclaimed Property Trust Fund for FY 2023-24 to implement changes to comply with Web Content Accessibility Guidelines 2.1 standards. This request is in response to H.B. 21-1110 (Colorado Laws for Persons with Disabilities).

NON-PRIORITIZED DECISION ITEMS: The request includes an increase of \$20,622 total funds including \$11,600 General Fund and \$9,022 cash funds for FY 2023-24 for requests made by other departments but which impact this Department. The changes are outlined in the following table.

NON-PRIORITIZED DECISION ITEMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
OIT Budget package	\$11,730	\$7,155	\$4,575	\$0	\$0	0.0
Transfer perf. budgeting to DPA	5,973	2,688	3,285	0	0	0.0
Capitol complex staffing	2,381	1,429	952	0	0	0.0
COE common policy	538	328	210	0	0	0.0
TOTAL	\$20,622	\$11,600	\$9,022	\$0	\$0	0.0

TECHNICAL ADJUSTMENTS: The request includes an increase of \$36.4 million total funds including \$683,295 General Fund for FY 2023-24 for technical adjustments. These adjustments include changes to expected reimbursements to counties and municipalities for the Homestead Exemption and distributions from the Highway Users Tax Fund as projected in the September revenue forecast from the Office of State Planning and Budgeting. There is also a statutorily required salary adjustment for an elected official, and finally an adjustment to the amount received from the Department of Higher Education for lease-purchase payments. The following table outlines these adjustments.

TECHNICAL ADJUSTMENTS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
OSPB September forecast adjustment	\$36,382,615	\$674,628	\$35,707,987	\$0	\$0	0.0
Statutory salary adjustment	8,667	8,667	0	0	0	0.0
Lease-purchase COP adjustment	769	0	0	769	0	0.0
TOTAL	\$36,392,051	\$683,295	\$35,707,987	\$769	\$0	0.0

CENTRALLY APPROPRIATED LINE ITEMS: The request includes an increase of \$384,362 total funds including \$239,420 General Fund and \$144,942 cash funds for FY 2023-24 for adjustments to centrally appropriated line items as outlined in the following table.

CENTRALLY APPROPRIATED LINE ITEMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
CORE adjustment	\$115,591	\$52,016	\$63,575	\$0	\$0	0.0
Legal services	90,725	25,689	65,036	0	0	0.0
COWINS	89,088	59,107	29,981	0	0	0.0
Health, life, and dental	60,464	45,164	15,300	0	0	0.0
Salary survey	31,424	22,202	9,222	0	0	0.0
AED	12,388	17,167	(4,779)	0	0	0.0
SAED	12,388	17,167	(4,779)	0	0	0.0
Workers' comp and payments to risk management	884	884	0	0	0	0.0
Short-term disability	28	306	(278)	0	0	0.0
Payments to OIT	(16,636)	(5,735)	(10,901)	0	0	0.0
PERA Direct Distribution	(10,553)	6,310	(16,863)	0	0	0.0
Capitol Complex leased space	(1,429)	(857)	(572)	0	0	0.0
TOTAL	\$384,362	\$239,420	\$144,942	\$0	\$0	0.0

ANNUALIZE PRIOR YEAR LEGISLATION: The request includes a decrease of \$202,702,101 total funds including an increase of \$8,917,110 General Fund, a decrease of \$193,970,883 cash funds, and a decrease of \$17,648,328 reappropriated funds for FY 2023-24 to annualize legislative actions taken in prior legislative sessions. The changes are outlined in the following table.

ANNUALIZE PRIOR YEAR LEGISLATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
SB 22-220 Prop tax deferral	\$47,899	\$47,899	\$0	\$0	\$0	0.0
HB 22-1029 PERA	(190,000,000)	21,619,211	(193,970,883)	(17,648,328)	0	0.0
SB 22-036 State payment OHDDDB	(6,650,000)	(6,650,000)	0	0	0	0.0
HB 22-1359 CO household fin recovery	(5,000,000)	(5,000,000)	0	0	0	0.0
SB 22-232 CO workforce housing	(1,000,000)	(1,000,000)	0	0	0	0.0
SB 22-025 Security token offer	(100,000)	(100,000)	0	0	0	0.0
TOTAL	(\$202,702,101)	\$8,917,110	(\$193,970,883)	(\$17,648,328)	\$0	0.0

ANNUALIZE PRIOR YEAR FUNDING: The request includes a decrease of \$724,307 total funds including \$745,850 General Fund and an increase of \$21,543 cash funds for FY 2023-24 for annualizations to prior year funding decisions. The changes are outlined in the following table.

ANNUALIZE PRIOR YEAR FUNDING						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Prior year salary survey	\$90,193	\$58,150	\$32,043	\$0	\$0	0.0
FY 22-23 DPT expansion	(718,000)	(718,000)	0	0	0	0.0
FY 22-23 CBB feasibility	(60,000)	(60,000)	0	0	0	0.0
FY 22-23 Departmental tech	(24,500)	(20,000)	(4,500)	0	0	0.0
FY 22-23 Departmental staffing	(12,000)	(6,000)	(6,000)	0	0	0.0
TOTAL	(\$724,307)	(\$745,850)	\$21,543	\$0	\$0	0.0

SUMMARY OF ISSUES PRESENTED TO THE JOINT BUDGET COMMITTEE

DEPARTMENTAL DECISION ITEMS: This issue brief summarizes the Department’s five submitted decision items and provides an overview of what the Department is asking for while also offering some context as to why they are asking for this funding.

ONE-TIME FUNDING AUTHORIZED IN RECENT LEGISLATIVE SESSIONS: During the 2021 and 2022 legislative sessions, the General Assembly allocated significant one-time funding to the Department of the Treasury that included \$211,320,883 originating as state General Fund and \$203,207 originating as federal Coronavirus State Fiscal Recovery funds (ARPA funds).

STATEWIDE CERTIFICATES OF PARTICIPATION OBLIGATIONS: The purpose of this issue brief is to give the Committee a broad look at the State’s obligations for yearly appropriations to pay for Certificates of Participation (COPs).

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Capital Construction

The capital construction section of the Long Bill includes funding appropriated to state departments and institutions of higher education for controlled maintenance, capital renewal and recapitalization, and capital expansion. Capital construction appropriations are typically supported by General Fund transferred to the Capital Construction Fund (CCF). However, appropriations for FY 2022-23 were primarily funded from the Revenue Loss Restoration Cash Fund, from funds originating from the federal American Rescue Plan Act of 2021. The FY 2022-23 General Fund transfers related to Capital Construction represent 2.5 percent of FY 2022-23 General Fund revenues, based on the September 2022 Legislative Council Staff forecast.

FY 2022-23 APPROPRIATION AND FY 2023-24 REQUEST

CAPITAL CONSTRUCTION								
OSP/B	CCH/E		TOTAL FUNDS	CCF	CASH FUNDS	FEDERAL FUNDS	FY 2024-25 CCF COST	LATER YR CCF COST
FY 2022-23 APPROPRIATION:								
FY 2022-23 Long Bill (H.B. 22-1329)			\$491,102,435	\$5,246,375	\$484,090,730	\$1,765,330		
		SB 22-206 Disaster preparedness and recovery resources	2,700,000	2,700,000	0	0		
		SB 22-239 Buildings in the Capitol Complex	26,721,314	0	26,721,314	0		
		HB 22-1283 Youth and family behavioral healthcare	35,000,000	0	35,000,000	0		
		HB 22-1303 Increase residential behavioral health beds	10,683,678	0	10,683,678	0		
TOTAL			\$566,207,427	\$7,946,375	\$556,495,722	\$1,765,330		
Priority								
OSP/B	CCH/E		FY 2023-24 STATE-FUNDED REQUESTED APPROPRIATION:					
1		Controlled Maintenance Level 1	\$74,376,790	\$74,376,790	\$0	\$0	\$0	\$0
2		Controlled Maintenance Level 2	55,031,769	55,031,769	0	0	0	0
3		DOC: Sterling Kitchen Renovation ph 2/2 (CR)	48,525,082	48,525,082		0	0	0
4		DHS: Regional Centers Bathroom Remodels	1,906,757	1,906,757		0	0	0
5		DHS: Regional Centers Kitchens, Pools, Parking Lot ph 1/2	1,390,293	1,390,293		0	6,105,293	0
6	29	HED: CMU Geothermal Exchange Loop	9,108,609	4,000,000	5,108,609	0	0	0
7	20	HED: MSU Health Institute Tower ph 1/3	6,564,332	6,564,332		0	24,622,285	0
8	3	HED: NJC Applied Technology Campus Expansion & Remodel ph 2/2	6,225,500	5,725,500	500,000	0	0	0
9		DOC: Sterling Access Controls Electronic Security System Repl ph 1/2 (CR)	9,396,262	9,396,262		0	28,003,136	0
10		DOC: State Penitentiary Electronic Security System Repl (CR)	5,917,551	5,917,551		0	0	0
11		DHS: Campus Utility Infrastructure, CMHIFL ph 3/3 (CR)	3,115,635	3,115,635		0	0	0
12		DHS: DYS Safety and Security Risk Mitigation	1,455,142	1,455,142		0	0	0

CAPITAL CONSTRUCTION

OSP#	CCHE		TOTAL FUNDS	CCF	CASH FUNDS	FEDERAL FUNDS	FY 2024-25 CCF COST	LATER YR CCF COST
13		CDOT: Vail Pass Supporting Structures for Avalanche Defense	2,398,650	2,398,650		0	0	0
14		CDOT: EJMT West Portal Explosive System Upgrade & Remote Avalanche Control	1,565,000	1,565,000		0	0	0
15		AGR: Insectary Greenhouse Expansion, Repair & Replacement	719,539	719,539		0	0	0
16		DMVA: Pueblo Field Maintenance Shop and Readiness Center ph 1/3	1,800,000	0	1,800,000	0	0	8,800,000
17		DPA: Capitol Complex Renovation & Footprint Reduction [Requires Legislation]	32,000,000	0	32,000,000	0	3,203,000	50,150,881
18		DPS: CBI Arvada Toxicology Lab Expansion & Investigations Space	3,036,314	3,036,314		0	0	0
19		DPS: Finance COP Purchase of Firehawk [Requires Legislation]	2,000,000	2,000,000		0	2,400,000	31,600,000
20	na	HED: SB 20-219 COP Payment	4,754,875	1,926,018	2,828,857	0	4,753,000	80,810,825
21	na	HED: CSU National Western Center COP Payment ¹	17,499,348	0	17,499,348	0	0	0
SUBTOTAL - State-Funded, Recommended			\$288,787,448	\$229,050,634	\$59,736,814	\$0	\$69,086,714	\$171,361,706

¹ The appropriation for this item originates as General Fund transferred to the National Western Center Trust Fund pursuant to section 23-31-902 (3), C.R.S., and is included in the Long Bill as a cash funds appropriation.

OSP#	CCHE	FY 2023-24 CASH-FUNDED REQUESTED APPROPRIATION:						
1		DNR: Infrastructure and Property Maintenance	\$90,422,185	\$0	\$90,422,185	\$0		
2		DNR: Property Acquisition and Improvements	25,000,000	0	25,000,000	0		
SUBTOTAL - Cash-Funded, Recommended			\$115,422,185	\$0	\$115,422,185	\$0		

TOTAL -FY 2022-23 Governor's Request	\$404,209,633	\$229,050,634	\$175,158,999	\$0	\$69,086,714	\$171,361,706
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INCREASE/(DECREASE)	(\$161,997,794)	\$221,104,259	(\$381,336,723)	(\$1,765,330)
Percentage Change	(28.6%)	2,782.5%	(68.5%)	(100.0%)

(CR) indicates the project is capital renewal.

SUMMARY OF ISSUES PRESENTED TO THE JOINT BUDGET COMMITTEE

CONTINUATION PHASES OF HIGHER EDUCATION PROJECTS NOT RECOMMENDED: Large capital expansion projects, especially for institutions of higher education, are often broken into multiple phases that are able to stand on their own. Therefore, the approval of one phase of a project in a given year is in no way a guarantee that the General Assembly will provide funding for the remaining phases in subsequent years. The OSPB recommendation excludes continuation phases of four higher education projects that were previously provided funding for their initial phases. This issue discusses those specific projects and recommends the JBC consider re-ordering the CDC prioritization list in the event those projects are not recommended for funding by the CDC.

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IT Capital Projects

The IT Capital section of the Long Bill includes funding appropriated to state departments and institutions of higher education for IT Capital projects. IT Capital appropriations are primarily supported by General Fund transferred to the Information Technology Capital Account in the Capital Construction Fund (CCF).

FY 2022-23 APPROPRIATION AND FY 2023-24 REQUEST

FY 2023-24 INFORMATION TECHNOLOGY PROJECTS - GOVERNOR'S REQUEST							
		TOTAL FUNDS	CCF	CASH FUNDS	REAPP'D FUNDS	FEDERAL FUNDS	ADDITIONAL OUT-YEAR STATE FUNDS
FY 2022-23 Appropriation							
FY 2022-23 Long Bill (H.B. 22-1329)		\$146,428,435	\$109,102,442	\$17,186,989	\$0	\$20,139,004	
TOTAL		\$146,428,435	\$109,102,442	\$17,186,989	\$0	\$20,139,004	
Priority							
OSP	CCHE	FY 2023-24 OSPB PRIORITIZED REQUEST					
1	PER Payroll modernization	\$14,249,228	\$14,249,228	\$0	\$0	\$0	\$32,665,638
2	HCPF Medicaid enterprise solutions procurement	52,552,516	6,043,541	0	0	46,508,975	4,241,143
3	COR DeCORum	10,054,231	10,054,231	0	0	0	0
4	HUM OBH Info. mgmt sys. and data reporting	2,093,951	2,093,951	0	0	0	0
5	PubHea Vital Event System of Colorado	1,410,064	1,410,064	0	0	0	515,170
6	GOV OIT Technology debt	22,655,995	22,655,995	0	0	0	0
7	PubHea Stationary Sources data system	4,530,695	0	4,530,695	0	0	4,422,860
8	LAB Conveyance database	693,000	0	693,000	0	0	0
9	LAB Voc. rehab case mgmt. modernization	4,677,866	0	0	996,386	3,681,480	1,234,465
SUBTOTAL - OSPB Prioritized Requests		\$112,917,546	\$56,507,010	\$5,223,695	\$996,386	\$50,190,455	\$43,079,276
OSP	CCHE	FY 2023-24 OTHER AGENCY PRIORITIZED REQUEST					
np	COR HRMES Replacement	\$2,605,507	\$2,605,507	\$0	\$0	\$0	\$80,787
np	REV Licensing and case management software	1,000,000	1,000,000	0	0	0	9,150,000
SUBTOTAL - OSPB Nonprioritized Requests		\$3,605,507	\$3,605,507	\$0	\$0	\$0	\$9,230,787
OSP	CCHE	FY 2023-24 CCHE PRIORITIZED REQUEST					
np	1 CSU Upgrade Network Hardware	\$2,992,445	\$2,244,053	\$748,392	\$0	\$0	\$0
np	2 MSU-D Network Infrastructure Modernization	1,295,000	795,000	500,000	0	0	0
np	3/4 CCD Classand Conference Room Technology	1,731,807	1,627,899	103,908	0	0	0
np	MSU-D/CMU Transforming the ERP/SIS	12,501,069	11,354,456	1,146,613	0	0	9,320,245
np	CCA Improving server room	885,833	814,740	71,093	0	0	0
np	5/6 UNC ERP Modernization and cloud migration ¹	1,346,873	1,291,651	55,222	0	0	0

FY 2023-24 INFORMATION TECHNOLOGY PROJECTS - GOVERNOR'S REQUEST							
		TOTAL FUNDS	CCF	CASH FUNDS	REAPP'D FUNDS	FEDERAL FUNDS	ADDITIONAL OUT-YEAR STATE FUNDS
np 8	FRCC Network and IT security upgrade	3,800,000	3,420,000	380,000	0	0	0
np 9	FLC/WCU Next generation wifi	1,835,702	1,760,438	75,264	0	0	0
np 10	CMU ERP Modernization	3,660,000	3,290,340	369,660	0	0	0
np 11	CSU-P Wireless infrastructure upgrade	810,550	810,550	0	0	0	0
SUBTOTAL - CCHE Prioritized Requests		\$30,859,279	\$27,409,127	\$3,450,152	\$0	\$0	\$9,320,245
	HED Continuation Projects (1-4)	18,520,321	16,021,408	2,498,913	0	0	9,320,245
	HED New Projects (5-11)	10,106,252	9,281,328	824,924	0	0	0
TOTAL - All IT Capital Requests		\$147,382,332	\$87,521,644	\$8,673,847	\$996,386	\$50,190,455	\$61,630,308
INCREASE/(DECREASE)		953,897	(21,580,798)	(8,513,142)	996,386	30,051,451	
Percentage Change		0.7%	(19.8%)	(49.5%)	n/a	149.2%	

¹ Staff has learned the scope of this project may be changing. Figures appearing in this table are based on the original FY 23-24 budget request

REQUEST DESCRIPTIONS – OSPB PRIORITIZED

1. PER PAYROLL MODERNIZATION: The Department of Personnel & Administration (the Department or DPA) requests IT Capital Construction funds of \$14,249,228 in FY 2023-24, \$17,203,705 in FY 2024-25, and \$15,461,933 in FY 2025-26 to fund the creation and implementation of a payroll modernization on a statewide basis, for a total project cost of \$52,914,866. This request is not a continuation of the HRWorks project that was previously halted; this is a new project that was funded for the first time at \$6 million in FY 2022-23. This request is the second request of an Agile phased approach to modernize the State’s payroll system. This request to modernize the existing payroll system is anticipated to span four years for implementation.

2. HCPF MEDICAID ENTERPRISE SOLUTIONS PROCUREMENT: The Department of Health Care Policy and Financing requests \$52.6 million total funds, including \$6.0 million Capital Construction Fund (CCF) and 0.0 FTE in FY 2023-24 and \$36.9 million total funds, including \$4.2 million CCF in FY 2024-25 for a *Systems Enhancement Regulatory Compliance IT project* to comply with state procurement regulations and the Center for Medicare and Medicaid Services (CMS) procurement requirements for the Department’s Medicaid Enterprise Solutions (MES). The goal of this request is to provide the funding that allows the Department to add or replace MES vendor(s) without being disruptive to Medicaid members, providers, stakeholders, and Department staff. In order to meet this goal, the Department has estimated the costs it would take to transition between vendors in the event a new vendor is selected to manage a current or future MES module.

3. COR DECORUM: The Department of Corrections (DOC) requests \$9,873,308 additional Information Technology (IT) Capital Construction (CCF-II) General Fund (GF) funding for the Department of Corrections Offender Records Management System (DeCORuM) project through FY 2025-26. The request will fund the additional resources required to complete the project. This is a continued System Replacement Project. If not approved, DOC will continue to utilize an unsustainable system that is a decade past its projected end-of-life, risking catastrophic failure. The Department will leverage commercial off-the-shelf (COTS) software to implement a fully integrated electronic offender management information system (eOMIS). This software solution will eliminate the need to use the multiple outdated software systems that span 30 plus years of aged technology.

4. HUM OBH INFORMATION MANAGEMENT SYSTEM AND DATA REPORTING: The Department of Human Services (DHS, Department), Office of Behavioral Health (OBH) requests \$5,946,390 total funds/General Fund for the purchase, development, and enhancement of OBH data and information systems. Funding will be needed over a three fiscal year period to implement a strategic, comprehensive approach to enhancing current systems and building new systems, which will be integrated into existing systems as applicable. This capital request is for multiple sub-projects which will be more effective if they can be developed as part of a coherent strategic plan. This project would support critical business functionality for the Forensic Services Division (FSDV), the Colorado Mental Health Institute at Pueblo (CMHIP), and the Colorado Mental Health Institute at Fort Logan (CMHIFL).

5. PUBHEA VITAL EVENT SYSTEM OF COLORADO: The Colorado Department of Public Health and Environment is requesting \$1,925,232 General Fund Capital IT funds to begin phase two of the Vital Event System of Colorado (VESCO) system development and implementation. In FY 2023-24, \$1,410,064 in General Fund Capital Construction IT funds is needed to begin the Electronic Death Registration System (EDRS) module. In FY 2024-25, \$515,169 is needed for accompanying Fetal Death Registration System, Induced Terminations of Pregnancy (ITOPS) and Marriage and Dissolution systems. As part of the VESCO initiative, CDPHE wishes to develop and migrate current legacy systems for marriage, adoption, paternity, divorce, fetal death, and induced terminations of pregnancies into the VESCO system to realize the same benefits as developing the death module within VESCO.

6. GOV OIT TECHNOLOGY DEBT: OIT is requesting \$164,585,672 in IT capital funding as another round of investment in remediating technical debt and the associated risk it poses to the state. As with our last tech debt request, this request will enable the state to advance transformation of technology, improve security, and accelerate the use of digital services. This proposal specifically addresses the goal of transforming technology in the state by accelerating new technology and decommissioning legacy technology. The outcome will be an improved user experience and overall efficiency of government service delivery. The projects funded by this request will take up to three years to complete, requiring the funding to be available until FY 2025-26.

7. PUBHEA STATIONARY SOURCES DATA SYSTEMS: The Department of Public Health and Environment is seeking Year 2 funding in the amount of \$4,530,695 in cash funds for the Stationary Sources Solution Modernization project. The request is for Year 2 funding for the Department to modernize its outdated (circa 1995) core data systems used primarily for stationary source regulatory and management purposes. The General Assembly funded this IT Capital request in FY 2022-23 in the amount of \$4,099,148 in General Funds. Funding will be used to develop and implement a data system for permitting, inventory, reporting, inspections, compliance and enforcement, billing, and public access to data. The system will also potentially be used for greenhouse emission tracking and management purposes. This project will create a system that will allow the regulated community to submit environmental regulatory permit applications, compliance- and enforcement-related materials, and other reports online.

8. LAB CONVEYANCE DATABASE: The Department of Labor and Employment requests a total of \$693,000 in cash fund spending authority in FY 2023-24 for a capital technology project to support the enhancements to the conveyance database system within the Division of Oil & Public Safety. The Division has had a digital conveyance system for about eight years, with the current iteration of the system in place since 2015. The current application is utilized to assist the Division in the regulation and enforcement of conveyance compliance and to track all conveyances in the state. This request represents a “System Enhancement Regulatory Compliance” category of the IT project. The enhancements to the database will provide reconfiguration and additional integration of applications to ensure accurate information and timely processing.

9. LAB VOCATIONAL REHABILITATION CASE MANAGEMENT SYSTEM MODERNIZATION: The Department of Labor and Employment requests a total of \$5,912,331, with \$1,259,327 in Reappropriated Funds and \$4,653,004 in Federal Fund spending authority for a capital technology project in order to support the implementation of a commercial-off-the-shelf (COTS) Case Management Vocational Rehabilitation System, as a replacement for a legacy case management system (AWARE) that is over 10 years old. The current AWARE system that is used by the Division of Vocational Rehabilitation staff for case management and vendor services is aging and has been substantially the same for more than a decade. Changes that are necessary for the Department to respond to the dynamic environment in which it operates take longer, costs more, and require direct involvement from the vendor. This request represents a “System Replacement” category of the IT project.

NP COR HRMES REPLACEMENT: The Department of Corrections (DOC) requests 5.5 FTE and \$2,605,507 Information Technology Capital Construction Funds (CCF-IT) in FY 2023-24 to modernize the DOC Human Resources Management System (HRMES) for a system replacement. This request includes the components necessary to implement a web-based system, software licenses, professional services, training, change management, hosting, project management, and additional FTE support. Through this request, the Department, in collaboration with the Governor’s Office of Information Technology (OIT), seeks approval from the Joint Technology and Joint Budget Committees to implement a modernization project that will replace the current DOC Human Resources Management System with a highly automated and functional HR management solution.

NP REV LICENSING AND CASE MANAGEMENT SOFTWARE: The Department of Revenue (DOR) requests licensing and case management software for the Marijuana Enforcement Division (MED) and the Specialized Business Group (SBG). The current contract term will expire June 30, 2024, with options to extend for periods of one year or less through June 30, 2026. The total amount requested for implementing a new system is a one-time cost of \$10 million, with an annual cost that is \$150,000 more than the current licensing system's annual cost. The current licensing system is limited in online application capabilities and translation services. A new system may have the ability to expand on the online services and translation services being offered now, which would increase the ability of MED and SBG to support and serve the diverse customer base.

REQUEST DESCRIPTIONS – CCHE PRIORITIZED

1. CSU UPGRADE NETWORK HARDWARE: The request is for a total of \$3.0 million dollars including an additional \$2.2 million Capital Construction Fund and \$748,392 cash funds from institutional sources. This request encompasses the third and final phase of a project to upgrade out-of-date networking hardware over three years to allow CSU-Fort Collins sufficient time to ramp up to a steady-state funding model. Critical needs supported by this upgrade include network capacity, IT security, and support for automated responses for life and safety incidents.

2. MSU-D NETWORK INFRASTRUCTURE MODERNIZATION: The request includes an increase of \$1.3 million total funds, including \$795,000 Capital Construction Fund and \$500,000 cash funds. This request funds the third phase of a three-phase project for the Metropolitan State University of Denver to modernize network infrastructure and address deferred maintenance on current IT infrastructure.

3/4(1). CCD CLASS AND CONFERENCE ROOM TECHNOLOGY: Community College of Denver (CCD) is requesting \$5,059,486 to replace, update, and standardize the College’s classroom technology and conference room technology. CCD is grateful to the legislature for funding the first two years of this three year, phased project in the FY21-22 and FY22-23 long bill. This year, CCD requests funding for the final phase three. We will implement the full project in phases over three years. The project will enable innovation in teaching, standardize teaching and conferencing

technology, and refresh outdated equipment. Critically important now, it will create stable platform for flexible remote learning and hybrid learning capabilities to prepare for unanticipated campus closures and allow students opportunities to continue learning when physical presence in the classroom isn't possible.

3/4(2). MSU-D/CMU TRANSFORMING THE ERP/SIS: The request includes an increase of \$12.5 million total funds, including \$11.4 million Capital Construction Fund and \$1.1 million cash funds. This request funds the third phase of a four-phase project for the Colorado School of Mines to modernize ERP and SIS systems. The past two requests have been made separately by the two institutions, whereas this year the institutions have submitted a combined request. The ERP and SIS systems are used across all key business operations for the institutions, such as human capital management, finance, payroll, and student information (e.g., grades, attendance records, admissions information, and financial aid).

5/6(1). CCA IMPROVING SERVER ROOM: Community College of Aurora (CCA) is requesting one-time state funding to improve the institution's core server room. The project will involve remediating five critical areas, including life safety standards, redundant power systems, HVAC coverage, remediation and elimination of redundant and obsolete equipment, and server replacements.

5/6(2). UNC ERP MODERNIZATION AND CLOUD MIGRATION: The University of Northern Colorado is requesting one-time state funding to move the institution's on-premises ERP system to Ellucian's Managed Cloud. Since last year's funding request of \$4.5 million was not approved, UNC has conducted additional research, which has resulted in a significant revamp of their project approach and a reduced funding request. Instead of moving the human resources and finance systems to a different vendor, UNC is now requesting funding to simply move the Ellucian on-premises ERP to the Ellucian Managed Cloud solution.

8. FRCC NETWORK AND IT SECURITY UPGRADE: Front Range Community College (FRCC) is requesting one-time funding to upgrade the wireless networking infrastructure (WiFi) and IT security at their three campuses in Fort Collins, Westminster, and Longmont. The upgrade will better support students on campus and remote learning as demand increases on the wireless network. Additionally, the project will improve campus security by creating an isolated network that will allow backup power to security cameras, access control, and radio systems and will ensure campus security is able to handle emergency events efficiently.

9. FLC/WCU NEXT GENERATION WIFI: FLC and Western have requested one-time state funding for a project to improve the institutions' WiFi networks. The project will upgrade the supporting infrastructure of Access Points (APs), network switches, core networking switches, and introduce cloudbased controllers to support WiFi 6 coverage. FLC and Western have collaborated to design similar networks, allowing the ability to use the same vendors, equipment, and purchasing agreements.

10. CMU ERP MODERNIZATION: Colorado Mesa University (CMU) is requesting one-time state funding to implement cloud software-as-a-service human resources (HR) and finance enterprise resource planning (ERP) systems and develop a data management and data integration strategy. CMU did not receive the requested state funding for the project last year; however, CMU has decided to use institution cash funds to fund phase one of the project. This decision was based on Ellucian's ending its Application Managed Services in 2022, which provided CMU with database administrator services and software maintenance and upgrades. The total estimated cost of phase one, which will involve migrating the CMU SIS to Ellucian's Managed Cloud running on Amazon Web Services, is estimated to cost \$610,000 with an estimated go-live in February 2023. For FY 2023-24, CMU is requesting state funding to complete phases two and three of the project.

11. CSU-P WIRELESS INFRASTRUCTURE UPGRADE: Colorado State University-Pueblo (CSU-P) is requesting one-time state funding for their WiFi Technology Infrastructure Upgrade project. According to CSUP, 100 percent of the institution's wireless network is now either at or beyond the industry standard of the useable lifespan of seven years. CSUP is requesting funding for an upgrade to the WiFi infrastructure that is essential to support teaching and learning.

SUMMARY OF ISSUES PRESENTED TO THE JOINT BUDGET COMMITTEE

STATEWIDE AGENCY ACCESS TO THE IT CAPITAL BUDGET PROCESS AND FUNDING: Current statute limits access to the IT Capital budget process and IT Capital dedicated funding to state agencies in the executive branch and institutions of higher education. This limits the opportunity for state agencies from the independent branches and elected official departments from the opportunity to submit project requests for dedicated state funding for large-scale, IT projects. This gap in process also reduces the specialized, technical, and ongoing legislative oversight of the development and implementation of large-scale IT projects provided by the Joint Technology Committee.

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Statewide Compensation and PERA

Statewide compensation refers to state employee salary and benefit costs. Compensation common policies are funded through a group of centrally appropriated line items generally found in each department's Executive Director's Office. The annual budget request for total compensation is driven by employee salaries, benefit elections, requested policy changes, and statutory contributions for PERA payments for the unfunded liability. The statewide FY 2022-23 appropriation for: the estimated salary base represents approximately 9.5 percent of statewide operating General Fund appropriations; standard PERA and Medicare represent approximately 1.3 percent of statewide operating General Fund appropriations; compensation common policies represents approximately 2.0 percent of statewide operating General Fund appropriations; and PERA payments for the unfunded liability (AED, SAED, and PERA Direct Distribution) represent approximately 1.2 percent of statewide operating General Fund appropriations.

FY 2022-23 APPROPRIATION AND FY 2023-24 REQUEST

SALARY BASE, COMPENSATION COMMON POLICIES, AND PERA PAYROLL COMPONENTS					
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
FY 2022-23 Appropriation					
Base Salary Estimate	\$2,098,366,201	\$1,181,558,215	\$466,652,996	\$218,627,953	\$231,527,037
PERA	253,282,261	143,252,350	56,558,972	26,040,759	27,430,180
Medicare (FICA)	31,663,002	17,880,862	7,006,935	3,293,516	3,481,689
Shift Differential	16,049,041	12,699,428	742,385	1,755,688	851,540
Salary Survey	66,265,624	36,666,318	15,146,039	6,720,421	7,732,846
Merit Pay	0	0	0	0	0
Minimum Wage	859,716	123,613	695,742	35,051	5,310
Health, Life, Dental	347,941,052	199,586,005	78,344,196	33,312,313	36,698,538
Paid Family Leave and Medical Insurance	0	0	0	0	0
Short-term Disability	3,401,364	1,926,738	743,502	356,031	375,093
AED	108,934,267	61,409,617	24,161,857	11,356,955	12,005,838
SAED	108,934,267	61,409,617	24,161,857	11,356,955	12,005,838
PERA Direct Distribution	58,129,321	31,013,021	16,237,771	5,389,913	5,488,616
TOTAL	\$3,093,826,116	\$1,747,525,783	\$690,452,253	\$318,245,555	\$337,602,524
FY 2023-24 Request					
Base Salary Estimate	\$2,229,829,465	\$1,211,993,595	\$522,244,320	\$233,392,290	\$262,199,260
PERA	283,295,009	156,983,976	65,243,195	28,889,045	32,178,793
Medicare (FICA)	34,425,292	18,797,948	8,006,426	3,598,769	4,022,149
Shift Differential	17,269,238	14,176,471	711,215	1,625,431	756,121
Salary Survey	118,810,307	65,539,704	28,374,706	10,591,644	14,304,253
Merit Pay	0	0	0	0	0
Minimum Wage	59,822	20,300	8,526	0	30,996
Health, Life, Dental	389,008,233	215,858,831	90,556,302	37,193,519	45,399,581
Paid Family Leave and Medical Insurance	0	0	0	0	0
Short-term Disability	3,472,063	1,894,189	800,163	366,601	411,110
AED	118,399,887	64,605,938	27,571,040	12,357,326	13,865,583
SAED	118,399,887	64,605,938	27,571,040	12,357,326	13,865,583
PERA Direct Distribution	8,880,925	4,682,545	2,551,394	838,485	808,501
TOTAL	\$3,321,850,128	\$1,819,159,435	\$773,638,327	\$341,210,436	\$387,841,930
Increase/(Decrease)	\$228,024,012	\$71,633,652	\$83,186,074	\$22,964,881	\$50,239,406
Percent Change	7.4%	4.1%	12.0%	7.2%	14.9%

FY 2023-24 TOTAL COMPENSATION REQUEST

The FY 2023-24 total compensation request is estimated to be \$3.32 billion total funds, including \$1.82 billion General Fund, an increase of \$228.02 million over the prior year appropriation, which represents a 7.4 percent increase in total compensation-related appropriations.

BASE SALARY, PERA, AND MEDICARE (FICA)					
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
FY 2022-23 Appropriation					
Base Salary Estimate	\$2,098,366,201	\$1,181,558,215	\$466,652,996	\$218,627,953	\$231,527,037
PERA	253,282,261	143,252,350	56,558,972	26,040,759	27,430,180
Medicare (FICA)	31,663,002	17,880,862	7,006,935	3,293,516	3,481,689
TOTAL	\$2,383,311,464	\$1,342,691,427	\$530,218,903	\$247,962,228	\$262,438,906
FY 2023-24 Request					
Base Salary Estimate	\$2,229,829,465	\$1,211,993,595	\$522,244,320	\$233,392,290	\$262,199,260
PERA	283,295,009	156,983,976	65,243,195	28,889,045	32,178,793
Medicare (FICA)	34,425,292	18,797,948	8,006,426	3,598,769	4,022,149
TOTAL	\$2,547,549,766	\$1,387,775,519	\$595,493,941	\$265,880,104	\$298,400,202
Increase/(Decrease)	\$164,238,302	\$45,084,092	\$65,275,038	\$17,917,876	\$35,961,296
Percent Change	6.9%	3.4%	12.3%	7.2%	13.7%

BASE SALARY ESTIMATE: The request includes a base salary estimate of \$2.2 billion total funds, including \$1.2 billion General Fund, for FY 2023-24 employee salaries.

PERA: The request includes an estimate of \$283.3 million total funds, including \$157.0 million General Fund, for employer payroll-related contributions to PERA.

MEDICARE (FICA): The request includes an estimate of \$34.4 million total funds, including \$18.8 million General Fund, for employer payroll-related contributions to Medicare.

OTHER SALARY RELATED ADJUSTMENTS					
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
FY 2022-23 Appropriation					
Shift Differential	\$16,049,041	\$12,699,428	\$742,385	\$1,755,688	\$851,540
Salary Survey	66,265,624	36,666,318	15,146,039	6,720,421	7,732,846
Merit Pay	0	0	0	0	0
Minimum Wage	859,716	123,613	695,742	35,051	5,310
SUBTOTAL - Salary	\$83,174,381	\$49,489,359	\$16,584,166	\$8,511,160	\$8,589,696
FY 2023-24 Request					
Shift Differential	\$17,269,238	\$14,176,471	\$711,215	\$1,625,431	\$756,121
Salary Survey	118,810,307	65,539,704	28,374,706	10,591,644	14,304,253
Merit Pay	0	0	0	0	0
Minimum Wage	59,822	20,300	8,526	0	30,996
SUBTOTAL - Salary	\$136,139,367	\$79,736,475	\$29,094,447	\$12,217,075	\$15,091,370
Increase/(Decrease)	\$52,964,986	\$30,247,116	\$12,510,281	\$3,705,915	\$6,501,674
Percent Change	63.7%	61.1%	75.4%	43.5%	75.7%

SHIFT DIFFERENTIAL: Shift differential funds are used for adjustments to some employee wages for work that is performed outside of standard 8:00 a.m. to 5:00 p.m. business hours. Shift differential is requested at 100 percent of prior year actual expenditures. The request includes \$17.3 million total funds, including \$14.2 million General Fund.

SALARY SURVEY: The request, based on the modified Partnership Agreement, includes \$118.8 million total funds, including \$65.5 million General Fund, for a 5.0 percent across-the-board increase for state employees.

MERIT PAY: The request does not include funding for merit pay increases for state employees.

MINIMUM WAGE: The request includes \$59,822 total funds, including \$20,300 General Fund, for adjustments to wages for those employees who earned less than \$15.75 per hour.

INSURANCE BENEFITS					
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
FY 2022-23 Appropriation					
Health, Life, Dental	\$347,941,052	\$199,586,005	\$78,344,196	\$33,312,313	\$36,698,538
Paid Family Leave and Medical Insurance	0	0	0	0	0
Short-term Disability	3,401,364	1,926,738	743,502	356,031	375,093
SUBTOTAL - Benefits	\$351,342,416	\$201,512,743	\$79,087,698	\$33,668,344	\$37,073,631
FY 2023-24 Request					
Health, Life, Dental	\$389,008,233	\$215,858,831	\$90,556,302	\$37,193,519	\$45,399,581
Paid Family Leave and Medical Insurance	0	0	0	0	0
Short-term Disability	1,926,739	1,894,189	800,163	366,601	411,110
SUBTOTAL - Benefits	\$392,480,296	\$217,753,020	\$91,356,465	\$37,560,120	\$45,810,691
Increase/(Decrease)	\$41,137,880	\$16,240,277	\$12,268,766	\$3,891,776	\$8,737,060
Percent Change	11.7%	8.1%	15.5%	11.6%	23.6%

HEALTH, LIFE, DENTAL: The request includes \$389.0 million total funds, including \$215.9 million General Fund, for employee health, life, and dental benefits elected by employees as of July 2022. Additional adjustments may be included in a budget amendment based on new actuarial recommendations received in December. The base adjustment request reflects an increase of \$41.1 million total funds, including \$16.2 million General Fund, in FY 2023-24.

PAID FAMILY AND MEDICAL LEAVE INSURANCE: The request does not include an appropriation for FY 2023-24. Pursuant to H.B. 22-1133 (Family and Medical Leave Insurance Fund), the State’s portion of the insurance premium is prepaid until the balance in the Family and Medical Leave Insurance Fund reaches zero. JBC staff estimates that the balance in the Fund would last nearly twice as long if statute were amended to state that the “amount otherwise paid from the General Fund” is attributed to the Fund and not the entire amount of the State’s premium. The total estimated cost of the insurance premium is \$4.3 million in FY 2022-23 and \$9.0 million in FY 2023-24. Proposition 118, approved by voters in November 2020, requires employers and employees in Colorado to pay a payroll premium (.90 percent with a minimum of half paid by the employer) to finance paid family and medical leave insurance benefits beginning January 1, 2023 in order to finance up to 12 weeks of paid family medical leave to eligible employees beginning January 1, 2024.

STD: Short term disability is requested at a rate of 0.15 percent of revised base salaries. STD is estimated at \$1.92 million total funds, including \$1.89 million General Fund.

PERA PAYMENTS FOR UNFUNDED LIABILITY (NON-BENEFIT COMPONENTS)					
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
FY 2022-23 Appropriation					
AED	\$108,934,267	\$61,409,617	\$24,161,857	\$11,356,955	\$12,005,838
SAED	108,934,267	61,409,617	24,161,857	11,356,955	12,005,838
PERA Direct Distribution	58,129,321	31,013,021	16,237,771	5,389,913	5,488,616
TOTAL	\$275,997,855	\$153,832,255	\$64,561,485	\$28,103,823	\$29,500,292
FY 2023-24 Request					
AED	\$118,399,887	\$64,605,938	\$27,571,040	\$12,357,326	\$13,865,583
SAED	118,399,887	64,605,938	27,571,040	12,357,326	13,865,583
PERA Direct Distribution	8,880,925	4,682,545	2,551,394	838,485	808,501
TOTAL	\$245,680,699	\$133,894,421	\$57,693,474	\$25,553,137	\$28,539,667
Increase/(Decrease)	\$(30,317,156)	\$(19,937,834)	\$(6,868,011)	\$(2,550,686)	\$(960,625)
Percent Change	(11.0%)	(13.0%)	(10.6%)	(9.1%)	(3.3%)

AED: Amortization Equalization Disbursement is set at a statutory rate of 5.0 percent and is estimated to be \$118.4 million total funds, including \$64.6 million General Fund.

SAED: Supplemental Amortization Equalization Disbursement is set at a statutory rate of 5.0 percent and is estimated to be \$118.4 million total funds, including \$64.6 million General Fund.

PERA DIRECT DISTRIBUTION: In FY 2019-20, a common policy allocation to state agencies was added for the state's \$225.0 million statutory PERA Direct Distribution payment. This allocation was added to common policies to charge cash and federal funds sources for what would otherwise be a General Fund payment. The PERA Direct Distribution totals \$8.9 million, including \$4.7 million General Fund in FY 2023-24.

The following table outlines all PERA payments included in total compensation.

ALL PERA PAYMENTS					
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
FY 2022-23 Appropriation					
PERA (standard employer contrib.)	\$253,282,261	\$143,252,350	\$56,558,972	\$26,040,759	\$27,430,180
AED	108,934,267	61,409,617	24,161,857	11,356,955	12,005,838
SAED	108,934,267	61,409,617	24,161,857	11,356,955	12,005,838
PERA Direct Distribution	58,129,321	31,013,021	16,237,771	5,389,913	5,488,616
SUBTOTAL - Benefits	\$529,280,116	\$297,084,605	\$121,120,457	\$54,144,582	\$56,930,472
FY 2023-24 Request					
PERA (standard employer contrib.)	\$283,295,009	\$156,983,976	\$65,243,195	\$28,889,045	\$32,178,793
AED	118,399,887	64,605,938	27,571,040	12,357,326	13,865,583
SAED	118,399,887	64,605,938	27,571,040	12,357,326	13,865,583
PERA Direct Distribution	8,880,925	4,682,545	2,551,394	838,485	808,501
SUBTOTAL - Benefits	\$528,975,708	\$290,878,397	\$122,936,669	\$54,442,182	\$60,718,460
Increase/(Decrease)	\$(304,408)	\$(6,206,208)	\$1,816,212	\$297,600	\$3,787,988
Percent Change	(0.1%)	(2.1%)	1.5%	0.5%	6.7%

SUMMARY OF ISSUES PRESENTED TO THE JOINT BUDGET COMMITTEE

COWINS PARTNERSHIP AGREEMENT: The Colorado Partnership for Quality Jobs and Services Act requires the State to enter into a partnership agreement with certified employee organizations, defines the duties of the parties, and sets standards and procedure related to disputes. While the fiscal note for the Act identifies the need for additional human resources staff in some departments, it does not identify the fiscal impact of implementing certain provisions of the Partnership Agreement.

PERA UPDATE: An informational PERA update based on PERA's 2021 Comprehensive Annual Financial Report and related documents. PERA experienced an investment return of 16.1 percent in 2021, compared with a 17.4 percent in 2020. The net investment income of the plan in 2021 was \$10.2 billion. Member contributions totaled \$1.3 billion and employer contributions totaled \$2.1 billion.

FOR MORE INFORMATION

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Other Statewide Budget Actions

The Joint Budget Committee received several briefings on statewide budget issues described below.

SUMMARY OF ISSUES PRESENTED TO THE JOINT BUDGET COMMITTEE

FEDERAL CORONAVIRUS STATE FISCAL RECOVERY FUNDS AND OTHER ONE-TIME FUNDING (PRESENTED 11/14/22): Over the last three fiscal years (FY 2020-21, FY 2021-22, and FY 2022-23) the General Assembly has allocated approximately \$6.4 billion in one-time funds to support programs across state government. As of November 9, 2022, JBC staff had identified one-time allocations of \$3.5 billion originating as federal ARPA funds, \$2.4 billion originating as General Fund and \$0.4 billion originating as other cash and federal funds subject to legislative control, such as Marijuana Tax Cash Funds. Of the total, 63.2 percent of the General Fund amounts and 48.7 percent of the federal ARPA funds amounts are continuously appropriated, *i.e.*, the funds have been transferred to cash funds from which agencies are authorized to spend without further appropriation.

MARIJUANA POLICY OVERVIEW (PRESENTED 11/14/22): Decreasing projections of marijuana tax revenues relative to the assumptions in the FY 2022-23 appropriation will likely require legislative action to ensure the solvency of the fund in the current year. The revenue changes and the General Assembly's response will also impact the status of the fund in FY 2023-24. Barring a significant rebound in marijuana tax revenues, JBC staff anticipates recommending that the Committee sponsor legislation during the 2023 Session to adjust the MTCF's obligations in FY 2022-23 and maintain the solvency of the fund. Staff recommends basing those actions on the March 2023 revenue forecast selected for balancing the FY 2023-24 budget.

TOBACCO REVENUE (PRESENTED 11/14/22): Colorado has traditionally received annual tobacco revenue from two sources, with a third source being added beginning January of 2021:

- The Tobacco Master Settlement Agreement (MSA), a 1998 legal settlement between tobacco manufacturers and the states who sued the tobacco manufacturers to recover Medicaid and other health-related costs incurred by the states as a result of treating smoking related illnesses.
- Tobacco taxes imposed by Section 21 of Article X of the Colorado Constitution (often called Amendment 35).
- An additional tobacco tax created by HB 20-1427 (Proposition EE) beginning January 1st 2021.

Both Amendment 35 and MSA dollars are distributed by formula, while proposition EE revenue distribution is largely specified in HB 20-1427. Long Bill appropriations are determined based on forecasted revenues provided by Legislative Council Staff (LCS).

STATUTORY GENERAL FUND RESERVE (PRESENTED 11/15/22): Over the summer, the chair of the Joint Budget Committee (Rep. McCluskie) requested that the JBC Staff analyze the statutory General Fund reserve requirement, including defining the purpose of the reserve (*i.e.*, what are we saving for) and the adequacy of the reserve. There were concerns from the legislature as a whole and from within the JBC that the reserve might be too high, needlessly tying up resources that could be used for other purposes, and a perceived lack of clarity and consensus on the goals for the reserve. Analysis by the JBC staff suggests *increasing* the reserve would provide value.

FOR MORE INFORMATION

FEDERAL CORONAVIRUS STATE FISCAL RECOVERY FUNDS AND OTHER ONE-TIME FUNDING:

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MARIJUANA POLICY OVERVIEW:

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APPENDIX A: MID-YEAR CHANGES FOR FY 2022-23

FY 2022-23 INTERIM SUPPLEMENTAL <i>OPERATING</i> REQUESTS APPROVED BY THE JBC							
DEPARTMENT	REQUEST TITLE	TOTAL FUNDS	FTE	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
Human Services	Children and Youth Mental Health Treatment Act	\$3,000,000	0.0	\$3,000,000	\$0	\$0	\$0
Public Health and Environment	Monkeypox Public Health Response	3,347,178	0.0	3,347,178	0	0	0
TOTAL		\$6,347,178	0.0	\$6,347,178	\$0	\$0	\$0

FY 2022-23 INTERIM SUPPLEMENTAL <i>CAPITAL</i> REQUESTS APPROVED BY THE JBC							
DEPARTMENT	REQUEST TITLE	TOTAL FUNDS	FTE	GENERAL FUND (TRANSFER TO CAPITAL CONSTRUCTION FUND)	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
Higher Education	Arapahoe Community College, Health Program Integration and Annex Building Renovation	\$3,500,000	0.0	\$0	\$3,500,000	\$0	\$0
Higher Education	Community College of Aurora, Diesel and Support Services Building, and BuildStrong Academy	4,599,586	0	0	4,599,586	0	0
TOTAL		\$8,099,586	0.0	\$0	\$8,099,586	\$0	\$0

APPENDIX B JBC STAFF CONTACTS AND ASSIGNMENTS

JOINT BUDGET COMMITTEE STAFF CONTACTS AND ASSIGNMENTS

The Joint Budget Committee (JBC) main office telephone number is 303-866-2061. Each staff member may be reached at the main number or by dialing 303-866- and the extension number shown below.

ADMINISTRATIVE/STATEWIDE TOPICS	STAFF	EXT.	EMAIL
Office Administration: Staff Director Administrator IV Administrative Assistant III	Carolyn Kampman Jessi Neuberg Diva Mardones	4959 2061 2587	carolyn.kampman@coleg.gov jessi.neuberg@coleg.gov diva.mardones@coleg.gov
Appropriations Committee Coordinators: House Senate	Justin Brakke Andrea Uhl	4958 4956	justin.brakke@coleg.gov andrea.uhl@coleg.gov
Capital Construction: Information Technology Projects Controlled Maintenance Capital Renewal and Recapitalization, and Capital Expansion: State facilities, including higher education	Scott Thompson Andrea Uhl	4957 4956	scott.thompson@coleg.gov andrea.uhl@coleg.gov
Community Provider Rate Common Policy	Justin Brakke	4958	justin.brakke@coleg.gov
Marijuana Tax Policy	Craig Harper	3481	craig.harper@coleg.gov
Tobacco Master Settlement Agreement	Andrew Forbes	2062	andrew.forbes@coleg.gov

STATE AGENCIES	STAFF ANALYST	EXT.	EMAIL
Agriculture	Matt Valeta	5434	matthew.valeta@coleg.gov
Corrections	Justin Brakke	4958	justin.brakke@coleg.gov
Early Childhood	Eric Kurtz	4952	eric.kurtz@coleg.gov
Education			
(1) Management and Administration (2) Assistance to Public Schools: (C) Grant Programs, Distributions, and Other Assistance (3) Library Programs (4) School for the Deaf and the Blind	Amanda Bickel	4960	amanda.bickel@coleg.gov
(2) Assistance to Public Schools: (A) Public School Finance (B) Categorical Programs	Craig Harper	3481	craig.harper@coleg.gov
Governor			
(1)(A) Governor's Office (1)(B) Special Purpose (2) Office of the Lieutenant Governor (3) Office of State Planning and Budgeting (5) Office of Information Technology <i>OIT Common Policies</i>	Scott Thompson	4957	scott.thompson@coleg.gov
(1)(C) Colorado Energy Office	Mitch Burmeister	3147	mitch.burmeister@coleg.gov
(4) Economic Development Programs	Alfredo Kemm	4549	alfredo.kemm@coleg.gov
Health Care Policy & Financing			
(1) Executive Director's Office (2) Medical Services Premiums (5) Indigent Care Program (6) Other Medical Services	Eric Kurtz	4952	eric.kurtz@coleg.gov
(3) Behavioral Health Community Programs	Craig Harper	3481	craig.harper@coleg.gov

APPENDIX B JBC STAFF CONTACTS AND ASSIGNMENTS

STATE AGENCIES	STAFF ANALYST	EXT.	EMAIL
Health Care Policy & Financing - <i>Continued</i>			
(4) Office of Community Living	Andrew Forbes	2062	andrew.forbes@coleg.gov
(7) DHS Medicaid-funded Programs: (A) Executive Director's Office <i>Indirect Cost line items</i> (C) Office of Economic Security (F) Office of Adults, Aging & Disability Svcs	Tom Dermody	4963	tom.dermody@coleg.gov
(7) DHS Medicaid-funded Programs: (B) Office of Children, Youth, and Families Division of Child Welfare Division of Youth Services	Emily Hansen	4961	emily.hansen@coleg.gov
(7) DHS Medicaid-funded Programs: (D) Behavioral Health Administration (E) Office of Behavioral Health	Craig Harper	3481	craig.harper@coleg.gov
Higher Education	Amanda Bickel	4960	amanda.bickel@coleg.gov
Human Services			
(1) Executive Director's Office <i>Indirect Costs (lead)</i> (2) Administration and Finance (4) Office of Economic Security (7) Office of Adults, Aging, and Disability Services	Tom Dermody	4963	tom.dermody@coleg.gov
(3) Office of Children, Youth, and Families Administrative Review Unit (in Administration and Finance) Administration Division of Child Welfare Division of Youth Services	Emily Hansen	4961	emily.hansen@coleg.gov
(5) Behavioral Health Administration (6) Office of Behavioral Health Office of the Ombudsman for Behavioral Health Access to Care (in EDO)	Craig Harper	3481	craig.harper@coleg.gov
Judicial <i>Correctional Treatment Cash Fund (lead)</i>	Alfredo Kemm	4549	alfredo.kemm@coleg.gov
Labor & Employment	Abby Magnus	2149	abby.magnus@coleg.gov
Law (Attorney General's Office) <i>Legal Services Common Policy</i>	Scott Thompson	4957	scott.thompson@coleg.gov
Legislature	Carolyn Kampman	4959	carolyn.kampman@coleg.gov
Local Affairs <i>Federal Mineral Lease Revenues (lead)</i>	Andrea Uhl	4956	andrea.uhl@coleg.gov
Military & Veterans Affairs	Jon Catlett	4386	jon.catlett@coleg.gov
Natural Resources			
(1) Executive Director's Office (5) Division of Parks & Wildlife (6) Colorado Water Conservation Board (7) Division of Water Resources	Justin Brakke	4958	justin.brakke@coleg.gov
(2) Division of Reclamation, Mining & Safety (3) Oil & Gas Conservation Commission (4) State Board of Land Commissioners <i>Severance Tax Policy</i>	Mitch Burmeister	3147	mitch.burmeister@coleg.gov

APPENDIX B JBC STAFF CONTACTS AND ASSIGNMENTS

STATE AGENCIES	STAFF ANALYST	EXT.	EMAIL
Personnel			
(1) Executive Director's Office (2) Division of Human Resources (3) Personnel Board (4) Division of Central Services (5) Division of Accounts and Control (6) Administrative Courts (7) Division of Capital Assets <i>Operating Common Policies</i>	Tom Dermody	4963	tom.dermody@coleg.gov
<i>Compensation Common Policies (including PERA)</i>	Alfredo Kemm	4549	alfredo.kemm@coleg.gov
Public Health & Environment			
(1)(A) Administration and Support (A&S) (4) Air Pollution and Control Division (5) Water Quality Control Division (6) Hazardous Materials and Waste Mgmt. Div. (8) Div. of Environmental Health & Sustainability	Andrew Forbes	2062	andrew.forbes@coleg.gov
(1)(B,C) Office of Health Equity; Office of Public Health Practice, Planning, & Local Partnerships (in A&S) (2) Center for Health & Environ. Information (3) Disease Control & Public Health Response (7) Office of HIV, Viral Hepatitis and STP's (9) Prevention Services Division (10) Health Facilities & Emerg. Medical Services	Abby Magnus	2149	abby.magnus@coleg.gov
Public Safety			
(1) Executive Director's Office (2) Colorado State Patrol (<i>HUTF off-the-top limit</i>) (3) Division of Fire Prevention and Control (5) Colorado Bureau of Investigation School Safety Resource Center (in EDO) (6) Div. of Homeland Security & Emerg. Mgmt. <i>Disaster Emergency Fund (lead)</i>	Emily Hansen	4961	emily.hansen@coleg.gov
(4) Division of Criminal Justice	Justin Brakke	4958	justin.brakke@coleg.gov
Regulatory Agencies	Matt Valeta	5434	matthew.valeta@coleg.gov
Revenue	Jon Catlett	4386	jon.catlett@coleg.gov
(1) Executive Director's Office (2) Taxation Business Group (3) Division of Motor Vehicles (4) Specialized Business Group <i>Limited Gaming revenues (lead)</i> (5) State Lottery Division			
State	Abby Magnus	2149	abby.magnus@coleg.gov
Transportation	Andrea Uhl	4956	andrea.uhl@coleg.gov
Treasury <i>Unclaimed Property Trust Fund (lead)</i>	Mitch Burmeister	3147	mitch.burmeister@coleg.gov

This document is current as of December 5, 2022.