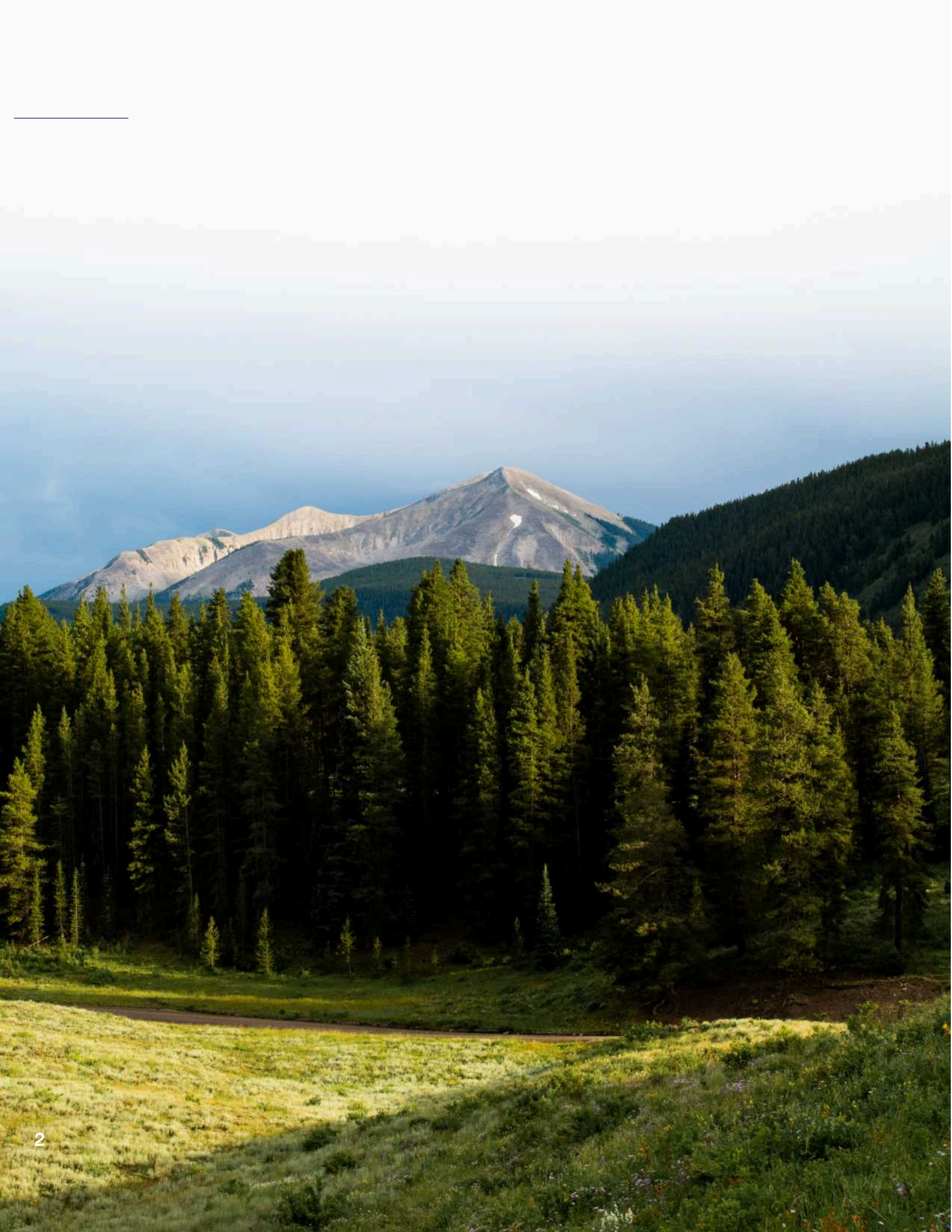




FY 2022-23 BUDGET REQUEST

Governor Jared Polis

November 1, 2021





TO THE JOINT BUDGET COMMITTEE AND THE GENERAL ASSEMBLY:

I write to you today as Colorado and the entire world continue to battle COVID-19. Ending this pandemic remains my top priority as Governor. To end this pandemic we must get more Coloradans vaccinated with the safe and highly effective vaccine. I am proud of the work we have done together to get over 80% of adults vaccinated, and I am grateful for your partnership in facing this challenge to our state. In addition to the health impacts of COVID-19, COVID has wreaked havoc on Coloradans daily lives with grave consequences for their life-work balance, their pocketbooks, and their personal wellbeing. The pandemic has disrupted global supply chains, sent shock waves through the world's economy, and killed over five million people across the world including over 8,000 Coloradans. It is up to us as leaders of this great state to put hard-working Coloradans first and move our state forward and end the pandemic.

SAVING PEOPLE MONEY AND PROTECTING THE COLORADO WAY OF LIFE

This last year has also exposed challenges in our workforce, healthcare, and child care systems, as well as in our small business sector. Above all else, the pandemic has only accelerated a pre-existing problem: that hard-working Coloradans are struggling to get ahead with the rising cost of living. This balanced budget is prudent and fiscally responsible, doubles down on my commitment to saving Coloradans money, ensures workers can earn a living wage, and puts more money back in Coloradans paychecks.

This budget also continues my commitment to ensuring we have safe and thriving communities across all of Colorado. Colorado's growth over the past year has been strong. Yet, the work ahead of us is immense to push Colorado forward through increased vaccinations, and investing in our workers, our students, our small businesses and our communities to ensure all Coloradans have the opportunity to thrive.



With the FY 2022-23 budget, we are building on the foundation that has been laid to help Colorado recover faster and stronger, and to truly build a Colorado for all. Colorado remains one of the best places in the country to live, work, and play, or to start and run a business. But we as leaders have a renewed urgency in the aftermath of this pandemic to use all the levers at our disposal to keep Colorado affordable, protect our quality of life, increase wages, and keep Colorado moving forward.

My FY 2022-23 budget request includes \$40.0 billion in total funds, an increase of 3.9%. Out of the total funds, I am requesting an increase of 8.1% in General Fund operating costs, or \$1.0 billion. As our recovery has proven stronger than anticipated, I also am proposing a transformative one-time investment of \$1.3 billion to create real change that provides individuals and small businesses relief, puts more money in the paychecks of Coloradans by reducing payroll tax pressure, protects our communities and quality of life, and allows Coloradans the freedom and opportunity to thrive now and for generations to come. My priority for the allocation of federal American Rescue Plan Act (ARPA) is to leverage these funds through local and external matches to achieve transformational change in our state's greatest challenges.

This budget provides a unique opportunity to continue moving Colorado forward and enhance our way of life by:

- Setting aside record reserves and being fiscally prudent to build a sound, responsible fiscal foundation that ensures resilience for the future;
- Putting more money in Coloradans' paychecks through unemployment and FAMILI insurance premium relief and increases in wages;
- Saving money for hard-working Coloradans through ongoing tax relief, fee reductions, and saving people money on healthcare;
- Investing in workers through increased wages, educational opportunities, and reskilling better tailored for the jobs of today and tomorrow;
- Supporting kids through an all-time high in per-pupil funding and the largest K-12 investment ever to provide a quality education for our children in K-12, and support that increased investment over time, support our teachers, and grow a stronger early childhood system;

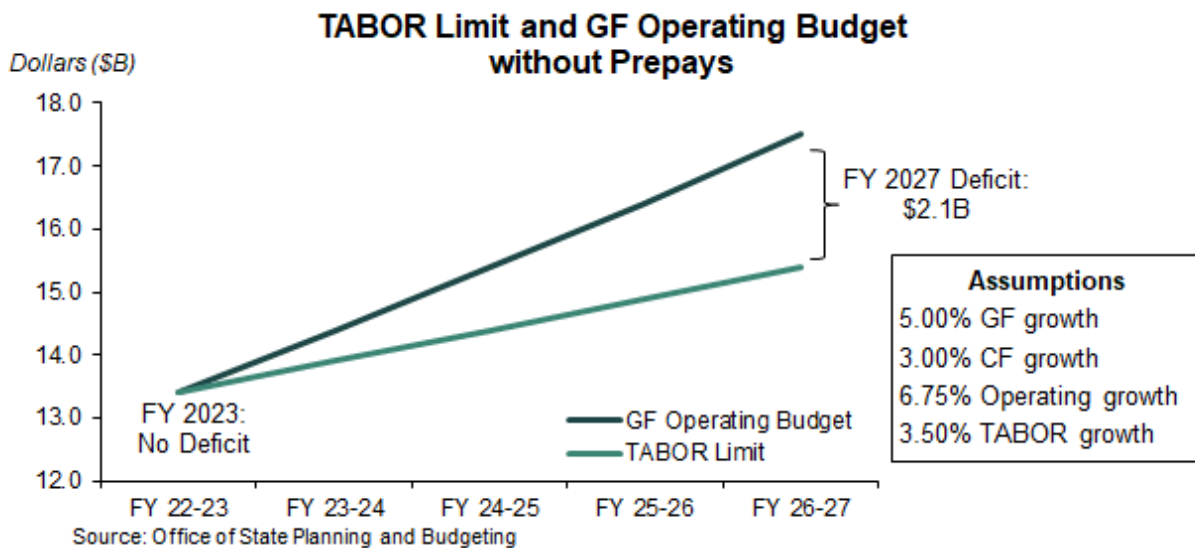
- Higher education resources to keep tuition flat and a \$139.8 million capital investment to help reduce ongoing operating costs for institutions;
- Investing in healthy and safe communities through increasing green transportation and building improvements, and ensuring cleaner air quality for a healthier future;
- Building strong communities through investments in public safety to reduce crime, ensure safer streets, build diversity in our public safety workforce, and to provide support, training, and financial support for our hard-working police officers;
- Tackling affordability by helping Coloradans have access to less costly housing closer to where they work, building a Colorado for all while addressing our climate crisis; and
- Improving behavioral and mental health systems to better meet the needs of children and adults, especially now as we recover from the difficulties caused by the pandemic.

FY 2022-23 Overview of Key Budget Components		
Item	Amount (\$M)	Notes
Fiscal Responsibility	\$4,834.0	
Historic 15% General Fund Reserve	\$1,997.0	
Modest General Fund Operating Growth	\$1,000.0	8.15% Increase
Prepay Priorities	\$1,837.0	
One-Time State Investments (Including Capital)	\$1,588.8	
Historic Buy-Down of Budget Stabilization Factor	\$150.0	+\$300M Prepays
Fee Relief for Individuals and Businesses	\$103.9	(Including FAMILI Relief)
Workforce Investments	\$50.7	+\$95M ARPA/Cash Fund
Unemployment Insurance Trust Fund Premium Relief	\$500.0	+\$100M ARPA
Public Safety Investment Package	\$45.0	+\$17.8M GF Operating +\$1.3M HUTF Operating +\$48.9 ARPA
Air Quality Investments	\$424.3	
Capital Investment to Repair and Maintain Critical State Assets	\$314.9	+61.5M CF +\$5.5M FF
ARPA Investments	\$845.0	\$798M Remaining Balance
Affordable Housing and Homeownership	\$175.0	\$225M Remaining Balance
Mental and Behavioral Health	\$275.0	\$176M Remaining Balance
Workforce Development and Education	\$95.0	\$0M Remaining Balance
Economic Recovery and Relief	\$300.0	\$397M Remaining Balance



FISCAL RESPONSIBILITY

Colorado now has a once-in-a-generation opportunity to make transformational investments that will ensure Colorado is affordable for the next generation and gets to the root of our most pressing issues. As we do this, we also have a responsibility to invest in the future of our state in a way that will prepare Colorado to meet the moment when rainy days come. That is why I submit this balanced budget that not only protects our fiscal health this fiscal year, but sets aside record resources to meet our obligations in the years ahead. This request builds on our joint efforts with the General Assembly and Joint Budget Committee earlier this year to set a historic state General Fund reserve of 15% to better prepare our state for economic uncertainty.



While this historic General Fund reserve will protect the budget from the unpredictable nature of future revenue swings, the state faces additional budget challenges over the next few years. Notably, the state's ability to continue to deliver services for healthcare needs, services for behavioral and mental health, a quality education for every child, and a living wage for our workers is constrained by an outdated formula that does not account for the inflationary pressures our state faces. As a result of this mismatched formula and the projected operating cost growth for state services, Colorado faces a structural deficit in future years. In the absence of one-time investments to offset these spending pressures, we would jeopardize the state's ability to provide ongoing critical programs and services and sustain the increased level of investment in public education.



Accordingly, I am proposing a \$1.84 billion investment to prepay some of the state's most important programs to ensure funding of these essential services and protect our future fiscal foundation. I am so proud of the bipartisan work that we have done together with the legislature to ensure that our future budgets will remain sustainable and continue to serve all Coloradans; thank you for your continued partnership in putting Coloradans first.



OPPORTUNITIES FOR ALL

EDUCATION

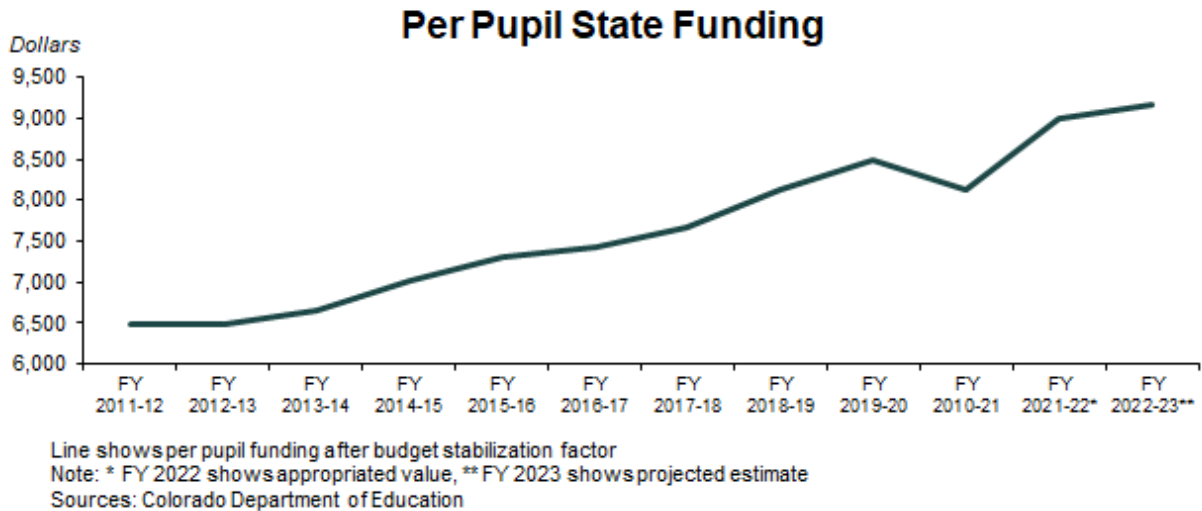
Education is the single best investment we as a state can make; we will never go wrong investing in our children and the people of Colorado. This cornerstone belief in investing in our people and our children is why I ran for Governor. It's why I am extremely proud to put forward a budget that makes an historic level of funding to our education system. This budget represents the biggest total and per-pupil investment that the state has made in our K-12 system, adds financial aid and investments to reduce the cost of higher education, and builds upon our investment in universal preschool and full-day kindergarten.

Since the people of Colorado placed their trust in me and elected me to serve as their Governor, my administration has strived every day to ensure our children have access to a high-quality education from their early developmental years through higher education and job training. During the last several years, Colorado has expanded educational opportunities by funding universal preschool, full-day kindergarten, and additional support for at-risk pupils through funding formula changes. In fact, my commitment to the future of Colorado's children has never been greater and our administration, in partnership with the legislature, has made historic investments in education.

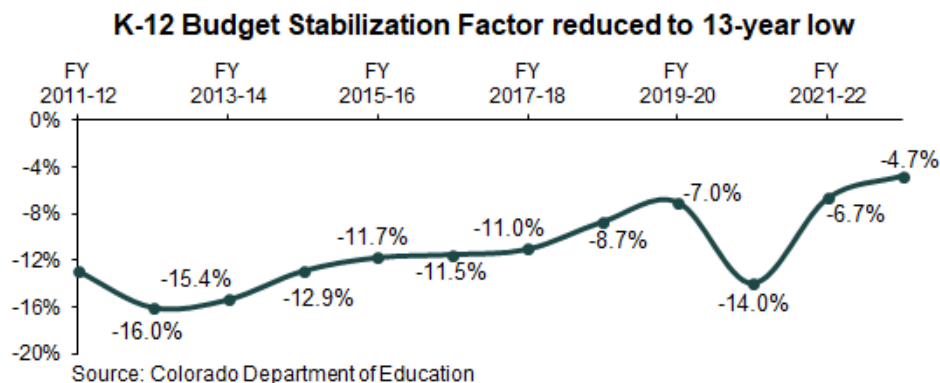
K-12 Education

Our students and public schools are the foundation of Colorado's future and I'm proud that this budget increases funding for K-12 education by \$381.2 million in FY 2022-23. This includes a significant investment to reduce the Budget Stabilization Factor by \$150 million to 4.7%, an all time low since its peak of 16.0% in FY 2012-13, and increases per pupil funding by \$526 to the highest level ever. It also proposes to pre-pay an additional \$300 million to the State Education Fund in order to maintain this new, higher level of investment in our K-12 schools.

My administration applauds the General Assembly’s efforts to improve equity in our school finance formula and encourages the legislature to continue to make progress to ensure that the schools serving our highest needs students have the resources they need to recover and help all students succeed.



In addition, as our schools work diligently to address unfinished learning across our state, this budget also increases resources for school improvement by expanding access to evidence-based supports for schools identified as underperforming under the Colorado state accountability system. Additionally, the budget empowers parents with school information by committing to improvements in data quality, accessibility, and transparency in SchoolView, the state’s school and district dashboard at the Department of Education.



Early Childhood

This budget makes huge strides towards delivering quality early childhood support and universal preschool for every child in Colorado, through the creation of a new state Department of Early Childhood, which will establish the infrastructure to build a strong, family-focused department that effectively aligns, elevates, and implements early childhood programs across the state. In particular, the Department of Early Childhood will prepare for the launch of Colorado's Universal Preschool program, which will provide at least 10 hours per week of free, high-quality preschool to all four-year-olds. It will also streamline the application process for early childhood programs to increase access to services for all families through an equitable and transparent approach. With an initial investment of \$13 million, of which \$5.1 million is General Fund, this request is the initial response to the Transition Report, and is a direct result of the H.B. 21-1304 Transition Working Group and the Transition Advisory Group's significant stakeholder work to set the Department of Early Childhood up for success this year and for years to come.

Families, child care providers, advocates, and the community as a whole have long struggled with early childhood programs spread across different departments and divisions, which created operational and budget limitations. With the goal of providing high-quality care for all children, the new Department of Early Childhood seeks to increase families' access to comprehensive early care and learning services for a whole-child, whole-family approach through unification of programs and funding at the state level. I am proud of our work with the General Assembly,





leading early childhood advocates, and community partners to have helped to secure funding for universal preschool and full-day kindergarten for all of Colorado’s children. I also thank Colorado voters for overwhelmingly supporting a ballot measure to provide free preschool access to every four-year-old in Colorado. Coloradans clearly demonstrated that they want to see further investment in early childhood.

This budget continues building on our state’s bold, bi-partisan transformation of early childhood education by providing critical funds for the creation of the new Department of Early Childhood. These funds will go toward building this exciting new agency’s capacity and to successfully implementing universal preschool starting in FY 2023-24.

To support the launch of universal preschool, the state is investing \$30M in one time funds for the renovation of up to 15 state facilities to include child care centers across educational institutions or work sites so that our state leads by example. Providing onsite child services across the state supports a thriving workforce, including parents pursuing higher education to upskill or reskill to attain better jobs and careers.

Higher Education

The COVID-19 pandemic has forced our institutions of higher education to adapt to changing workforce needs and financial landscapes. As economic drivers in local communities, institutions that rise to this challenge will help prepare Coloradans to thrive in open jobs today and in the future. This budget makes significant investments in the quality of our institutions of higher education to help them meet these needs, including an increase of \$42.6 million in operating support, an increase of 4.6%, parallel to the “inflationary and per pupil” increase in the state’s funding for K-12 education. To ensure access and affordability for Colorado students, this budget also includes an increase of \$9.8 million for student financial aid, and investments to reduce costs and keep tuition from rising, including \$139.8 million in capital maintenance and improvements, directed at some of our more underserved higher education institutions.

FOSTERING A HEALTHY BUSINESS ENVIRONMENT & SUPPORTING COLORADO'S WORKERS

Many hard-working Coloradans are struggling with strains on their life-work balance, caregiving demands, the cost of living, and the need for more money in their paychecks. This budget invests in our workers and our small businesses with unemployment and FAMLII insurance premium relief, putting more money in Coloradans' paychecks. Building on existing funding, this year's budget invests in high priority programs and services and includes critical investments across our state aligned with our goal of fostering a strong economy that creates good-paying jobs.

Small businesses have been hit hard by the global pandemic and now face challenges regarding rising premiums, disrupted international supply chains, and constrained labor supply. The unemployment rate has fallen since last year, but still remains well above pre-pandemic levels. Similarly, while labor force participation in Colorado is stronger than in the nation as a whole, difficulties remain, especially for those groups that are most vulnerable, such as women with children. Accordingly, this budget proposes strategic investments to strengthen Colorado's workforce and accelerate the recovery for Colorado businesses.



These one-time investments include workforce initiatives, unemployment insurance premium relief, and fee relief for individuals and businesses across our state, specifically:

- *\$600M in unemployment insurance premium relief*

Resources split between premium relief for employers in 2023 (to offset an increase in premiums) and direct recapitalization of the Unemployment Insurance Trust Fund. Recapitalization will accelerate repayment of federal UI debt and the fund's return to solvency, saving employers and workers money through lower fee schedules and fewer additional fees over the next 5 years and beyond so they can invest in their workforce. This budget proposes UITF relief of \$500M in General Fund in addition to \$100M ARPA Economic Recovery and Relief funds.

- *\$104M in Fee Relief for Individuals and Businesses, including making it Free to Start a Business, FAMLI Paid Family and Medical Leave premium relief, and healthcare professionals fee relief*

In 2020, Colorado voters voted for our state to become the ninth state in the U.S. to pass Paid Family and Medical Leave into law, finally establishing a way that more workers can take the time off they need for their own health or to care for a newborn child or ill family member. FAMLI will provide benefits to both employees and employers beginning January 1, 2024, while the premiums will go into effect on January 1, 2023. This funding will reduce the employer and employee paid premiums by 10% for the first six months, intended to reduce both the employer and employee contributions by 5%, mitigating the initial impact of the new premium on businesses and putting money back into employees' paychecks.

- *\$5M to help workers find in-demand opportunities*

Navigational services, outreach, and work-based learning opportunities, including apprenticeships, to support job-seekers lacking the digital skills to self-initiate their employment search or to obtain a job. By utilizing multiple contact points in each community (including through the Office of New Americans), these investments will enable these funds to be an opportunity-multiplier to support getting jobs in complement to existing local efforts to support digital literacy and will reach a diverse group of individuals looking for quality job opportunities.



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- *\$7M to invest in our current and future workforce needs*

This budget puts more resources in Coloradans' pockets to enroll and succeed in higher education and job training, whichever path they choose. This particular request provides financial support for those seeking in-demand non-degree credentials at our states' community and area technical colleges.

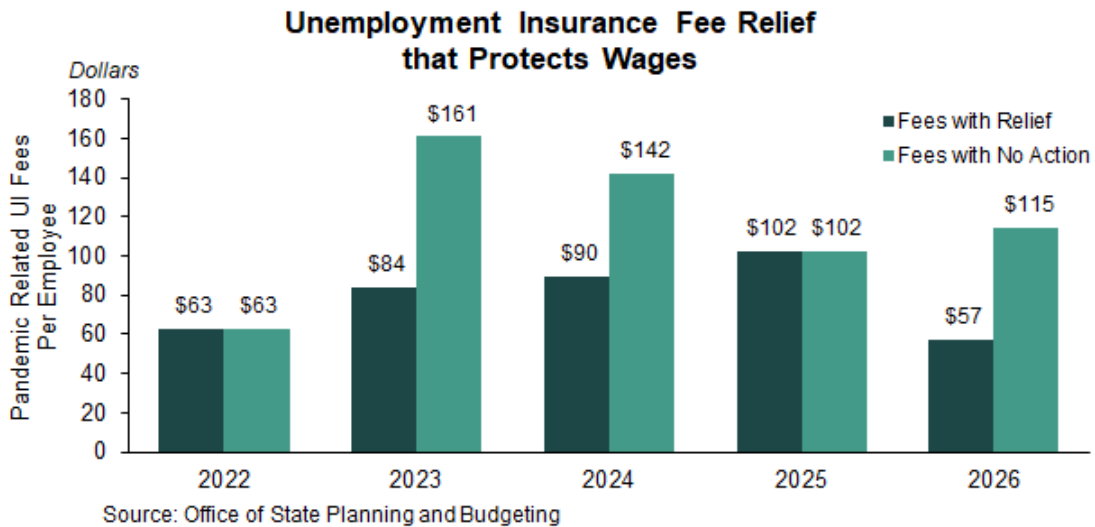
This budget also builds on the strong work of the H.B. 21-1330 Interim Committee by proposing a regional approach to building innovative and cross-sector pathways for in-demand occupations like health care and education, including through innovative approaches to talent development like high school concurrent enrollment and apprenticeship.

- *\$7M in technical assistance for access to capital*

Significant capital resources have been deployed by Colorado and the federal government to help small businesses rebound from the effects of the pandemic. These resources include the CLIMBER fund, Energize Colorado, and the Colorado Startup Loan fund, among others. Investments in technical assistance will help ensure that more businesses across our state are able to access these funds and other available resources through community development financial institutions and small business development centers.

- *\$30M to create more child care facilities*

We can create more child care options for hard-working Coloradans by renovating existing state buildings, including higher education institutions, so that these facilities can be used as child care centers for the public, state employees, and students. This effort will increase the supply of child care for Colorado's workforce and help build the workforce of the future. Once the Office of Economic Development and International Trade receives these funds, it will engage potential private partners to manage and operate these facilities going forward. This partnership will allow for additional child care capacity across our state without requiring additional ongoing state investments.



State Employee Labor Agreement

My FY 2022-23 budget and legislative agenda advances the wildly important goal of making Colorado an “employer of choice” for job seekers, supports Colorado’s valued public servants, promotes equity, diversity, and inclusion, and maintains the State’s highly competitive total compensation package.

House Bill 20-1153 required the state and the state employee labor union, Colorado Workers for Innovative and New Solutions (WINS) to negotiate a three-year partnership agreement. I am proud to report that a thoughtful agreement was reached in October and includes 3% across the board pay increases for each of the next three years, a \$15 minimum wage, and the doubling of the state’s current paid family medical leave guarantee. Employees have until November 16, 2021, to vote and ratify the agreement. This agreement includes 33 articles with the majority being non-economic. This budget invests in our valued public servants, who show up each and every day to serve some of the most vulnerable Coloradans by:

- Keeping premium increases low for state workers by agreeing to cover up to \$20 million in health, life, and dental premium increases;
- Providing \$5.4 million for 160 hours of Paid Family Medical Leave (PFML) which is in addition to the Family Medical Leave Insurance Program benefits which begin January 1, 2024, and are funded by premiums which will be paid into the system beginning January 1, 2023;



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- Providing \$0.5 million to fund employee tuition reimbursement;
 - Providing \$0.5 million to support departments which have employees who serve as union officers or stewards; and
 - Providing \$0.3 million for the Colorado State Employee Assistance Program (CSEAP).

Also in alignment with the partnership agreement, this budget provides \$2.5 million to create the Colorado Equity Office. This office will consist of 19.0 FTE and will be responsible for creating an equitable, diverse, and inclusive work environment and to further equity, diversity, and inclusion efforts throughout the state.



The budget provides funding to support the following which align with the partnership agreement articles, most of which are funded through total compensation adjustments:

- moving all employees to a \$15 minimum wage;
- an increase in annual leave accruals after the 36th month of employment;
- the completion of a pay equity study by September 30, 2022;
- increasing in shift differential rates;
- the addition of a new state holiday, recommended as Juneteenth which is subject to legislative approval.

The FY 2022-23 budget also provides a 3.0% across-the-board salary adjustment, which is consistent with the market trend projection for FY 2022-23 and aligns with the partnership agreement. No merit increases are included, however \$4.9 million in salary adjustments have been included in the FY 2022-23 budget. This includes \$1.9 million to ensure every state employee makes at least \$15 per hour and \$3 million to move employees to adjusted pay range minimums.

This budget also promotes equity, diversity, and inclusion for state employees and members of the public by providing \$0.5 million for making reasonable Americans with Disability Act (ADA) accommodations.

SAVING PEOPLE MONEY ON HEALTHCARE

When I asked Lieutenant Governor Primavera to lead the Office of Saving People Money on healthcare, the name of our new office helped focus attention on the high cost of healthcare and I want every Coloradan to understand our unwavering commitment to putting more money in their pockets and not in a healthcare and pharmaceutical industry that far too often rips them off. The global pandemic placed significant strains on health and the health care delivery system, and I am eternally grateful to our nurses, doctors and frontline workers who have cared for thousands of Coloradans. But even in the midst of the challenges posed by the pandemic, Colorado made critical strides in 2021 to increase access to health care and behavioral health, while also driving towards changes to help Coloradans save money on health care. In partnership with the legislature, I signed landmark legislation to create the Colorado Option health insurance plan that will ensure that people who buy private insurance on the individual and small group insurance markets will have affordable options, and together we created the historic Prescription Drug Affordability Board that is tasked with making prescription drug costs more affordable.

INCREASED ACCESS TO HEALTH AND BEHAVIORAL HEALTH CARE

I was proud to sign the Behavioral Health Administration (BHA) planning bill. The BHA, once it becomes operational in July 2022, will create a patient-centered behavioral health system, reduce provider burden, and increase accountability of the state and private sector to deliver outcomes that Coloradans deserve.

We still have important work ahead of us to increase access to health care. In fact, Colorado has a tremendous opportunity to strengthen our healthcare system, improve affordability for Coloradans, and to make transformational improvements in health care.

We led the way on raising wages for our caregiving workforce to a \$15/hour minimum wage for Medicaid Home and Community Based Services (HCBS) workers who provide services to Coloradans who are aging and/or have disabilities. In partnership with the Joint Budget Committee, this change treats the caregiving workforce and their important work for the most vulnerable among us with dignity and puts more money in their paychecks. This wage increase



is part of a three-year, \$530M plan that will implement nearly 70 projects and programs to strengthen and transform care for vulnerable populations that are served by Medicaid’s HCBS program.

We are also expanding and facilitating the use of innovative reimbursement methodologies to reward providers who deliver high quality care in a cost-effective manner. These efforts at the Department of Health Care Policy and Financing and the Division of Insurance will help improve and reward quality, control costs and make health insurance more affordable to individuals, businesses, and the state.

Additionally, the Office of Saving People Money on Health Care will create an innovative, \$300,000 pilot program that will help patients address financial toxicity--the accumulated stress felt by patients with chronic conditions and which can have broad impacts on their financial security and health outcomes.

Rural Colorado faces unique challenges when it comes to accessing health care, and we are committed to addressing those challenges. The Office of eHealth Innovation will spearhead a \$11M investment that will help rural health care providers access critical data and technology, improve care coordination, and enhance the efficiency of care delivery to rural patients. In addition, we will work with the General Assembly to direct \$30M of federal stimulus dollars to help rural hospitals and clinics. These funds will enable hospitals and clinics to update their physical and technological infrastructure to repurpose or expand services that address local needs, enhance their financial sustainability, and improve the affordability of health care in rural Colorado.



We envision a behavioral health system that is comprehensive, equitable, and effectively meets the needs of all Coloradans. The current lack of coordinated, integrated services and appropriate care settings often results in limited access to care. Further, COVID-19 has resulted in significant hardship on our state’s public and private behavioral health providers. In response to this urgent situation, I have directed \$32.2 million in discretionary federal funds, including \$11.9 million in emergency funding to expand residential options that can serve youth with acute behavioral health needs. The FY23 budget includes a \$10M investment by the Department of Human Services to hire nearly 100 staff to operationalize 44 new forensic beds at the Colorado Mental Health Institute in Fort Logan.

Short term fixes are not enough; we need transformational change. We are excited by the possibility of using the once-in-a-generation influx of ARPA funds, \$550M, that can more than triple when leveraged with local and other funds, including opioid settlement dollars, to address structural gaps in our behavioral health continuum. As the General Assembly weighs priorities for those dollars, I encourage lawmakers to prioritize four high-need areas:

- Matching funds for local governments and community-based organizations for innovative community-based programs designed to improve behavioral health outcomes;
- Support for providers to offer integrated physical and behavioral health services, leveraging provider efforts;
- Investments in behavioral and mental health services for our children and youth, especially for those with complex needs; and
- Investments in our Behavioral Health workers.

HEALTHY AND SAFE COMMUNITIES

The COVID-19 pandemic highlighted the need for all Coloradans to be safe and secure in our homes and their communities. Protecting the health and safety of all residents is one of my top priorities for this budget. There is an imperative for our communities to work together to ensure generations of future Coloradans can thrive.

Public Safety

To ensure individuals and families have the opportunity to live in safe and thriving communities, my FY 2022-23 budget proposes a \$113.0 million public safety package. The Public Safety package is a bold investment strategy with initiatives to reduce crime and to get people the treatment they need by expanding and investing in community policing models, loan forgiveness for justice-involved behavioral health workforce, early intervention grants, and workforce investments so law enforcement better represents the diversity of the communities it protects. It will allow communities to enhance public safety, provide behavioral health resources to justice-involved individuals, intervene and provide resources for victims of domestic violence, create funding to prevent bias-motivated crimes, and allow for additional recidivism reduction strategies in correctional settings. As a whole, this package represents a strong commitment to increase public safety by broadening evidence-based programs that reduce crime and expand services for victims and justice-involved individuals.



This package will include both ongoing and one-time General Fund and ARPA investments. The package includes:

- *\$16.6M in public safety workforce transformations*

Investments include funding to support access to mental health services, help train and recruit law enforcement officers to support diversity of the workforce reflecting the communities they serve. The proposal also would double the investigative and forensics capacity of the Colorado Bureau of Investigation that is significantly undersized relative to our state's growing population and needs. This investment would right-size it to better catch and convict criminals and provide investigative relief to local law enforcement.

- *\$35.9M in community public safety investments*

Investments include funding to make our streets safer through lighting improvements; increased community watch; and proven neighborhood models, create a blueprint that connects schools; public safety; public health and other agencies into a single response, and provide grant resources for school safety enhancements, such as expansion of mental health resources and infrastructure improvements to keep students and staff safe.

- *\$6.0M in domestic violence initiatives*

Funding will be available for gender-based violence services, including anti-domestic violence and anti-sexual assault services, to mitigate the compounded safety concerns faced by interpersonal violence survivors during the COVID-19 pandemic.

- *\$47.9M in behavioral health investments*

This includes proven strategies that reduce crime and increase access to treatment for Coloradans in crisis, funding to implement criminal justice early-intervention programs to prevent at-risk individuals from becoming involved, or further involved, in the criminal justice system, adding additional bed capacity to the Colorado Mental Health Institute at Fort Logan, and bolstering our behavioral health workforce by offsetting loans; providing scholarships; and leveraging bonus payments in underserved communities.

- *\$7.1M in recidivism reduction initiatives*

Investments focus on improving youth outcomes after release, fostering humane and purpose-driven facilities, and enhancing formerly incarcerated individuals' ability to re-enter the workforce and make an associated positive impact in their community.

Homelessness Response and Solutions

Building a Colorado for All means a Colorado where everyone has a place they can afford to call home. My administration's mission has always been to partner with local communities to meet the demand for support services and opportunities. Together, we can create a future where homelessness is rare and brief when it occurs, benefiting not only the individual suffering but the community also impacted. In the wake of this pandemic we have seen a rise in homelessness in many cities that needs bigger, bolder solutions in partnership with local governments who ultimately must deliver results for their communities.



That's why the Polis-Primavera Administration is asking that \$200 million from the \$700 million in investments from the Economic Recovery and Relief Cash Fund be used to leverage local and other funding to reduce homelessness. My key priorities include:

- \$100 million that will be leveraged with local and external resources to at least \$200 million for a competitive matching grant program designed for local communities to invest in community-based continuum of responses for people at risk of or experiencing homelessness with complex needs, including emergency shelters, transitional housing, recovery care, and related residential programs, as well as permanent housing with wrap-around services;
- investment in two key supportive residential recovery campuses, one in Denver (\$50M) and one at our state-owned Ridge View site (\$45M) leveraged dollar for dollar with local matching funds from regional communities; and
- \$5M investment to help inform intervention strategies and create a lasting structure for efficient coordination of resources.

These investments will help build a system to provide housing and necessary services to get people off the street and into a home and substance abuse or behavioral and mental health treatment if they need it. This will ensure all Coloradans are able to fully recover from the effects of the COVID-19 pandemic and we have safe and thriving communities.



Investing in Colorado's Main Streets for Safe and Thriving Communities

Building on a \$52 million investment made over the past year, I am requesting an additional one-time state General Fund investment of \$40 million dedicated funds for designing and building safer streets. CDOT's Main Streets program has revitalized the use of urban roadway space for active transportation, economic activity, community, and recreation in communities across the state. These additional funds will build on the success of Main Streets to establish better multimodal access including pedestrian and bike access along state highways in urban areas, and will aim to bolster transit service as quickly as possible.

But focusing on a dynamic transportation infrastructure is just the first step. As part of creating healthier and safer communities, investments need to be made in the safety of our streets, so all people can feel safe no matter how they choose to enjoy our cities and state. I am requesting funding for a "hot spots" study, as well as a grant program for the Departments of Public Safety and Local Government to evaluate and design safer streets and neighborhood models that reduce crime and revitalize community well-being. Recent research has shown that simple interventions such as good lighting and regular trash clean-up are correlated with reduced gun violence and crime. Communities and park districts will have the opportunity to apply for these funds to support greening, as well as for projects including lighting improvements, access control, territorial reinforcement, and public safety space management principles.

Air Quality

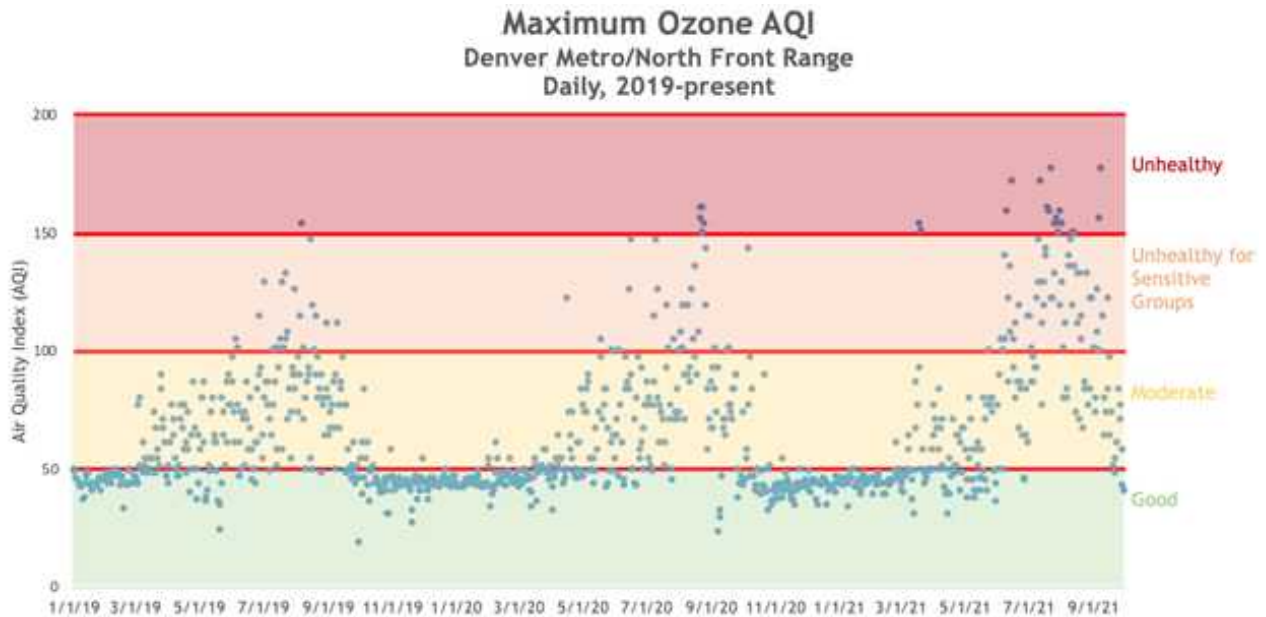
Clean air is critical to maintaining the Colorado way of life, including protecting our environment, ensuring climate justice, and promoting better health for all Coloradans. Although my administration has enacted landmark legislation to address our air quality challenges for oil and gas, industrial sources, transportation and now Colorado meets federal requirements for five of six National Ambient Air Quality Standards, ozone remains a significant challenge with wide sweeping implications for both health and the economy. Furthermore, the frequency and intensity of hot days, specific weather patterns, and oppressive wildfire smoke stand to become more common with climate change, worsening ozone and other air quality concerns. The importance of improving our air quality monitoring and enforcement, increasing the availability of clean transportation options, finding innovative solutions to Colorado's unique air challenges, accelerating our transition to a cleaner economy, and ensuring environmental justice for those most impacted cannot be overstated.

Thanks to the partnership of the Colorado General Assembly, I am proud to have signed 48 laws advancing clean air and clean energy, including the state's first economy-wide targets of 50% pollution reduction by 2030, as well as legislation setting binding targets of 80% reduction from electricity generation, 60% from oil and gas drilling, 20% from industrial activities and 22% from gas utilities by 2030, and major transportation legislation that will help result in a cleaner transportation system. My administration has also previously taken -- and continues to advance -- numerous regulatory steps including adopting zero emission vehicle standards, a phaseout of HFCs (GHG super polluters), and methane reduction rules, and is in the process of adopting groundbreaking transportation pollution reduction requirements.

This budget continues our aggressive pursuit of both climate and air quality improvements in Colorado by investing \$424M of one-time General Fund in a broad set of targeted initiatives. While ongoing air quality investments are often funded through fees on polluters, a General Fund investment now will yield rapid, immediate progress in decreasing harmful air pollution and protecting public health while helping our economy recover. Fees on school districts for polluting buses, for example, would not be a desirable revenue source and yet school districts and others need help in making the clean energy transition. This investment will put us on an urgently needed long-term trajectory toward addressing Colorado's long-standing ozone challenges, and the public health, health inequities, and economic threats that come with it.

The social and health costs of worsening air pollution and other environmental threats fall disproportionately on lower income communities and communities of color. The proposed investments will yield critically important benefits for the communities across Colorado currently bearing the brunt of worsening air quality. Among many other advances, this package of investments includes:

- \$255M for rapidly greening our transportation system, including \$150M to position Colorado as a national leader in the electrification of our school bus fleet;
- \$50M for decarbonization of the industrial and aviation sector;
- \$4.5M for the environmental efficiency of our cannabis industry; and
- \$52M over two years to drastically increase resources available to our Air Pollution Control Division to monitor and regulate emissions, support changing over to cleaner technology, and more thoroughly engage with our communities.



The budget also includes a capital request for Colorado’s state-owned buildings that prioritizes \$225.6M in projects that mitigate environmental harm and resource waste.

Affordable Housing

Our state faces significant challenges with providing affordable housing. We continue to attract new residents and jobs, but with this growth has come ever-increasing housing prices, placing unsustainable demands on our limited housing stock. The increase in housing prices has created a challenge for many low-, middle-, and working-class families who are trying to enter the housing market or simply live near their work. Due to our high quality of life and thriving economy, Colorado’s population will continue to grow and our housing policies and investments must recognize that reality. It is clear that we must plan for the dramatic growth projected in the years ahead and must make sustainable housing investments needed to accommodate that growth and to ensure that safe and equitable affordable housing is available to all Coloradans.

My priority is to encourage more housing supply on the entire continuum of housing development, while ensuring that investment of these new resources are made in a manner that support our air pollution reduction goals, are environmentally-forward solutions and constitute well-planned growth. Through the Affordable Housing Transformational Task Force process, we have a once-in-a-lifetime opportunity to help address these challenges and create stability for all Coloradans, by allocating \$400 million that can be leveraged by two times or more toward increasing access to affordable and workforce housing.

My key budget priorities (\$175M) for these funds include:

- \$100 million for investments in strong communities, to provide infrastructure grants for local infill infrastructure needs to help support and catalyze affordable housing development and further Colorado's sustainable development patterns, provide community benefits, ensure multimodal connectivity, reduce greenhouse gas emissions, and strengthen social and environmental equity, and improve quality of life and community resilience. This will also build upon efforts and investments made in HB21-1271.
- \$25M for financing energy improvements in affordable housing, which will provide funding for incremental upfront costs for efficient, electric measures and renewable energy systems for both existing buildings and new housing construction. Reducing our carbon footprint while saving residents money on their monthly bills.
- \$25M for housing innovation incentives to support and grow businesses in prefabricated housing (e.g., modular, 3D printed, manufactured, kits and other innovative housing technologies) who can provide additional high quality housing units at a low cost to communities across the state, and make a critical investment for additional production factories across the State.
- \$25M for Colorado Housing and Finance Authority's Middle Income Access Program to fund an increased investment for missing middle, workforce housing.

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FY 2022-23 BUDGET NAVIGATOR

Finally, this letter includes a guide to help link my budget requests to outcomes, aligned to my public-facing dashboard. If you are accessing this document online, this “budget navigator” provides hyperlinks to the detailed budget requests and the evidence that supports them.



STRATEGIC INVESTMENTS

K12 BUDGET STABILIZATION FACTOR

[Budget Letter Attachment 2: \\$1.27B One-Time State Investment to Meet the Moment](#)

UNEMPLOYMENT INSURANCE PREMIUM RELIEF

[Budget Letter Attachment 2: \\$1.27B One-Time State Investment to Meet the Moment](#)

FEE RELIEF FOR BUSINESSES

[Budget Letter Attachment 2: \\$1.27B One-Time State Investment to Meet the Moment](#)

WORKFORCE PACKAGE

[Budget Letter Attachment 2: \\$1.27B One-Time State Investment to Meet the Moment](#)

PUBLIC SAFETY PACKAGE

[Budget Letter Attachment 2: \\$1.27B One-Time State Investment to Meet the Moment](#)
[DPS R-01: Colorado Bureau of Investigation Right-Sizing](#)
[DPS R-09: Central Evidence Facility Lease Funding](#)
[DPS R-13: Preventing Bias-Motivated Violence Grant Funding](#)
[CDHS R-02: CMHIFL 44 Bed Operating Budget](#)

AIR QUALITY

[Budget Letter Attachment 2: \\$1.27B One-Time State Investment to Meet the Moment](#)



EDUCATION AND WORKFORCE

WORKFORCE SUPPORT

[OIT R-03: Veterans Cybersecurity Apprenticeship Program](#)
[DHE R-05: Outreach and Attainment Services](#)
[CDLE R-02: Employment First Continuation](#)
[DPA R-02: Paid Family Medical Leave Act Funding](#)

INCREASE FUNDING FOR K-12

[CDE R-01: State Share of Total Program Increase](#)
[CDE R-02: Categorical Programs Inflation Increase](#)
[CDE R-05: CSI Mill Levy Equalization](#)
[CDE R-06: Expanding Resources for School Improvement](#)
[CDE R-08: CSDB Teacher Salary Increase](#)



EXPAND ACCESS TO EDUCATION

[CDE R-07: Empowering Parents with School Information](#)
[CDHE R-03: Fort Lewis Native American Tuition Waiver](#)
[CDHE R-05: Division of Outreach and Attainment Services](#)

RESTORE AND TRANSFORM HIGHER EDUCATION

[CDHE R-01: State Operating Funding for Public Higher](#)

IMPROVING ACCESS TO HIGH-QUALITY EARLY CHILDHOOD EDUCATION AND CARE

[DEC R-02: Regulating Illegal Care, Promoting Safe Care](#)
[DEC R-03: Early Intervention, Early Start Program](#)
[OEDIT R-02: Establish Public-Private Partnership Office at OEDIT](#)
[DEC R-04: DEC Administration](#)



HEALTH

SAVING PEOPLE MONEY ON HEALTHCARE

[DORA R-01: Implementation of Primary Care and Maternal Health APMs](#)
[HCPF R-06: Value Based Payments](#)
[GOV R-02: Medical-Financial Partnership Pilot Program](#)

INVESTMENTS IN BEHAVIORAL HEALTH

[CDHS R02: Operating 44 Beds at CMHIFL](#)

SERVING VULNERABLE COLORADANS

[HCPF R-03: Child Health Plan Plus](#)
[DOC R-03: Long-Term Compassionate Care Project](#)

RURAL COLORADO ACCESS TO HEALTHCARE

[HCPF \(Federal Stimulus Proposal\): Rural Health Affordability, Access, and System Transformation](#)
[GOV R-02: Rural Connectivity](#)

SUPPORTING PROVIDERS

[DOC R-09: Provider Rate](#)
[ECC R-04: Provider Rate](#)
[HCPF R-10: Provider Rate Adjustments](#)
[CDHS R-20: Provider Rate](#)
[DMVA R-05: Provider Rate](#)
[CDPHE R-07: Provider Rate](#)
[DPS R-17: Community Corrections Provider Rate Increase](#)



ENERGY AND RENEWABLES

PROTECTING PUBLIC AND AGRICULTURAL LANDS

[CDA R-05: San Luis Valley Well Monitoring Network Installation](#)
[DPS R-07: State Match and Personnel Support for DFPC Training](#)
[CDA R-06: Improve Agricultural Pest Response](#)
[CDA R-01: Agriculture Emergency Coordinator](#)



CONCLUSION

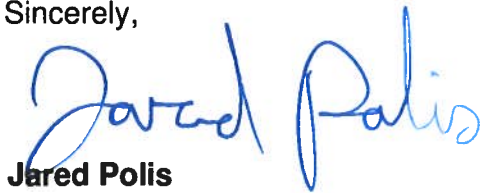
This budget also includes attachments on the following:

1. State and federal one-time investment tables,
2. One-time state investment package to meet the moment,
3. Federal stimulus funds received and ARPA funds spending priorities,
4. Capital investments,
5. Evidence based policy,
6. Statewide analysis and economic conditions,
7. Budget tables by funding source and department, and
8. Decision item list by department.

Complete details on all budget requests, including financial schedules, may be found on the OSPB website www.colorado.gov/ospb.

Thank you for your consideration of our strategy to combine state and federal funds to move Colorado forward. I look forward to collaborating with you.

Sincerely,



Jared Polis
Governor

Copy:

Senator Dominick Moreno, Joint Budget Committee Chair
Representative Julie McCluskie, Joint Budget Committee Vice Chair
Senator Bob Rankin, Joint Budget Committee
Representative Kim Ransom, Joint Budget Committee
Senator Chris Hansen, Joint Budget Committee
Representative Leslie Herod, Joint Budget Committee
Senate President Leroy Garcia
Speaker of the House of Representatives Alec Garnett
Ms. Carolyn Kampman, Joint Budget Committee Staff Director



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**Attachment 1:
State and Federal One-Time Investment Tables**

One-Time State Investments

One-Time State Investment Package (\$ in millions)			
Air Quality	Transportation	\$255	\$150M Electric School Bus Investment \$40M Multimodal Main Streets [Transit] \$28M Ozone Season Transit Fares \$15M Low Emission Trucks \$12M Electric Bike Rebates & Ride Share \$10M Burnham Yards NEPA & Front Range Rail
	Air Quality Monitoring, Regulation, and Incentives	\$114	\$52.1M Air Quality Transformation \$50M Clean Air Grants \$7M Oil & Gas Aerial and Localized Monitoring \$5M Economic Development for Just Transition Communities
	Buildings	\$55	\$28M Investments in Strong Cities [Green Infrastructure] \$25M Clean Air Equity Building Investment \$2M Cannabis Industry Energy Efficiency \$0.2M Buildings GHG Reduction Rulemaking
Unemployment Insurance Trust Fund Premium		\$500	\$500M Unemployment Insurance Trust Fund Premium Relief
Workforce		\$51	\$5.0M Finding Workers - Navigational Services and Outreach \$7M Boosting Non-Degree Credentials \$0.7M State of Colorado Skills-Based Hiring Transition \$1M The Amplifier - Career Aligned Virtual English Language Learning \$7M Leveraging Data to Identify High-ROI Investments for Business Expansion and Good Jobs \$30M Renovation of State Facilities in order to Provide Childcare
Public Safety Investment Package	Community Investments	\$33	\$16.5M Community Based Competitive and Targeted Grants \$4.1M Young Offender Intervention and Prevention Pilot Program \$10.3M Crime Prevention through Safer Streets Grant Program \$2M School Safety Resources Grants
	Public Safety Workforce Investments	\$9	\$0.1M Statewide Crime Prevention Forum \$6M Workforce Recruitment, Expansion, Retention \$0.4M DPS Project Oversight
	Recidivism Investments	\$4	\$0.7M Recidivism Initiatives - Restorative Justice Pilot \$1.1M Fire Mitigation Equipment for Inmate Fire Team \$1.1M DYS Youth Employment \$0.7M Recidivism Initiatives - TakeTWO Expansion
Historic Buy-Down of Budget Stabilization Factor		\$150	\$150M Buy-down of Budget Stabilization for State Education Fund
Fee Relief for Businesses	Business Registrations and Sales Tax Incentives	\$22	\$16.7M Business Registrations \$5.0M Sales Tax Compliance Assistance for Small Businesses
	FAMLI	\$58	\$57.5M FAMLI
	Health Services Fees	\$20	\$10.7M Nurse License Fees \$3.4M Mental Health Professionals License Fees \$0.7M Nursing Home License Fees \$2M Backfill EMS Services \$3.1M Assisted Living Fees \$0.5M Healthcare Facilities Licensure (CDPHE)
	Other Fees	\$4	\$3.8M DMV - Driver's License Fee (DOR) \$0.4M Dairy Protection Fees (CDPHE)
TOTAL		\$1,274	

Attachment 1: State and Federal One-Time Investment Tables

ARPA Investments

Federal Funds Interim Committee Package - ARPA			
Affordable Housing and Homeownership: \$175M	DOLA	Investments in Strong Communities	\$100M
	DOLA	Financing Energy Improvements in Affordable Housing	\$25M
	OEDIT	Housing Innovation Incentive	\$25M
	DOLA	Colorado Housing and Finance Authority Middle Income Access Program	\$25M
Mental and Behavioral Health: \$275M	CDHS/CDPHE/DPS	Grants to Local Communities	\$175M
	HCPF	Care Integration and Payment Reform	\$45M
	CDHS	Residential Facility for Children and Youth with Complex Needs	\$35M
	HCPF/CDPHE	Key Workforce Investments to Build a Robust Pipeline for Our Behavioral Health System, Such as Retention/Recruitment Strategies	\$20M
Workforce Development and Education: \$95M	CDHE	Higher Education Dashboard	\$3M
	CDHE	Regional Talent Collaborative Programs: connecting supply and demand sides of CO economy through more high-demand, high-wage credentials and pathways	\$92M
Economic Recovery and Relief: \$426M (\$300M Governor's Priorities, \$126M High Impact Agency Proposals)	Governor Priorities		\$300M
	CDLE	Unemployment insurance trust fund relief to reduce employer premiums	\$100M
	DOLA, CDHS	Homelessness Response and Solutions: Connecting people experiencing homelessness to services, treatment, temporary shelter and housing	\$200M
	Other High Impact Agency Proposals by Category		\$126M
	Economic Resilience		\$17M
	OEDIT	Technical assistance for community development financial institutions and small business development centers	
	CDOT	Additional investment in the Revitalizing Main Streets Program	
	Rural Economy		\$91M
	DNR/CDA	Groundwater recovery for rural and agricultural resilience	
	DNR	State Parks broadband, water, and sewer projects	
	CDA	Industrial hemp center of excellence	
	OEDIT	Outdoor recreation and tourism funding to modernize Colorado welcome centers	
	HCPF/OeHi	Rural health affordability, access, and system transformation	
	CDHE	Cumbres and Toltec railroad funding	
	CDHE	Funding for rural community colleges and technology for workforce development	
	Economic Relief		\$18M
OEDIT	Nonprofit grant assistance		
CDHS	TANF subsidized training and employment		
CDHS	Employment First program for SNAP recipients		

**Attachment 2:
\$1.27B One-Time State Investment to Meet the Moment**

I am excited to put forward a one-time state investment of \$1.27 billion to strengthen Colorado’s recovery, create healthy and thriving communities, and support businesses and workers across our state. The COVID-19 pandemic heightened challenges facing businesses, families, and individuals across the country. In addition, the economic crisis induced by the pandemic brought existing disparities in resources and in opportunities to the forefront. While the bipartisan efforts of the Colorado legislature and my administration over the course of the past 18 months have mitigated the extent of these issues in our state, difficulties remain. As a result of higher than expected revenues over the course of the pandemic and the fiscal restraint exercised in previous budget years, there is a unique opportunity to invest in solutions to these problems and use one-time funds to make a transformational investment to some of the biggest problems our state faces. These funds should not be used to grow ongoing operational costs, as growing operating costs would severely jeopardize ongoing support for schools and other ongoing investments in the budget within a year or two. Our state is facing a fiscal deficit with operating obligations growing faster than state revenue is constitutionally allowed to grow.

In addition to providing direct solutions to the problems highlighted by the pandemic, this investment will advance my broader goals to transition Colorado to renewable energy, ensure that businesses and workers in Colorado have the resources they need to succeed in in-demand occupations, enhance opportunities for disadvantaged communities, improve the quality and lower the cost of child care and education, and make Colorado’s streets as safe as possible.

As a means to accomplish the goals described above, this package puts forth the following six components: (1) Air Quality, (2) Unemployment Insurance Trust Fund (UITF) relief, (3) Workforce Development and Support, (4) Budget Stabilization Factor for the State Education Fund, (5) Public Safety, and (6) Fee Relief. Tables and one-paragraph descriptions below summarize each component of the package.

One-Time State Investment Package - \$1.274B General Fund	
<i>Air Quality Investment Package</i>	<i>\$424.3M</i>
<i>Unemployment Insurance Trust Fund Premium Relief</i>	<i>\$500.0M</i>
<i>Workforce Investment Package</i>	<i>\$50.7M</i>
<i>Public Safety Investment Package</i>	<i>\$45.0M</i>

State Education Fund Buydown Budget Stabilization	
Factor by \$150M and Prepay Next Two Years	\$150.0M [+\$300M Prepays]
Fee Relief for Individuals and Businesses	\$103.9M

Air Quality Investment Package

Totaling \$424M in one-time General Fund, the air quality investment package aims to improve air quality for all Coloradans, especially for our disproportionately impacted communities and children. The package will position Colorado on the forefront of numerous innovative air quality solutions through fourteen individual proposals across five executive Departments. This package will also accelerate Colorado’s transition to renewable energy and further cement our position as a national leader in this area.

Air Quality Investment Package - \$424.3M General Fund

Transportation - \$255M General Fund

CDPHE/CEO	Electric School Bus Investment	\$150M	Legislative Placeholder
CDOT	Multimodal Main Streets [Transit]	\$40M	Legislative Placeholder
CEO/CDOT	Ozone Season Transit Fares	\$28M	Legislative Placeholder
CDPHE	Low Emission Trucks	\$15M	Legislative Placeholder
CEO	Electric Bike Rebates & Ride Share	\$12M	Legislative Placeholder
CDOT	Burnham Yards NEPA & Front Range Rail	\$10M	Legislative Placeholder

Air Quality Monitoring, Regulation, and Incentives - \$114.1M General Fund

CDPHE	Air Quality Transformation	\$52.1M	Decision Item
CEO	Clean Air Grants	\$50M	Legislative Placeholder
CDPHE	Oil & Gas Aerial and Localized Monitoring	\$7M	Legislative Placeholder
OEDIT	Economic Development for Just Transition Communities	\$5M	Legislative Placeholder

Buildings - \$55.2M General Fund

DOLA/CEO	Investments in Strong Cities [Green Infrastructure]	\$28M	Legislative Placeholder
CEO	Clean Air Equity Building Investment	\$25M	Legislative Placeholder
CEO	Cannabis Industry Energy Efficiency	\$2M	Decision Item
CEO	Buildings GHG Reduction Rulemaking	\$0.2M	Legislative Placeholder

CEO/CDPHE - Electric School Bus Investment (\$150M)

This package includes a new school bus electrification grant program to jumpstart the transition of Colorado’s diesel school bus fleet to 100% electric. Diesel-powered buses contribute disproportionate amounts of particulate matter and nitrogen oxides in

disadvantaged communities where fleet yards, warehouses, fuel depots, and interstates are located. In addition to community exposure, children riding on diesel school buses are exposed to fine particulates and other pollutants. The proposal will create a grant fund to support school districts' purchase of electric school buses, associated infrastructure, and accelerated retirement or conversion of diesel buses. The program will also help districts leverage federal and private financing options for the remaining cost of buses, allowing districts to utilize future fuel and maintenance savings as they are realized. The transition of Colorado's diesel school bus fleet to 100% electric will lead to positive impacts for children's health, save school districts money on gas, help attract more bus drivers to the profession, and address long-standing pollution inequities in disadvantaged communities.

CDOT - Multimodal Main Streets [Transit] (\$40M)

CDOT's Main Streets programs have revolutionized the department's partnerships with cities and towns across Colorado with respect to the use of urban roadway space for active transportation, economic activity, community, and recreation. This funding will build on the success of the Main Street program and key projects in the 10 year plan to jumpstart a comprehensive focus on establishing better multimodal access along state highways in urban areas. It will specifically but not exclusively focus on nonattainment areas and will focus on augmenting transit service as quickly as practicable.

CEO/CDOT - Ozone Season Transit Fares (\$28M)

The proposed funding will create a program to partner to provide free transit fares during ozone season, typically in the summer through early fall, in the ozone nonattainment area. In the summer of 2021, CDPHE issued over 65 ozone action day alerts, urging residents to avoid driving and using gas-powered lawn equipment. At a time when area transit agencies are still working to bring riders back following the COVID-19 pandemic, this program will serve to save riders money, help rebuild ridership, and reduce driving. Free transit programs have been shown to substantially increase transit ridership, as well as improve mobility and access to important services to lower income residents. This program would provide funding in partnership with transit agencies operating in the non-attainment areas for providing free fares during the summer season.

CDPHE - Low Emission Trucks (\$15M)

Older diesel trucks are a major source of both particulate pollution and of nitrogen oxides, which contribute to ozone formation. Pollution from trucks is a significant health hazard, particularly in disproportionately impacted communities traversed by major highway corridors. United States EPA standards for emissions of these pollutants

and of greenhouse gases have gotten much stronger in recent years. While the long term solution, and the primary focus of state policy and investment, is to transition to zero emission vehicles, there are significant benefits to retiring the oldest, dirtiest trucks on the roads and replacing them with vehicles meeting or preferably exceeding current emissions standards. There are particular benefits for disproportionately impacted communities, and for small businesses, which tend to own these older vehicles. This funding will be used for incentives to retire and replace over 500 of the dirtiest trucks on the road.

CEO - Electric Bike Rebates and Ride Share (\$12M)

The requested funding will help to increase access to electric bicycles (eBikes) for low and moderate Coloradans. The transportation sector is the largest source of emissions in Colorado, and light duty vehicles are responsible for the majority of transportation-related emissions. eBikes provide a cleaner and healthier alternative to commuting by car, and the market for eBikes has grown rapidly over the last few years. This funding will provide rebates for purchase of eBikes and for programs that provide eBikes and safety equipment to low and moderate income Coloradans.

CDPHE - R-01: Air Quality Transformation (\$52.1M)

The requested resources will be instrumental in addressing the myriad challenges necessary to achieve Colorado's ultimate air quality goals. The proposal represents significant new investment in the Air Pollution Control Division (APCD) to achieve immediate emission reductions in specific industries, increase permitting capacity under the expected downgrade of the Denver Metro/North Front Range (DM/NFR) area to severe ozone nonattainment status, improve monitoring of pollutants across Colorado, support cleaner technology, and more thoroughly engage with our communities. In order to avoid negative impacts to our business community during Colorado's economic recovery from the COVID-19 pandemic, the requested funds are General Fund in FY22-23 and FY23-24. Ongoing costs in FY24-25 and beyond are expected to be addressed through a future legislative increase and a mechanism to recapture cost-savings from new efficiencies.

Clean Air Grants (\$50M)

These grants will focus on spurring near term investment to mitigate industrial sources of pollution by making improvements that will reduce emissions of harmful air pollutants, including air toxics, particulates, ozone precursors and greenhouse gases. These will complement the new regulatory requirements for industry that were created by HB 21-1266, and will spur early action and deeper emissions reductions. Funds will be available to cover a portion of the cost of energy efficiency, renewable energy, electrification, transportation electrification, hydrogen, and carbon capture

projects at industrial facilities, as well as for sustainable aviation fuel and methane capture projects.

Oil & Gas Aerial and Localized Monitoring (\$7M)

This request will increase the number of aerial surveys and ground-based monitoring conducted primarily around oil and gas facilities. Aerial surveys paired with more localized ground-based monitoring have the potential to identify leaks from pipelines and flowlines, production pads, tanks, central gathering facilities, compressor stations and many other sources not limited to oil and gas. Identifying and resolving these leaks not only results in reduced exposure to organic compounds that can affect public health and emissions of ozone precursors, it prevents the economic waste of the product. Aerial surveys also provide the opportunity to estimate the total amount of emissions in an area, which can be compared to traditional emissions inventories and can help determine if there are significant sources of emissions from industry that are not accounted for.

Economic Development for Just Transition Communities (\$5M)

This transfer of \$5M General Fund to OEDIT's Strategic Fund is intended to assist coal communities in their transition away from coal-dependent economic development strategies by funding economic planning and investing in new businesses to provide wage replacement for displaced workers. Since well before statehood, coal has been central to Colorado's economic growth, powering our homes and industries and underpinning the fabric of many communities. As markets for coal fade nationally and our state moves towards a 100% renewable energy future, it is critical that we help our communities seize upon new economic opportunities to support local wages and property tax revenue. This investment will complement and be coordinated with recent investments made in a just transition for coal works and coal communities by H.B. 21-1290 (Additional Funding for Just Transition).

Investments in Strong Cities (\$28M)

This package also includes infrastructure grants ranging from \$1-\$10 million for local infill infrastructure needs that will incentivize communities to support higher density infill development that furthers sustainable development patterns, provides community benefits, ensures multimodal connectivity, reduces air pollution and greenhouse gases, furthers social and environmental equity, and improves quality of life and community resilience. These one time grant funds will reward participating municipalities with funds to help them update and upsize downtown core infrastructure that positions them to guide development into the heart of towns and cities, rewarding grantees that can demonstrate they've leveraged local land use and other action that will institutionalize these more sustainable development patterns

long term.

This program will offer multiple stages of assistance leading to the best possible infill infrastructure projects and land use rules that will begin the shift for many municipalities to develop with higher densities and more sustainable land use development patterns. The program will feature competitive grants based on the extent to which the local government reforms local zoning and land use rules to enable more housing to be built near jobs, schools and other major destinations. The intent is to further encourage zoning reform that removes obstacles to infill development.

I am also recommending that the housing interim committee set aside \$100M in ARPA funds for strong communities, in order to implement the program at a scale which will have a significant impact across the state, especially for sustainable affordable housing development.

Clean Air Equity Building Investment (\$25M)

Buildings are a significant source of pollution, largely through the combustion of fuel for space and water heating, and are one of the five largest sources of greenhouse gas pollution. In addition, indoor air pollution levels can be significant, particularly in lower income communities. This investment will help individuals, small businesses, and communities reduce energy use and pollution and improve indoor air quality. These goals will be accomplished through incentives added to existing finance programs, incentives for schools and local governments to incorporate heat pumps in energy performance contracts, and support for local government/utility partnerships for neighborhood scale electrification pilots.

I am also recommending that the housing interim committee set aside \$25 million in ARPA funding for both financing and grants to support energy efficiency and building electrification by affordable housing providers, including low-income housing tax credit developers.

CEO - R-01: Cannabis Resource Optimization Program (\$2.0M)

The requested resources will support an extensive resource management program for the cannabis industry. The proposed program would focus on carbon emission, energy, and water reductions for the industry through a robust program of assessments, program support, tools and financing, providing eligible cannabis cultivation businesses with technical resource use and renewable energy assessments, resource management consulting and project implementation

support, access to resource benchmarking tools and guidance on tool use, and access to project grant funding and financing.

Buildings GHG Reduction Rulemaking (\$0.2M)

Buildings are one of the five largest sources of GHG emissions and our administration's GHG Reduction Roadmap targets a 90 percent reduction in emissions from buildings by 2050. Achieving this goal will require a transformation to more energy efficient homes and commercial buildings. The allocated funds will support the implementation of advanced energy codes for residential and commercial buildings. Based on the success of a task force model in other building performance legislation, CEO is intending to use the funds to provide support for a task force that will develop advanced energy codes that are necessary to get new buildings on the pathway to achieve net zero energy/zero pollution construction by 2030.

Burnham Yards NEPA & Front Range Rail (\$10M)

The requested resources will support a transformation of Colorado's multimodal transportation. Utilizing Burnham Yard, a 59-acre property in Denver, this project will open up its potential and benefit citizens, commuters, and the Denver Metro Area's economic health greatly. Burnham Yard has the potential to provide two new RTD light rail lines, a redirected Burlington Northern Santa Fe (BNSF) Consolidated Main Line (CML) rail line that now sits adjacent to I-25 in Central Denver, expansion of the CML from two to four tracks, allowing for a new intercity rail line connecting cities and towns along the Colorado Front Range, from Fort Collins to Pueblo. This funding will provide one year of assistance for CDOT's debt repayment and allow CDOT to begin the planning process for rail line relocation NEPA at Burnham Yard . The sooner CDOT can start the NEPA process, the sooner work can begin to move forward with these transformative transportation projects.

The benefits of these projects, once completed, will be immense to statewide commuters, freight stakeholders, and the local population. Benefits of this project include job creation, enhanced transit opportunities statewide with the introduction of Front Range Rail, increased safety for commuters and pedestrians, enhanced multimodal transportation with the addition of a Mobility hub, and more efficient freight rail traffic. Lastly, improved pedestrian and bicycle connections through Burnham Yard would reconnect neighborhoods to the South Platte River and associated trails, improving health outcomes and quality of life. Once CDOT has identified needed parcels needed for transportation projects through this NEPA process, remnant property can be sold to enhance housing and economic development in the Denver Metro area.

Unemployment Insurance Premium Relief (\$500M* General Fund)

This budget provides immediate and long-term relief to employers by dedicating \$500 million from the General Fund to the states’ Unemployment Insurance Trust Fund. The \$500 million would be split between premium relief in 2023 (to offset a spike in premiums) and direct recapitalization of the trust fund. Recapitalization will accelerate repayment of federal UI debt and the Fund’s return to solvency, saving employers and workers money through lower fee schedules and fewer additional fees over the next 5 plus years. In addition to the General Fund investment, I am also proposing a \$100 million investment for the UITF from the ARPA-funded Economic Recovery and Relief cash fund, which can be found in Attachment 3.

Unemployment Insurance Trust Fund Premium Relief - \$500M General Fund			
CDLE	Unemployment Insurance Trust Fund Premium Relief	\$500M*	Decision Item
Plus \$100M in ARPA funds			

Workforce Investment Package

The global pandemic exacerbated existing skill and talent gaps across the economy. Addressing these gaps will be critical to ensuring a continued economic recovery that benefits both workers and business. This package seeks to increase collaboration between, and support for, businesses, educational institutions, and the state to foster efforts that will equip Coloradans with in-demand skills. The package also seeks to expand Colorado’s access to affordable and high-quality child care, eliminating a critical barrier to employment for many Coloradans.

Workforce Investment Package - \$50.7M General Fund			
CDLE	Finding Workers - Navigational Services and Outreach	\$5.0M	Legislative Placeholder
CDHE	Boosting Non-Degree Credentials through Area Technical Colleges, Community Colleges, Adult Education, and DPOS	\$7.0M	Legislative Placeholder
CDLE	State of Colorado Skills-Based Hiring Transition	\$0.7M	Legislative Placeholder
CDHE	The Amplifier - Career Aligned Virtual English Language Learning	\$1.0M	Legislative Placeholder
CDLE	Leveraging Data to Identify High-ROI Investments for Business Expansion and Good Jobs	\$7.0M	Legislative Placeholder
OEDIT P3	Renovation of State Facilities in order to Provide Child Care	\$30.0M	Decision Item

Finding Workers: Navigational Services and Outreach (\$5.0M)

CDLE's Office of the Future of Work and CDE's Adult Basic Education programs support digital skills in partnership with entities such as school districts, adult basic education centers, nonprofits, community colleges, technical schools, and regional workforce centers that support underserved Coloradans (including immigrants). The funds will support job seekers lacking the digital skills to self-initiate their employment search and/or give job seekers the basic digital skills to obtain a job. By utilizing multiple contact points in a community, these funds will reach a diverse group of individuals, serving as a job opportunity multiplier and complementing existing local efforts to support digital literacy. For instance, funds will be provided to the Office of New Americans to support its community engagement, policy, and research work around the needs of New Americans.

Boosting non-degree credentials - ATCs, Comm Colleges, Adult Ed, DPOS (\$7.0M)

Non-degree credentials provide opportunities for workers to upskill and reskill in high-wage, in-demand jobs, in fields such as automotive repair, CDL/professional driving, electricity/plumbing, and construction. Types of non-degree credentials include certificates, industry certifications, and as well as apprenticeships. Non-degree credentials are attained through short-cycle training programs that can be completed in a weekend, a few weeks or months, versus years of coursework in the traditional higher education experience. These funds will provide financial support to credential seekers, operating support to Area Technical Colleges allowing them to expand offerings for in-demand programs, and incentives for employers and intermediaries for apprenticeships/work-based learning supports.

State of Colorado Skills-based hiring transition (\$0.7M)

The global pandemic exacerbated existing skills and talent gaps, which has created unprecedented demand for skilled talent. Relying solely on degrees stunts our ability as an employer to hire the workforce we need and meet today's skill demands. These proposed funds would provide implementation support for Colorado's skills-based hiring practices, which helps to ensure that hires are made based on knowledge, skills, and abilities specific to the job, as an employer through the Colorado Department of Labor and Employment (CDLE) and Department of Personnel and Administration (DPA).

The Amplifier - Virtual Learning-Career Aligned English Language Learning (\$1.0M)

This proposal is for one-time purchase of licenses to an existing virtual platform that provides career-aligned virtual English language classes for New Americans and other

English language learners (ELLs). ELLs have taken to virtual classes during the pandemic due to the flexibility they afford and platforms also assist with increasing digital literacy. These resources could also be used as a match for Colorado's Adult Education federal funds.

Data to identify ROI investments leading to business expansion and good jobs (\$7.0M)

Modernizing CDLE's "Connecting Colorado" system is a key component to understanding our regional and statewide talent needs. This system was developed in the 1970s and 80s and is Cobol-based technology. Contractors are scarce to modify the existing system as a result of its antiquated technology and as a state we could realize efficiencies through data sharing and systems integration. By updating this system, Colorado will be able to more accurately align open jobs with the skilled talent available to fill them. Additionally, an updated system will allow Colorado to more accurately report workforce outcomes to the U.S. Department of Labor to project our current and future talent development needs.

State/IHE Child Care Facilities (\$30.05M)

Access to high-quality child care and preschool is a significant barrier to meeting our state's workforce goals. In addition, students enrolled in higher education often cite access to child care as one of the primary reasons they aren't able to graduate. This budget proposes resources to renovate existing state facilities, including higher education facilities, so that these facilities can be used as child care facilities for state employees and the public, thus increasing the supply of child care for Colorado's workforce. Once the office receives these funds, the Public-Private Partnership (P3) Office will engage potential private partners with whom the state will contract in order to manage and operate these facilities going forward. This partnership will allow for additional child care capacity across the state without requiring ongoing state investments.

Budget Stabilization Factor for the State Education Fund (\$150.0M)

This budget proposes a one time \$450 million investment to reduce the Budget Stabilization Factor (BSF). In FY 2022-23, \$150 million will be transferred into the State Education Fund to buy down the BSF to 4.7 percent of Total Program, an all-time low since its peak of 16.0% in FY 2012-13. In order to maintain the lower factor and safeguard these investments into the future, this budget also proposes additional pre-pays [Attachment 6, page 3] to the State Education Fund totalling \$300

million in FY 2023-24 and FY 2024-25. This request increases per-pupil funding by \$526 in FY 2022-23.

Budget Stabilization Factor for State Education Fund - \$150M General Fund

CDE	Budget Stabilization Factor for State Education Fund	\$150M*	Decision Item
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*Plus two-year prepay of \$300M

Public Safety Investments

Created in collaboration with DPS, DHS, DOLA, and DOC, this budget’s public safety package invests in community policing models, recidivism reduction, and public safety workforce support. The objective of this package is to address issues stemming from the rise of crime over the course of the pandemic. It will allow communities to enhance public safety, provide behavioral health resources to justice-involved individuals, and allow for additional recidivism reduction strategies in correctional settings.

The following table lists only those investments proposed with one-time state General Fund, but is not inclusive of additional proposals funded with ongoing General Fund, ARPA, and HUTF that brings the total package to \$113M.

Public Safety Investments with One-Time State Funds - \$45.0M General Fund

Community Investments - \$32.9M

DPS	Community Based Competitive and Targeted Grants	\$16.5M	Legislative Placeholder
	Young Offender Intervention and Prevention Pilot Program		
DPS	Grants	\$4.1M	Legislative Placeholder
DPS	Crime Prevention through Safer Streets Grant Program	\$10.3M	Legislative Placeholder
DPS	School Safety Resources Grants	\$2.0M	Legislative Placeholder

Public Safety Workforce Investments - \$8.5M

DPS	Statewide Crime Prevention Forum	\$0.1M	Legislative Placeholder
DPS	Workforce Recruitment, Expansion, Retention	\$8.0M	Legislative Placeholder
DPS	DPS Project Oversight	\$0.4M	Legislative Placeholder

Recidivism Reduction Investments - \$3.6M

DOC	Restorative Justice Pilot	\$0.7M	Legislative Placeholder
DOC	Fire Mitigation Equipment for Inmate Fire Team	\$1.1M	Legislative Placeholder
CDHS	DYS Youth Employment	\$1.1M	Legislative Placeholder
DOC	TakeTWO Expansion	\$0.7M	Legislative Placeholder

Community Based Competitive and Targeted Grants (\$16.5M)

This budget includes a flexible grant program at DPS for multi-disciplinary crime prevention and intervention programs by law enforcement and other local agencies. Eligible uses include different crime intervention strategies, including : co-responder models such as STAR, violence interrupter programs, and increased law enforcement presence in “hot spot” areas. Any request for increased law enforcement presence will have guardrails to ensure that increased presence does not lead to overly aggressive policing practices that could further degrade police and community relationships. Grant applications will be reviewed by multi-agency state and local review committees.

Statewide Crime Prevention Forum (\$0.1M)

This budget also provides one-time funding for a front-end forum in which the findings will be used to inform the design of the grant programs within the package. DPS will engage a national Criminal Justice Technical Assistance Organization to facilitate a convening of state and local stakeholders to socialize best practices on crime prevention.

Young Offender Intervention and Prevention Pilot Program Grants (\$4.1M)

This grant program is intended to create a blueprint that connects schools, public safety, public health, and other agencies into a single response to reduce crime and violence among young people. It includes trauma screening and case planning training for communities, empathy education for elementary schools, and community based responders strategies in high-risk neighborhoods.

Crime Prevention through Safer Streets Grant Program (\$10.3M)

This strategy includes a “hot spots” study as well as a grant program where DPS and local governments evaluate and design safer streets and neighborhood models that discourage crime and revitalize community image. Recent research has shown that better lighting and trash clean-up interventions were correlated with reduced gun violence and crime. Communities and park districts would apply for these funds to support better lighting, greening, as well as projects including access control, territorial reinforcement, and space management principles.

Workforce Recruitment, Expansion, Retention Initiatives (\$8.0M)

This grant program will provide resources for recruitment, retention, and tuition support activities to assist in a plus-up of the public safety workforce shortages being experienced by agencies. The goal of this funding is to ensure the diversity of the

workforce reflects the communities they serve. The proposal has set-asides for offsetting Peace Officer Standards and Training (POST) expenses, workforce mobility, enhanced curriculum and training, as well as mental health services.

Recidivism Reduction Initiatives (\$3.6M)

These recidivism reduction initiatives include multiple programs within DOC and DHS to reduce the likelihood that person will relapse into criminal behavior. The recidivism initiative includes Division of Youth Services (DYS) Youth Employment to bolster education, training, and job readiness programs; a pilot of trauma-responsive, restorative culture through Restorative Justice practices and interventions; additional critical equipment to assist in State Wildland Inmate Fire Team (SWIFT) fire mitigation goals; and an expansion of Transitional Work Opportunities (TakeTWO) for inmates. These initiatives focus on improving youth and offender outcomes after release, fostering humane and purpose-driven facilities, and enhancing formerly incarcerated individuals' ability to re-enter the workforce.

School Safety Resource Grants (\$2.0M)

A competitive grant program for school districts to apply for school safety enhancements. Allowable uses would include improvements such as entrance security and other tools to keep students and staff safe. The Governor also is recommending an additional \$2.0M for related mental health trainings and trauma-informed programming in ARPA Behavioral Health dollars through the interim committee process.

DPS Project Management Oversight (\$0.4M)

The project management team will be responsible for coordinating these initiatives, managing project timelines, conducting budget work, and other activities to ensure successful implementation of the entire project package.

One time state investments represent a small portion of the entire public safety package. A breakdown of the fund sources is available below and a summary of the entire package is available [here](#).

Public Safety Investment Package - \$113.0M Total Funds	
General Fund Operating*	\$17.8M
One-time State Investment	\$45.0M
ARPA	\$48.9M
Highway Users Tax Fund (HUTF)*	\$1.3M

*General Fund Operating and HUTF totals are inclusive of one year of operating costs.

Fee Relief for Individuals and Businesses

The Fee Relief package provides critical relief to businesses, professionals, and individuals by reducing the financial burden of government fees as Colorado emerges from the COVID-19 pandemic. The package is divided into four main categories: (1) reduce business registrations and provide destination-sourced sales tax incentives, (2) reduce FAML I employer premiums, (3) waive fees for healthcare professionals, facilities, and services, and (4) other fee relief.

Fee Relief for Individuals and Businesses - \$103.9M General Fund			
Business Registrations and Sales Tax Incentives - \$21.7M General Fund			
SOS	Eliminating Fees to Start Your Own Business	\$16.7M	Legislative Placeholder
DOR	Sales Tax Compliance Assistance for Small Businesses	\$5.0M	Legislative Placeholder
FAML I - \$57.5M General Fund			
CDLE	FAML I	\$57.5M	Legislative Placeholder
Health Services Fees - \$20.4M General Fund			
DORA	Nurse License Fees	\$10.7M	Legislative Placeholder
DORA	Mental Health Professionals License Fees	\$3.4M	Legislative Placeholder
CDPHE	Nursing Home License Fees	\$0.7M	Legislative Placeholder
CDPHE	Backfill EMS Services	\$2.0M	Decision Item
CDPHE	Assisted Living Fees	\$3.1M	Legislative Placeholder
CDPHE	Healthcare Facilities Licensure (CDPHE)	\$0.5M	Legislative Placeholder
Other Fees - \$4.3M General Fund			
DOR	DMV - Driver's License Fee (DOR)	\$3.9M	Legislative Placeholder
CDPHE	Dairy Protection Fees (CDPHE)	\$0.4M	Decision Item

Eliminating Fees to Start Your Own Business and Sales Tax Compliance Assistance for Small Businesses (\$21.7M)

This proposal provides relief to new and existing businesses by reducing the Secretary of State's fees for new business licenses, renewal reports, and business information updates. Additionally, the sales tax compliance proposal would provide assistance to small businesses to reduce their fee and/or administrative costs related to sales and use tax compliance.

FAML I (\$57.5M)

In 2020, Colorado voters approved a ballot measure establishing a paid family and medical leave program in Colorado. Colorado became the ninth state in the U.S. to

pass Paid Family and Medical Leave into law. FAMI will provide benefits to employees beginning January 1, 2024, while the premiums will go into effect on January 1, 2023. The proposal would reduce the premiums by 10 percent for the first six months, reducing the initial impact of the new premium on businesses and workers that occurs before the new benefits kick in.

Health Services Fees (\$20.4M)

COVID-19 has negatively impacted many health care professionals resulting in high stress, long hours, and burnout. This proposal would waive licensing fees for nurses and mental health care workers for two years to reduce the financial burden for these workers. Additionally, this proposal would waive license fees for nursing homes and assisted living facilities whose residents have been particularly vulnerable throughout the pandemic.

Other Fees (\$4.3M)

DMV (\$3.9M)

This funding, combined with other DOR requests included in the Governor's budget and legislative agenda, will negate the need for the DMV to increase drivers license fees for two years to maintain the existing level of service. Without these changes, Drivers License fees will be forced to increase by 20% this year for the division's cash fund to remain solvent.

CDPHE Dairy Protection (\$0.4M)

This funding will protect the high-priority dairy protection program that was identified as a critical industry during the COVID-19 pandemic response. It will also forestall the need for increases to fees on dairy producers. The dairy protection program ensures milk and dairy products are in conformance with the national food safety requirements. Conformance with these requirements permits Colorado milk and dairy products to move freely through interstate commerce.

**Attachment 3:
Federal Stimulus Funds Received and ARPA Spending Priorities**

Federal Funds Interim Committee Package - \$845M ARPA		
Priority Investments	Interim Committee	Remaining Cash Fund Balance
\$175M	Affordable Housing and Home Ownership	\$225M
\$275M	Mental and Behavioral Health	\$176M
\$95M	Workforce Development and Education	\$0M
\$300M	Economic Recovery and Relief	\$397M

The federal government took unprecedented action to respond to the COVID-19 pandemic by passing relief totaling \$5.3 trillion nationally. The support this has provided for Colorado’s health, economic, and fiscal recovery is immense. In partnership with the General Assembly, I have taken action to allocate these federal funds to address our state’s most pressing needs, initially through emergency relief and now, with American Rescue Plan Act funds, through prioritizing some of the toughest problems we are facing, including tackling behavioral and mental health issues, housing affordability, workforce development, and economic recovery and relief.

Between the passage of the Consolidations Appropriations Act of 2021 (H.R. 133) and the American Recovery Plan Act of 2021 (ARPA), **up to \$39 billion is estimated to flow into Colorado, which is a total nearly equal to the FY23 proposed state budget.** These one-time stimulus funds represent an unprecedented opportunity for us as a state to not only recover from the devastating impacts of the COVID-19 pandemic, but also to build back stronger than before.

H.R. 133 was signed into law in December 2020, and we estimate that up to \$14 billion is flowing or will flow into the state of Colorado as a result. Some programs (such as stimulus checks or unemployment assistance programs) are sending dollars directly to Coloradans, while other parts of the legislation have directed funds to various state or local agencies to expand existing public programs. These numbers are currently estimates, and as Coloradans and state agencies continue to apply for outstanding federal funds made available by this appropriation, we expect the total amount coming to Colorado to change.

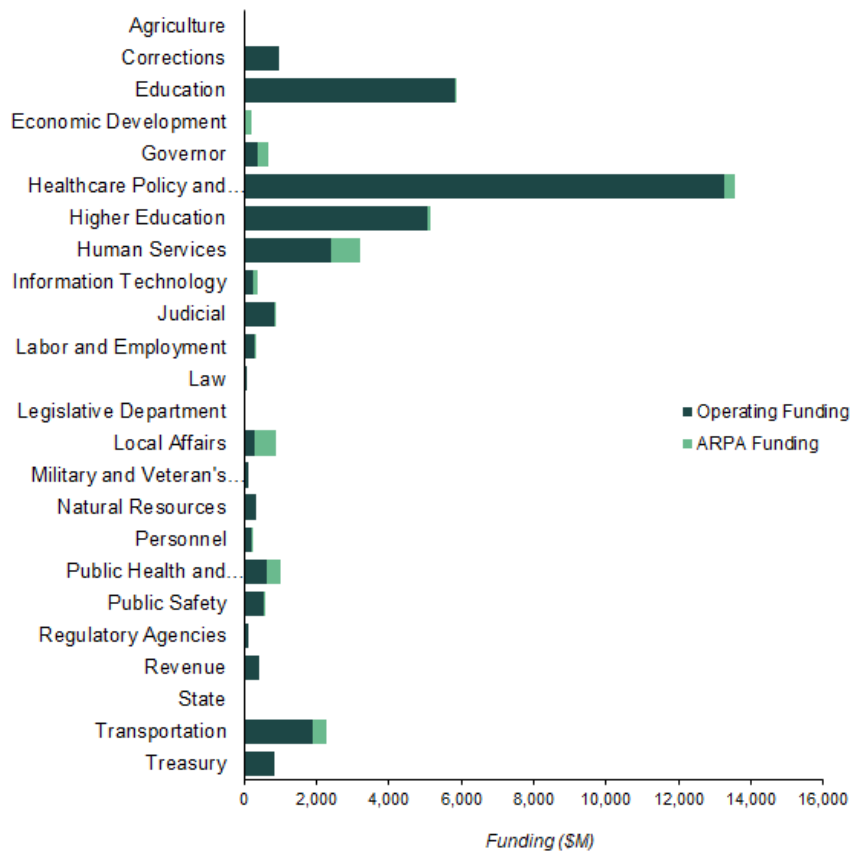
ARPA, signed in March 2021, represents the biggest influx of one-time federal stimulus funds we have seen in our state’s history, with over \$25 billion in ARPA funds expected to come to Colorado through various funding mechanisms. These totals are also estimates, as we are still waiting for federal guidance and award information for many of these funds, especially those dollars going directly to beneficiaries.

Attachment 3: Federal Stimulus Funds Received and ARPA Spending Priorities

ARPA Stimulus Investments, by Department and Program				
Department	SLFRF (\$M)	Direct to Agency Award (DAA) Funds (\$M)	Pass-through Funds (\$M)	Direct to Beneficiary Funds (\$M)
CDA	0.0	0.0	0.0	225.0
CDE	8.5	0.0	0.0	1,167.2
CDHE	79.1	0.0	0.0	500.8
CDHS	100.3	783.2	0.0	11.2
CDLE	60.0	0.0	490.0	2,395.1
CDOT	380.0	18.8	0.0	359.4
CDPHE	27.0	289.1	0.0	150.1
DNR	0.0	0.0	0.0	0.0
DOL	0.0	0.0	0.0	0.0
DOLA	168.5	402.4	0.0	45.7
DOR	0.0	0.0	0.0	10,407.3
DPA	0.5	0.0	0.0	0.0
DPS	6.0	0.0	0.0	0.0
GOV	300.0	0.0	41.0	0.0
HCPF	0.3	330.5	0.7	0.0
JUD	5.3	0.0	0.0	0.0
LG	0.0	6.1	0.0	7.3
OEDIT	50.0	97.7	0.0	676.7
OIT	70.0	171.0	0.0	0.0
Non-Department	0.0	0.0	1.4	2,907.1
Unappropriated SLFRF	2,573.4	0.0	0.0	0.0
Total (\$M)	3,828.8	2,098.7	533.1	18,852.8

Of the \$25 billion estimated ARPA funds coming to Colorado, about \$5.9 billion is estimated to flow through the state government (which can be seen in the “SLFRF” and “Direct to Agency Award” columns in the table above.) About 60% of that total has already been appropriated or awarded to departments, creating a nearly 10% growth in department operating budgets overall, as can be seen below.

ARPA* and FY2021- 22 Operating Funding by Department



**This chart includes direct-to-agency ARPA funds and allocated SLFRF funds only.
Source: Office of State Planning and Budgeting.*

ARPA State and Local Federal Recovery Funds (SLFRF): \$3.8 billion

Of the \$5.9 billion in ARPA funds that were awarded to the state, Colorado received \$3.8 billion specifically from the Coronavirus State Fiscal Recovery Fund for legislative appropriation. To ensure we are using these funds to make strategic investments that reflect Colorodans’ needs in all geographic areas of the state, I conducted a Build Back Stronger Listening tour, in collaboration with the legislative branch, to hear Colorodans’ priorities for spending these dollars. Through this collaboration, we created a transformative vision that splits funding between seven spending categories that will power the Colorado Comeback and move the Colorado recovery forward:

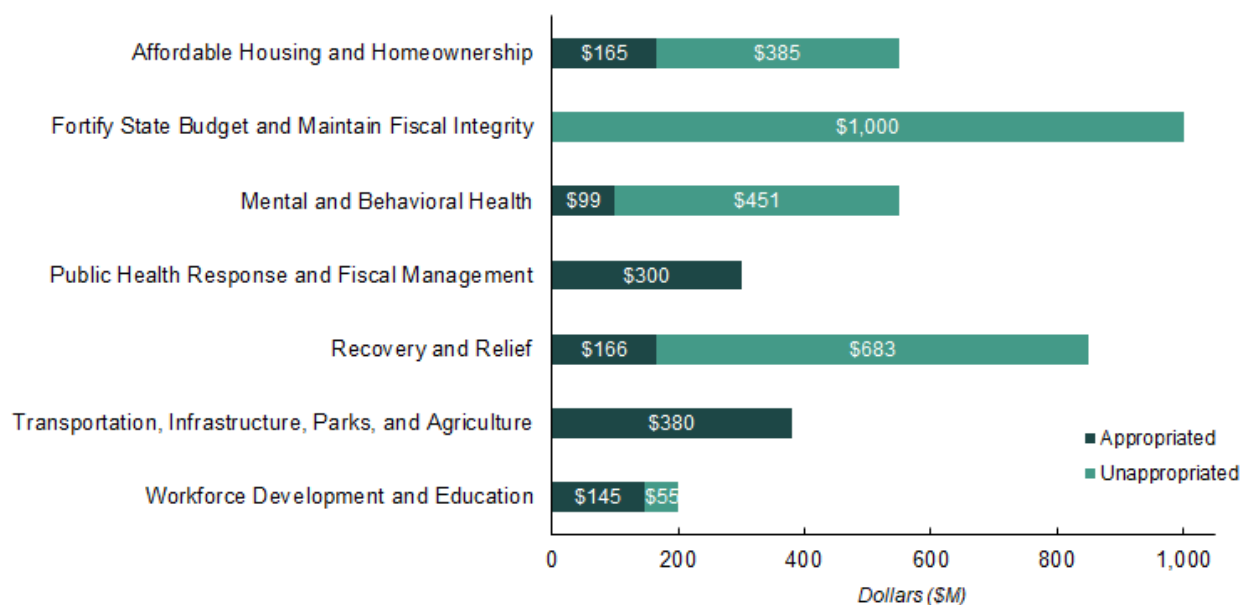
- Affordable Housing and Homeownership
- Mental and Behavioral Health
- Workforce Development and Education
- Economic Recovery and Relief
- Transportation, Infrastructure, Parks, and Agriculture

Attachment 3: Federal Stimulus Funds Received and ARPA Spending Priorities

- Fortify State Budget and Maintain Fiscal Integrity
- Public Health Response and Fiscal Management

Legislators appropriated and determined uses for about \$1.2 billion of these funds in the 2021 legislative session, while about \$2.6 billion of SLFRF funds remain unappropriated. (Some additional state General Fund was also transferred into cash funds to supplement these dollars, but the chart below only shows SLFRF funds.)

\$3.8 billion in SLFRF Funds, by Spending Category



Source: Office of State Planning and Budgeting

This is an extraordinary moment in Colorado’s history. To ensure Colorado’s economic and social strength are not diminished, we must tackle issues of inequality of economic opportunity and future economic resiliency head on by allocating the remaining \$2.6 billion in SLFRF funds for key transformational investments.

That’s why, during the 2021 session, the Governor and General Assembly passed HB 21-1329, SB 21-137, HB 21-1330, and SB 21-291 into law, and directed the Executive Committee of the Legislative Council, by resolution, to create task forces to meet during the 2021 interim and recommend uses for \$1.6 billion of remaining SLFRF funds, in addition to \$1 billion in fiscal integrity funds, to be allocated in the 2022 legislative session.

As the interim task forces created to report on these areas continue their excellent and important work, I would like to put forward my priorities for these areas- please see attachment 1 for a full list of these priorities. I look forward to working with the

General Assembly on creating transformative change on these issues to move our state forward:

- **Affordable Housing and Homeownership Transformational Task Force:** My priority with remaining funds is to increase supply of housing on the entire continuum of housing development, while ensuring the investment of these new resources are done in a manner that supports environmentally forward solutions and well-planned growth in alignment with our greenhouse gas goals.

Affordable Housing and Homeownership - \$175M		Allocation
DOLA	Investments in Strong Communities (Sustainable infrastructure; building upon H.B. 21-1271)	\$100M
DOLA	Financing Energy Improvements in Affordable Housing	\$25M
OEDIT	Housing Innovation Incentive	\$25M
DOLA	Colorado Housing and Finance Authority Middle Income Access Program	\$25M

- **Behavioral Health Transformational Task Force:** We envision a behavioral health system that is comprehensive, equitable, and effectively meets the needs of all Coloradans. Our priority is securing strategic collaboration with local governments and other external partners that results in improved health outcomes for Coloradans.

Mental and Behavioral Health - \$275M		Allocation
CDPHE/ CDHS/ DP S	Grants to Local Communities	\$175M
HCPF	Care Integration and Payment Reform	\$45M
CDHS	Residential Facility for Children and Youth with Complex Needs	\$35M
HCPF/ CDPHE	Key Investments to Build a Robust Pipeline for Our Behavioral Health System, such as Retention/Recruitment Strategies	\$20M

- **Task Force on Student Success and Workforce Revitalization:** We envision a regional approach to connect the supply and demand sides of our Colorado economy through the generation of more high-demand, high-wage credentials and pathways. Inspired by the regional approach and technical assistance structure of the Governor’s RISE grant program, I urge that we implement models that will foster cross-sector collaboration to meet local needs.

Attachment 3: Federal Stimulus Funds Received and ARPA Spending Priorities

Workforce Development and Education - \$95M		Allocation
CDHE	Higher Education Dashboard	\$3M
Regional Talent Collaborative Programs - \$92M		
CDHE	Investing in infrastructure investment based on community needs	\$92M
	Replicating and/or expanding collaborative models for education and workforce development	
	Establishing Regional Collaboration & Innovation Campuses	
	Increasing apprenticeship and work-based learning participation	
	Facilitate attainment of non-degree credentials	

- SB21-291 Task Force on Economic Recovery and Relief Cash Fund:** These funds allow us to make strategic investments to support small businesses, provide needed assistance to families, ensure broadband access across Colorado, and fortify our public health capacity throughout the state. We envision prioritizing new programs centered around homelessness response and solutions, as well as around critical unemployment insurance trust fund relief. We also look forward to discussion around other high impact agency proposals in the areas of economic resilience, rural economy, and economic relief.

Economic Recovery and Relief - \$426M		Allocation
Governor's Priorities		\$300M
CDLE	Unemployment insurance trust fund relief to reduce employer premiums	\$100M
DOLA, CDHS	Homelessness Response and Solutions: Connecting people experiencing homelessness to services, treatment, temporary shelter and housing	\$200M
Other High Impact Agency Proposals by Category		\$126M
Economic Resilience		\$17M
OEDIT	Technical assistance for community development financial institutions and small business development centers	
CDOT	Additional investment in the Revitalizing Main Streets Program	
Rural Economy		\$91M
DNR/CDA	Groundwater recovery for rural and agricultural resilience	
DNR	State Parks broadband, water, and sewer projects	

Attachment 3: Federal Stimulus Funds Received and ARPA Spending Priorities

CDA	industrial hemp center of excellence	
OEDIT	Outdoor recreation and tourism funding to modernize Colorado welcome centers	
HCPF/OeHi	Rural provider access and system transformation	
CDHE	Cumbres and Toltec railroad funding	
CDHE	Funding for rural community colleges and technology for workforce development	
Economic Relief		\$18M
OEDIT	Nonprofit grant assistance	

- Fortify State Budget & Maintain Fiscal Integrity:** A top priority for the State and Local Fiscal Relief funding provided by the American Rescue Plan Act is to provide sufficient funding to support critical state services, such as our K-12 schools, higher education, existing mental and behavioral and physical health programs, and our ongoing public health response to COVID-19. I am carrying forward \$1 billion in one-time investments to prepay funding for critical services while also fortifying our state budget for years to come by lowering our long-term financial liabilities.

Through these new sources of federal stimulus funding, we have the opportunity to build on the investments we have been able to make as a state to develop a strong recovery that helps everyone in our state come back stronger than before the crisis that has been brought on by the COVID-19 pandemic. Colorado’s spending plans for its ARPA funds are the product of a consensus effort about the State’s priorities, from all geographic areas and levels of government.

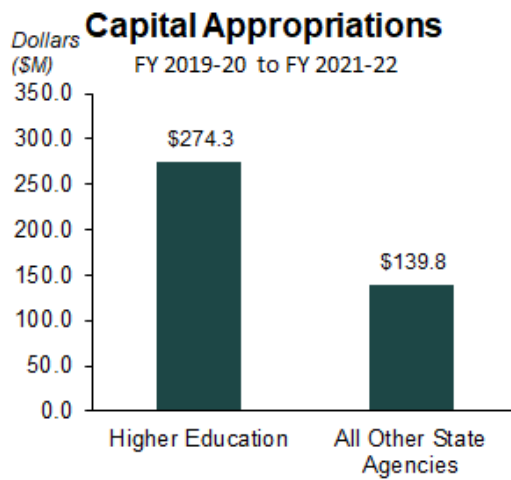
We also know that federal reconciliation and infrastructure packages may provide Colorado with exciting new opportunities in the near future to build above and beyond those investments we have laid out in this letter. More funding will also mean increased coordination and operational needs among all branches of Colorado’s government as our infrastructure adapts to ensure a strategic, transparent, and efficient rollout of all stimulus funds received. By developing robust processes and adding new capacity to effectively manage the allocation and spending of ARPA and H.R. 133 stimulus funds now, we are ensuring that we will have strong structures set up to meet the moment, should additional stimulus federal legislation be passed in the coming weeks or months.

**Attachment 4:
FY 2022-23 Prioritized Capital Construction Requests**

\$381.9M for Most Urgent and Important Investment Capital Construction Projects

This budget takes bold steps to strategically invest in projects that repair, maintain, and protect Colorado’s state-owned buildings and systems. My budget prioritizes projects that mitigate environmental harm and resource waste, protect life safety, prevent loss of use, support underserved communities, promote workforce and industry development, and help the state avoid higher future costs. This historic opportunity to make the state’s largest-ever investment in capital will allow us to preserve state assets for years to come.

Many of the state’s buildings are in deteriorating condition, which can lead to life and safety issues, negative environmental impacts, and can risk total loss of facility use. This is especially concerning at the state’s mental health institutes and secure correctional facilities, where total loss of use would create an immediate crisis for the state. For too long we have allowed the excitement of new construction to overshadow the state’s maintenance needs. Capital assets, both physical and IT, are critical to the state’s infrastructure and to the state’s fiscal integrity and stability. As we face a structural budget deficit, it is more important than ever to be responsible stewards of the structures and systems that serve Coloradans. Although forecasted revenues have improved, the recent focus on funding new construction contributes significantly to the structural deficit that we face.



Higher Education Funding Overshadows Other State Departments’ Needs

In recent years capital spending has failed to align with the state’s needs. Crumbling buildings affect our most vulnerable populations, particularly those served by state departments without revenue-generating capabilities. Meanwhile, record investment in institutions of higher education, particularly the state’s most well-resourced schools, has overshadowed the dire need to maintain and protect other state assets. Over the past three fiscal years, institutions of higher education have received \$274.3M GF in funding for capital construction, capital renewal, controlled maintenance, and IT

capital. Over the same period, all other state agencies combined have received only **\$139.8M GF** in capital funding.

Construction Cost Escalation Averages 9.5% Per Year of Delay

The following projects, which are recommended for funding this year, have been requested in previous years and either did not receive funding or only received partial funding. This table shows the increase in costs since the projects were first requested (or since the first year for which data is readily available), on average 9.5% per year.

Agency	Project Name	2022-23 Total Project Cost	First Year Requested or Data Available	% Increase Since First Request	\$ Increase Since First Request
DOC	Utility Water Lines Replacement, Arkansas Valley Correctional Facility (Capital Renewal)	\$9.5M	FY 19-20	35.5%	\$2.5M
DOC	Sanitary Sewer Line Replacement, Buena Vista Correctional Facility (Capital Renewal)	\$2.3M	FY 21-22	8.4%	\$0.2M
DOC	Critical Living Unit Shower/Drain and Toilet Room Improvements, Arkansas Valley Correctional Facility (Capital Renewal)	\$12.4M	FY 20-21	14.5%	\$1.6M
DHS	HVAC Replacement, Four Buildings, Colorado Mental Health Institute at Pueblo (Capital Renewal)	\$59.5M	FY 20-21	34.4%	\$15.2M
DHE	Gray Hall, University of Northern Colorado (Capital Renewal)	\$4.6M	FY 17-18	45.1%	\$1.4M
DHS	Campus Utility Infrastructure Upgrade, Colorado Mental Health Institute at Fort Logan (Capital Renewal)	\$30.5M	FY 17-18	18.0%	\$4.7M
DOC	Water Tank Repair and Replacement, East Canon City Prison Complex (Capital Renewal)	\$5.3M	FY 21-22	13.1%	\$0.6M
DHE	LCC Bowman, Lamar Community College (Capital Renewal)	\$9.8M	FY 21-22	2.4%	\$0.2M
DHS	Campus Utility Infrastructure Upgrade, Colorado Mental Health Institute at Pueblo (Capital Renewal)	\$42.3M	FY 17-18	45.3%	\$13.2M
DHE	Facility Services Center Replacement, Adams State University	\$19.0M	FY 20-21	22.7%	\$3.5M
DHE	Freudenthal Library Renovation, Trinidad State Junior College	\$1.2M	FY 21-22	11.0%	\$0.1M
Total Cost Increase					\$43.2M

This highlights the need to fund projects that maintain and protect state assets as early as possible, to avoid paying increases caused by inflation and further deterioration. Funding necessary projects quickly also saves operating costs dedicated to repairing deteriorating facilities, which will allow departments to allocate staff time and resources to keeping facilities in good condition for longer.

New Construction Crowds Out Budget for Controlled Maintenance

The General Assembly has not funded all three levels of controlled maintenance in more than five years. In that time, new construction has received significant investment.

Attachment 4: FY 2022-23 Prioritized Capital Construction Requests

Fiscal Year	Controlled Maintenance	Total	Unfunded Controlled Maintenance	GF New Construction Appropriation
FY 2021-22	Requested	\$108.8M		
	Appropriated	\$89.6M	\$19.2M	\$106.3M
FY 2020-21	Requested	\$97.8M		
	Appropriated	\$2.0M	\$95.7M	\$0.5M
FY 2019-20	Requested	\$95.7M		
	Appropriated	\$57.1M	\$38.7M	\$83.0M
FY 2018-19	Requested	\$92.5M		
	Appropriated	\$15.1M	\$77.3M	\$125.8M
FY 2017-18	Requested	\$90.1M		
	Appropriated	\$33.4M	\$56.7M	\$37.4M
Five Year Total	Requested	\$484.9M		
	Appropriated	\$197.3M	\$287.6M	\$353.0M

When new projects receive funding at the expense of controlled maintenance funding, future costs increase in two ways:

1. the year-over-year increase in project costs for existing issues, through inflation and further deterioration, and
2. the cost of future controlled maintenance on the new construction.

As operating expenses grow faster than the allowable growth of the state budget, we face a significant deficit in future years. Funding new construction at the expense of necessary maintenance and repair only adds to that deficit, which ultimately hurts Coloradans. This budget prioritizes responsible stewardship of existing state assets, to maintain budget integrity and improve fiscal stability for the future.

Impact Factors

The list of recommended capital construction projects identifies one or more of the following impact factors in each project. Impact factors are not intended to be used as a scoring criteria but as a way to highlight notable project elements.

- **Environmental Impact** projects eliminate environmental degradation, improve energy efficiency, or reduce natural resource waste.
- **Life Safety & Loss of Use** projects address building conditions that are at risk of causing physical harm, or where there is a high risk that a system failure will render an entire facility uninhabitable or unusable.
- **Underserved Communities (Including Equity, Diversity, and Inclusion)** projects support historically underserved and under-resourced communities,

including geographic communities and those created by a “Big 9” social identifier or protected class.

- **Workforce and Industry Development** projects address the Governor’s Education and Workforce WIG by promoting affordability and equity in postsecondary education, or by supporting state programs with widespread industry support.
- **Cost Avoidance** projects prevent significant future costs or allow the state to eliminate current ongoing costs.

Capital Construction List Tiers

The proposed capital list that follows prioritizes projects into 3 tiers: Most Urgent, Important Investments, and Not Recommended for Funding. The Most Urgent and Important Investment tiers are recommended for funding in the FY 2022-23 budget.

- Most Urgent projects include projects that the Governor recommends funding this year due to significant likelihood of loss of use, threats to life safety, ongoing maintenance costs, and need to mitigate serious environmental impacts.
- Important Investment projects enable the state to invest in long term capital needs to support essential policy goals and responsible stewardship of state resources.
- Not Recommended for Funding projects often represent true needs, but are not prioritized for funding this year. These true-need projects should remain on the list to set reasonable future expectations and demonstrate departmental and institutional priorities. However, many projects that are not recommended involve unreasonable increases to the state’s financial liabilities. The overwhelming majority of these projects are requests for new construction at higher education institutions, and would be more appropriate for cash funding.

FY 2022-2023 Capital Construction and Capital Renewal Requests Recommended for Funding, in OSPB Prioritized Order

OSPB	CCHE	Agency	Project Name	Environmental Impact Life Safety & Loss of Use Underserved Communities (Including EDI) Workforce & Industry Development Cost Avoidance					FY 2022-23 TF	FY 2022-23 CCF	FY 2022-23 CF	Continuation	Outyear CCF Total	Outyear CF Total	CC/CM/CR
				N/A	N/A	N/A	N/A	N/A							
N/A	N/A	DHE	NWC COP Payment	N/A	N/A	N/A	N/A	N/A	\$ 17,496,791	\$ 17,496,791	\$ -	<input checked="" type="checkbox"/>	\$ 52,497,110	\$ -	CC
1	-	DPA	Controlled Maintenance Level 1	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>	\$ 44,105,652	\$ 44,105,652	\$ -		\$ -	\$ -	CM
2	-	DPA	Controlled Maintenance Level 2	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>	\$ 54,380,164	\$ 54,380,164	\$ -		\$ -	\$ -	CM
3	-	DOC	Utility Water Lines Replacement, Arkansas Valley Correctional Facility (Capital Renewal)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	\$ 9,539,209	\$ 9,539,209	\$ -		\$ -	\$ -	CR
4	-	DOC	Sanitary Sewer Line Replacement, Buena Vista Correctional Facility (Capital Renewal)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	\$ 2,324,904	\$ 2,324,904	\$ -		\$ -	\$ -	CR
5	-	DOC	Critical Living Unit Shower/Drain and Toilet Room Improvements, Arkansas Valley Correctional Facility (Capital Renewal)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	\$ 12,402,937	\$ 12,402,937	\$ -		\$ -	\$ -	CR
6	-	DHS	HVAC Replacement, Four Buildings, Colorado Mental Health Institute at Pueblo (Capital Renewal)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	\$ 17,559,780	\$ 17,559,780	\$ -	<input checked="" type="checkbox"/>	\$ 29,701,999	\$ -	CR
7	13	DHE	Gray Hall, University of Northern Colorado (Capital Renewal)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	\$ 4,586,656	\$ 4,540,656	\$ 46,000		\$ -	\$ -	CR
8	-	DHS	Campus Utility Infrastructure Upgrade, Colorado Mental Health Institute at Fort Logan (Capital Renewal)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	\$ 19,114,483	\$ 19,114,483	\$ -	<input checked="" type="checkbox"/>	\$ 11,410,960	\$ -	CR
9	-	DHS	Office of Behavioral Health Transitional Housing			<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	\$ 2,341,663	\$ 2,341,663	\$ -		\$ -	\$ -	CC
Subtotal, Most Urgent Capital Construction Requests									\$ 183,852,239	\$ 183,806,239	\$ 46,000		\$ 93,610,069	\$ -	
10	-	DPA	Controlled Maintenance Level 3	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	\$ 26,327,421	\$ 26,327,421	\$ -		\$ -	\$ -	CM
11	-	CDA	Replace Roof, HVAC, and Windows at Palace of Agriculture (Capital Renewal)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	\$ 5,278,877	\$ 5,278,877	\$ -		\$ -	\$ -	CR
12	-	DOC	Water Tank Repair and Replacement, East Canon City Prison Complex (Capital Renewal)		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	\$ 5,349,710	\$ 5,349,710	\$ -		\$ -	\$ -	CR
13	-	DOC	ADA Improvements, Fremont Correctional Facility (Capital Renewal)		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	\$ 6,055,136	\$ 6,055,136	\$ -		\$ -	\$ -	CR
14	5	DHE	Berndt Hall, Fort Lewis College (Capital Renewal)		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	\$ 4,421,473	\$ 4,200,399	\$ 221,074		\$ -	\$ -	CR
15	14	DHE	Hurst Hall Lab Renovation, Western Colorado University (Capital Renewal)		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	\$ 3,995,492	\$ 3,831,677	\$ 163,815		\$ -	\$ -	CR
16	5	DHE	LCC Bowman, Lamar Community College (Capital Renewal)		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	\$ 3,944,152	\$ 3,944,152	\$ -		\$ 5,850,030	\$ -	CR
17	-	DHS	Campus Utility Infrastructure Upgrade, Colorado Mental Health Institute at Pueblo (Capital Renewal)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	\$ 10,682,004	\$ 10,682,004	\$ -		\$ 31,649,491	\$ -	CR
18	-	DOC	Kitchen Renovation, Sterling Correctional Facility (Capital Renewal)		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	\$ 2,800,000	\$ 2,800,000	\$ -		\$ 42,546,904	\$ -	CR
19	20	DHE	Leslie J. Savage Library, Western Colorado University (Capital Renewal)		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	\$ 3,191,946	\$ 3,066,231	\$ 125,715		\$ -	\$ -	CR
20	-	CDE	State Board Room Renovation					<input checked="" type="checkbox"/>	\$ 1,774,654	\$ 1,774,654	\$ -		\$ -	\$ -	CC
21	-	DHS	Continuation of Suicide Risk Mitigation		<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>	\$ 5,123,993	\$ 5,123,993	\$ -		\$ -	\$ -	CC
22	-	DHS	Visitation Centers at Three DYS Campuses			<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	\$ 3,239,873	\$ 3,239,873	\$ -		\$ -	\$ -	CC
23	-	DHS	DYS Transitional Housing			<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	\$ 997,879	\$ 997,879	\$ -		\$ -	\$ -	CC
24	-	CDA	Insectary Greenhouse Repair and Replacement	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	\$ 625,629	\$ 625,629	\$ -		\$ -	\$ -	CC
25	24	DHE	Facility Services Center Replacement, Adams State University	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	\$ 18,948,014	\$ 18,758,534	\$ 189,480		\$ -	\$ -	CC
26	4	DHE	Freudenthal Library Renovation, Trinidad State Junior College			<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	\$ 1,165,125	\$ 1,165,125	\$ -	<input checked="" type="checkbox"/>	\$ -	\$ -	CC
27	3	DHE	Boulder Creek Health Education Center of Excellence, Community College of Denver				<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	\$ 22,938,121	\$ 21,080,133	\$ 1,857,988	<input checked="" type="checkbox"/>	\$ -	\$ -	CC
Subtotal, Important Investment Capital Construction Requests									\$ 126,859,499	\$ 124,301,427	\$ 2,558,072		\$ 80,046,425	\$ -	
Total, All Recommended Capital Projects									\$ 310,711,738	\$ 308,107,666	\$ 2,604,072		\$ 173,656,494	\$ -	

FY 2022-2023 Cash-Funded Capital Construction & Capital Renewal Requests, Recommended for Funding

Agency	Project Name	FY 2022-2023		
		TF	CCF	CF
DHS	Depreciation Fund Capital Improvements	\$ 1,037,372	\$ -	\$ 1,037,372
History Colorado	Georgetown Loop Preservation Projects (Capital Renewal)	\$ 385,000	\$ -	\$ 385,000
DNR	Infrastructure and Real Property Maintenance	\$ 46,502,450	\$ -	\$ 46,502,450
DNR	Property Acquisitions and Improvements	\$ 11,000,000	\$ -	\$ 11,000,000
Total, Cash-Funded Capital Construction		\$ 58,924,822	\$ -	\$ 58,924,822

FY 2022-2023 Capital Requests Not Recommended for Funding, in Alphabetical Order by Department & Project Name

Agency	Project Name	FY 2022-23 TF	FY 2022-2023 CCF	FY 2022-23 CF	Continuation	Outyear CCF	Outyear CF	CC/CM/CR
CDOT	Funding Concept for Three New Automated Weather Observing Stations	\$ 750,000	\$ 450,000	\$ 300,000		\$ -	\$ -	CC
DHE	Anatomy-Zoology Building (Capital Renewal), Colorado State University - Fort Collins	\$ 18,200,336	\$ 18,200,336	\$ -		\$ 12,381,896	\$ 6,263,831	CR
DHE	Applied Technology Campus Expansion and Remodel, Northeastern Junior College	\$ 12,575,000	\$ 11,500,000	\$ 1,075,000		\$ 3,650,000	\$ 500,000	CC
DHE	ARDEC Infrastructure Improvements, Colorado State University - Fort Collins	\$ 11,907,013	\$ 11,907,013	\$ -		\$ 6,431,078	\$ 3,756,000	CC
DHE	ART/Music Renovation, Colorado State University - Pueblo	\$ 19,055,000	\$ 18,864,450	\$ 190,550		\$ -	\$ -	CC
DHE	Arthur Lakes Library Renovation, Colorado School of Mines	\$ 15,000,000	\$ 12,000,000	\$ 3,000,000		\$ -	\$ -	CC
DHE	Campus-wide Building Envelope and Energy Code Deficiencies (Capital Renewal), Auraria Higher Education Center	\$ 22,147,382	\$ 22,147,382	\$ -		\$ -	\$ -	CR
DHE	Central Technology Renovation, Adams State University	\$ 7,710,205	\$ 7,633,103	\$ 77,102		\$ -	\$ -	CC
DHE	Clark Building Renovations and Additions, Colorado State University - Fort Collins	\$ 68,927,539	\$ 38,927,539	\$ 30,000,000		\$ 37,480,741	\$ 25,000,000	CC
DHE	Classroom to Career Hub (C2 Hub), Metropolitan State University	\$ 16,924,999	\$ 15,215,574	\$ 1,709,425		\$ -	\$ -	CC
DHE	CU Denver Building Infrastructure Replacement and Renovation (Capital Renewal), University of Colorado Denver	\$ 34,977,954	\$ 25,883,686	\$ 9,094,268		\$ -	\$ -	CR
DHE	CU Denver Engineering Building, University of Colorado Denver	\$ 19,788,852	\$ 14,643,751	\$ 5,145,101		\$ 45,230,855	\$ 15,891,922	CC
DHE	Dental Hygiene Growth/Expansion Project, Pueblo Community College	\$ 6,300,000	\$ 6,300,000	\$ -		\$ -	\$ -	CC
DHE	Electrical and Computer Engineering Building, Colorado Mesa University	\$ 23,392,398	\$ 21,029,766	\$ 2,362,632		\$ -	\$ -	CC
DHE	Energy Independence, Colorado Mesa University	\$ 7,547,354	\$ 6,785,071	\$ 762,283		\$ -	\$ -	CC
DHE	Engineering Building Renovation, University of Colorado Colorado Springs	\$ 15,687,153	\$ 15,687,153	\$ -		\$ 22,548,807	\$ -	CC
DHE	First Responder Emergency Education Complex, Pikes Peak Community College	\$ 36,319,477	\$ 33,395,759	\$ 2,923,718		\$ -	\$ -	CC
DHE	Guggenheim Geography Building Renovation, University of Colorado Boulder	\$ 30,194,573	\$ 12,077,829	\$ 18,116,744		\$ -	\$ -	CC
DHE	Health Institute, Metropolitan State University	\$ 7,706,993	\$ 7,706,993	\$ -		\$ 79,530,952	\$ 9,800,925	CC
DHE	Hellems Arts & Sciences and Mary Rippon Outdoor Theatre Renovation, University of Colorado Boulder	\$ 27,170,095	\$ 10,868,038	\$ 16,302,057	<input checked="" type="checkbox"/>	\$ 10,867,541	\$ 16,301,312	CC
DHE	Macky Auditorium Renovation, University of Colorado Boulder	\$ 20,873,673	\$ 8,349,469	\$ 12,524,204		\$ 12,308,592	\$ 18,462,889	CC
DHE	Maverick Center Renovation and Expansion, Colorado Mesa University	\$ 42,298,905	\$ 38,026,716	\$ 4,272,189		\$ -	\$ -	CC
DHE	Medical Technology Renovation, Pueblo Community College	\$ 600,000	\$ 600,000	\$ -		\$ -	\$ -	CR
DHE	North Quad Remodel, CCCS Lowry	\$ 1,998,685	\$ 1,998,685	\$ -		\$ -	\$ -	CC
DHE	Replace Robinson Theater, Colorado Mesa University	\$ 43,886,756	\$ 39,454,194	\$ 4,432,562		\$ -	\$ -	CC
DHE	Student Parking Garage, Colorado Mesa University	\$ 25,408,566	\$ 22,842,301	\$ 2,566,265		\$ -	\$ -	CC
DHE	Subsurface Frontiers Building, Colorado School of Mines	\$ 177,213,547	\$ 18,143,259	\$ 159,070,288	<input checked="" type="checkbox"/>	\$ -	\$ -	CC
DHS	Gilliam Youth Services Center Replacement and DYS Training Center	\$ 4,827,171	\$ 4,827,171	\$ -		\$ 3,334,360	\$ -	CC
DHS	CMHIP Kitchen Improvements	\$ 20,450,520	\$ 20,450,520	\$ -		\$ -	\$ -	CC
DHS	DYS Career Technical Education	\$ 11,951,330	\$ 11,951,330	\$ -		\$ 25,335,359	\$ -	CC
DHS	Grand Mesa and Platte Valley Separation of Use	\$ 2,812,095	\$ 2,812,095	\$ -		\$ 34,121,566	\$ -	CC
DHS	Mental Health Institutes, Facility Modernization	\$ 28,545,182	\$ 28,545,182	\$ -		\$ 882,738,878	\$ -	CC
DOC	Electrical Distribution Infrastructure Replacement, East Canon City Prison Complex (Capital Renewal)	\$ 14,764,340	\$ 14,764,340	\$ -		\$ -	\$ -	CR
DOC	Electronic Security System Replacement, Arkansas Valley Correctional Facility (Capital Renewal)	\$ 3,520,144	\$ 3,520,144	\$ -		\$ -	\$ -	CR
DOC	Electronic Security System Replacement, Colorado State Penitentiary (Capital Renewal)	\$ 4,696,314	\$ 4,696,314	\$ -		\$ -	\$ -	CR
DOC	Support Building Roof Replacement, Denver Women's Correctional Facility (Capital Renewal)	\$ 2,225,500	\$ 2,225,500	\$ -		\$ -	\$ -	CR
History Colorado	Exterior Life Safety Repairs and Rehabilitation, Grant-Humphreys Mansion (Capital Renewal)	\$ 4,043,639	\$ 4,043,639	\$ -		\$ -	\$ -	CR
Total, All Projects Not Recommended for Funding		\$ 812,398,690	\$ 538,474,302	\$ 273,924,388		\$ 1,175,960,625	\$ 95,976,879	

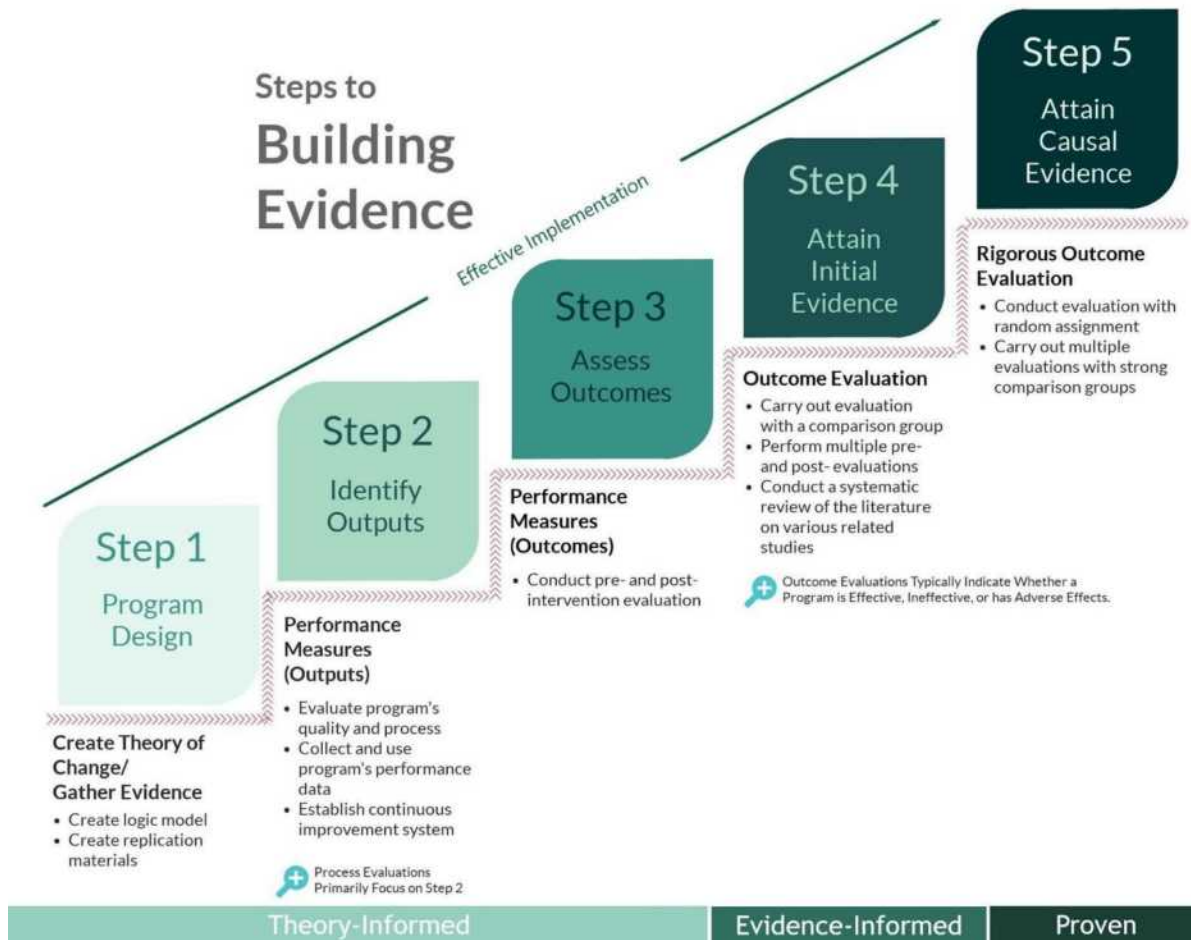
FY 2022-2023 IT Capital Requests, Recommended for Funding, in OSPB Prioritized Order						
OSPB	Agency	Project Name	FY 2022-2023			
			TF	GF	CF	FF
1	OeHI	Rural Connectivity	\$ 10,978,008	\$ 5,489,004	\$ -	\$ 5,489,004
2	DOC	Modernize Timekeeping and Scheduling Systems	\$ 1,282,965	\$ 1,282,965	\$ -	\$ -
Total, Recommended IT Capital Projects			\$ 12,260,973	\$ 6,771,969	\$ -	\$ 5,489,004
<i>Placeholders</i>						
		<i>IT Capital Placeholder - Forthcoming December Budget Amendment Submission</i>	<i>\$ 34,282,827</i>	<i>\$ 23,500,000</i>	<i>\$ 10,782,827</i>	<i>\$ -</i>

Attachment 5: Evidence-Based Policy

OSPB is committed to utilizing evidence-based policy (EBP) in the State of Colorado. The implementation of this approach was considered and incorporated into the construction of Governor Polis’ FY 2022-23 Budget. For several years, OSPB has incorporated evidence information into budget proposals using the Evidence Continuum, which was described in a JBC staff memo in 2018 (see Figure 1). Both the executive and legislative branches have benefited from the advice and contributions of the members of Colorado’s Evidence-Based Policy Collaborative, who developed the Evidence Continuum.

The Evidence Continuum consists of five different Evidence Steps, which reflect different types of evidence and the rigor of such evidence.

Figure 1: Evidence Continuum in use by Executive Branch



The General Assembly codified requirements for EBP in the budget process by passing [SB21-284](#). OSPB updated its budget development process to align with these

Attachment 5: Evidence-Based Policy

requirements. The Evidence Steps correspond to the different evidence levels described in the statute:

- **Not Applicable**: When a program/practice does not reflect the definitions outlined for opinion-based, theory-informed, evidence-informed, or proven



programs/ practices.

- **Opinion-Based**: When a program/practice reflects a low level of confidence of effectiveness, ineffectiveness, or harmfulness, based on satisfaction surveys, personal experiences, or lack of evidence for impact overall.
- **Theory-Informed**: When a program/practice reflects a moderate level of confidence of effectiveness, ineffectiveness, or harmfulness, based on tracking and evaluating performance measures determined by pre-and post-intervention evaluation of outcomes, evaluation of program outputs, identification and implementation of a theory of change, or equivalent measures. This stage is associated with Steps 1, 2, and 3 on the Evidence Continuum.
- **Evidence-Informed**: When a program/practice reflects a moderate, supported, or promising level of confidence of effectiveness, ineffectiveness, or harmfulness as determined by an evaluation with a comparison group, multiple pre- and post-evaluations, or an equivalent measure. This stage is associated with Step 4 on the Evidence Continuum.
- **Proven**: When a program/practice reflects a high or well-supported level of confidence of effectiveness, ineffectiveness, or harmfulness as determined by one or more high-quality randomized control trials, multiple evaluations with strong comparison groups, or an equivalent measure. This stage is associated with Step 5 on the Evidence Continuum.

Approximately 75 percent of requests in the Governor’s FY 2022-23 budget were assessed and categorized on the Evidence Continuum. In addition, budget proposals for FY 2022-23 include a table of evidence-related information to more explicitly relate evidence to the Evidence Continuum.

Attachment 5: Evidence-Based Policy

Evidence Table Template

Theory of Change			
Program Objective			
Outputs being measured			
Outcomes being measured			
Cost/Benefit ratio			
Evaluations	Pre-Post	Quasi-Experimental Design	Randomized Control Trial
Results of Evaluation			
Continuum Level			

OSPB has identified several opportunities to encourage evidence-based budget decisions and practices for various government programs. Such opportunities include:

- Collaborating with the legislature to identify ways to embed the use of data and evidence in both executive and legislative branch decision-making;
- Expanding the use of evidence beyond areas of traditional emphasis such as health care, criminal justice, and education to all areas of State programming;
- Encouraging Departments to incorporate evidence into their internal policy, management, and resource allocation decisions; and
- Continuing to build capacity within the Governor’s Office and in Departments to apply data and evidence to program design, implementation, and resource allocation.

FY 2021-22 Progress

Colorado was one of the first states to implement the use of evidence in all agency requests, and has since maintained its position as one of the top states, as recognized by [Results for America \(RFA\)](#), to incorporate data and evidence within budget decisions. Given this recognition, Colorado continues to take pride in meeting and upholding the national standard for this practice. Furthermore, our state’s budget guidance is annually reevaluated to emphasize data and evidence usage in new and innovative ways. RFA has also acknowledged Colorado’s State Measurement for Accountable, Responsive and Transparent Government (SMART) Act, alongside the annual budget instruction’s inclusion of the Evidence Continuum, to be a leading example of how states can utilize data results to improve program performance.

Colorado has been closely collaborating with the Pew Charitable Trust’s (Pew) [Results First Initiative](#), and has been [recognized](#) by Pew as the leading state to identify ways

Attachment 5: Evidence-Based Policy

to implement evidence-based practice. The recognition highlights our EBP framework as a means to help [assess decision items](#). Furthermore, OSPB participated in the creation of the [Center for Results-Driven Governing](#) at the National Conference of State Legislatures. Colorado seeks to lead by example and assist other states in how to use EBP.

In an effort to instill EBP practices throughout state government, the Governor's Office conducted two statewide trainings for State agency leaders to develop their ability to incorporate data and evidence into their agencies' budget processes. The Governor's Office has partnered with Pew and the Abdul Latif Jameel Poverty Action Lab (J-PAL) at the Massachusetts Institute of Technology (MIT) to provide these trainings on implementing evaluations and assessments on program performance for state agency staff. As the focus for improved decision-making continues, the Governor's Office will continue to seek opportunities for building capacity within the executive branch.

The Governor is eager to continue looking for new ways to collaborate with the legislature to advance Colorado's use of data and evidence in budget and policy decision-making.

OSPB Implementation and Evaluation Grant

It is essential to evaluate programs based on whether they are able to deliver their intended outcomes because it can help determine which programs to continue or eliminate. The OSPB Implementation and Evaluation Grant is targeted at helping programs progress through the State's Evidence Continuum in order to improve program outcomes for Coloradoans. Since FY 2017-18, OSPB has awarded about \$500,000 annually to support state programs seeking to implement or evaluate program outcomes. For the FY 2021-22 Implementation and Evaluation Grants, OSPB awarded one new evaluation program, RENEW Evaluation from the Department of Local Affairs (DOLA), while continuing funding for five out of the six grantees of FY 2020-21: Family First Evidence-Based Programs (CDHS), Marijuana Impaired Driving Program (CDOT), School Counselor Corps Grant Program (CDE), School Health Professionals Grant (CDE), and the Student Re-engagement Grant Program (CDE). Additional details about new grants and the progress of evaluations funded by previous grants can be found in a [report](#) available on OSPB's website.

Attachment 6: Statewide Analysis & Economic Conditions

Statewide Analysis

The following section outlines various issues of statewide concern, including supplemental requests, stimulus legislative placeholders, provider rates, the capital budget, and more.

General Fund Overview

The FY 2022-2023 budget includes total General Fund expenditures of \$17.2B, which represents an increase of \$2.3B, or 15.6% over FY 2021-2022 enacted, as shown in the table below. This \$17.2B includes \$13.3B within agency budgets, \$2.0B for a 15% reserve, \$1.5B for one-time state investments, \$1.3B for TABOR refunds, \$374.1M for capital construction, and \$446.4M of transfers and expenditures not subject to the appropriations limit and reserve requirement. This budget is balanced, with a projected ending General Fund balance of \$2.3B which is sufficient to support the 15.0% required reserve level.

General Fund Overview						
	FY 2021-22 Enacted Appropriation	FY 2021-22 Supplementals	FY 2021-22 Total	FY 2022-23 Request	Change	Percent
Total General Fund Available	18,456,837,094	0	18,456,837,094	19,517,610,076	1,060,772,982	5.7%
Total General Fund Expenditures	14,947,899,649	0	14,839,943,529	17,173,396,096	2,333,452,567	15.6%
General Expenditures Subject to Reserve	12,281,901,008	(112,069,336)	12,169,831,672	13,314,449,799	1,144,618,127	9.3%
General Fund Expenditures Exempt From Reserve	2,665,998,641	4,113,216	2,670,111,857	3,858,946,297	1,188,834,440	44.6%
Ending General Fund	3,508,937,445	(107,956,120)	3,616,893,565	2,344,213,980	(1,272,679,585)	-36.3%
Required/Request Reserve			13.40%	15.00%	1.60%	11.9%
Required/Requested Reserve Amount			1,630,757,444	\$1,997,167,470	\$366,410,026	22.5%
Above/(Below) Reserve Level			1,986,136,121	347,046,510	(1,639,089,611)	-82.5%

FY 2021-2022 Supplementals

The FY 2022-2023 budget accounts for funds previously approved, and forthcoming supplemental requests that affect FY 2021-2022 appropriations, as outlined below:

Anticipated Caseload supplementals, not included in agency requests (for January 2, 2022 submission)			
Program	Agency	Total Funds	General Fund
Capital 1331	CDHS	4,113,216	4,113,216
Medical Services Premiums	HCPF	(193,724,244)	(102,340,617)
Behavioral Health Programs	HCPF	100,335,065	14,033,780
Child Health Plan Plus	HCPF	(8,778,202)	(5,351,109)
Medicare Modernization Act State Contribution	HCPF	3,803,082	3,803,082
Office of Community Living	HCPF	(11,250,010)	(22,214,472)
Total		(105,501,093)	(107,956,120)

Other Elected Officials, the Legislative Branch, and the Judicial Branch

Other statewide elected officials, as well as the Judiciary, will recommend their proposed FY 2022-2023 budget directly to the General Assembly. The Governor's recommendation provides annual base adjustments associated with prior legislation and includes a 3% placeholder.

Total Compensation

In accordance with the partnership agreement, the FY 2022-23 budget includes funding for a 3% across-the-board salary survey increase, movement of all employees to a \$15 per hour wage. In addition the total compensation request includes funding for the state share of the Family and Medical Leave Insurance Program premiums starting on January 1, 2023.

Total Compensation Requested Increases		
Common Policy Line Item	Total Funds	General Fund
Salary Survey	71,020,261	40,021,406
Movement to Minimum Related to \$15 Min Wage	925,492	584,963
Movement to Minimum NOT Related to \$15 Min Wage	2,970,957	856,423
Minimum Wage Adjustment (Non-Classified)	968,289	139,498
PERA Direct Distribution	225,876	(518,606)
Paid Family and Medical Leave Insurance Program	4,263,337	2,139,639
Shift	(1,813,728)	(1,524,570)
PERA - AED	5,446,662	2,813,058
PERA - SAED	5,446,662	2,813,058
Short-term Disability	26,634	61,313
Health, Life and Dental	25,649,827	15,095,616
Total Increases	115,130,267	62,481,798

PERA and Pension Liabilities

The FY 2022-2023 total compensation request includes the PERA Direct Distribution common policy is requested using the same methodology as last year, by allocating resources across fund types in the same proportion as Amortization Equalization Disbursement (AED) and the Supplemental Amortization Equalization Disbursement

(SAED). It is important to note, however, that the federal government is not consistent in their approach for funding state pension liabilities through direct billing mechanisms such as this. For more details, including agency specific impacts, please see the detailed Common Policy report provided by DPA, which can be found on the OSPB website.

Statewide Provider Rates

Due to ongoing economic uncertainty, this budget includes a 1% across-the-board increase for community providers. The budget includes funding to move home and community based providers to a \$15 per hour minimum wage.

Budget Integrity Prepays

The Governor’s FY 2022-23 Budget proposes a \$1.84 billion investment to prepay some of the state’s most important programs to ensure funding of these essential services and protect our future fiscal foundation.

Budget Integrity Prepays Package - \$1,837M Total Funds			
Budget Integrity Prepays	FY24	FY25	Totals
State Education Fund: Protect Historic Buy-Down of Budget Stabilization Factor	150	150	300
COWINS 3-Yr Partnership Agreement Funding	34	37	71
FAMLI: Prepay State’s Employer Contribution for Family & Medical Leave (4 yr)	13	45	58
Universal Preschool: Protect Free Preschool from Nicotine Revenue Declines	165	189	354
Affordable Housing: Protect General Fund Transfers for Affordable Housing (3 yr)	47	100	147
Transportation: Payments for CDOT COPs for Road Improvements (3 yr)		270	270
Air quality: Delay Regulatory Fee Increases During Recovery	27	10	37
PERA Prepay: Delay SB 21-228 to Ensure Pension Financing	190	190	380
Controlled Maintenance: Delay & Extend SB 21-224 to Ensure Asset Maintenance	110	110	220
Total	736	1,101	1,837

Capital Construction

The total capital construction budget, including capital construction, capital renewal, controlled maintenance, and IT capital, in the FY 2022-23 recommendation totals \$381.9 million, which includes \$314.9 million General Fund, \$61.5 million cash funds, and \$5.5 million federal funds. For physical capital, the General Fund investment can be detailed as follows:

Attachment 6: Statewide Analysis & Economic Conditions

Type	Amount	Percentage
Controlled Maintenance	\$124,813,237	40.5%
Capital Renewal	\$110,690,155	35.9%
Capital Construction	\$72,604,274	23.6%



There was one 1331 approved capital project for FY 2021-22 in the amount of \$4.1M for the Department of Human Services. OSPB recommends a total transfer of \$4.1M in FY 2021-22 and \$374.1M in FY 2022-23 General Fund to the Capital Construction Fund. A complete list of projects in the request can be found in our budget submission documents to the Capital Development Committee and Joint Technology Committee, located in Attachment 4 of this document.

Economic and Revenue Conditions The following section discusses economic conditions for Colorado as well as General Fund and State Education Fund revenue received by the State based on the OSPB September 2021 forecast. The General Fund is the State’s main account for funding its core programs and services, such as education, health and human services, public safety, and courts. It also helps fund capital construction and maintenance needs for State facilities and, in some years, transportation projects.

The largest revenue sources for the General Fund are income and sales taxes paid by individuals and businesses in the state, which are heavily influenced by the performance of the economy. General Fund revenue is expected to increase by 7.3 percent in FY 2021-22 before growing by 3.9 percent in FY 2022-23. It is expected to further increase in FY 2023-24. Revenue subject to TABOR is expected to exceed the Referendum C cap throughout the forecast period.

In addition to the General Fund, some State programs and services are funded from cash funds and federal government funds. Cash funds receive revenue from certain taxes, user fees, and charges that are generally designated for specific programs. The State Education Fund is a cash fund that receives one-third of one percent of taxable income from Colorado taxpayers to help fund K-12 education.

Income and sales taxes are the largest sources of General Fund revenue — Based on OSPB’s September 2021 forecast, income tax revenue from individual and corporate sources combined are the largest contributor to the State General Fund for

FY 2022-23, at 66.4 percent not including the State Education Fund diversion. Sales tax revenue is the second largest source at a projected 24.8 percent of general fund revenue in FY 2022-23. Income, sales, and use taxes make up more than 90 percent of General Fund revenues.

General Fund money diverted to the State Education Fund – The State Education Fund (SEF) receives one-third of one-percent of total taxable income under the Colorado Constitution. Therefore, a portion of revenue from income taxes is diverted from the General Fund to the SEF every year. Because this revenue comes from taxable income, it generally follows the trends in the State’s individual income and corporate income tax revenue collections, with occasional slight differences due to the timing of diversions. The diversion is forecasted at \$854.3M in FY 2022-23, an expected increase of 14.5 percent from FY 2021-22. In addition to the diversion of income tax revenue, policies enacted over the past several years have transferred other General Fund money to the State Education Fund.

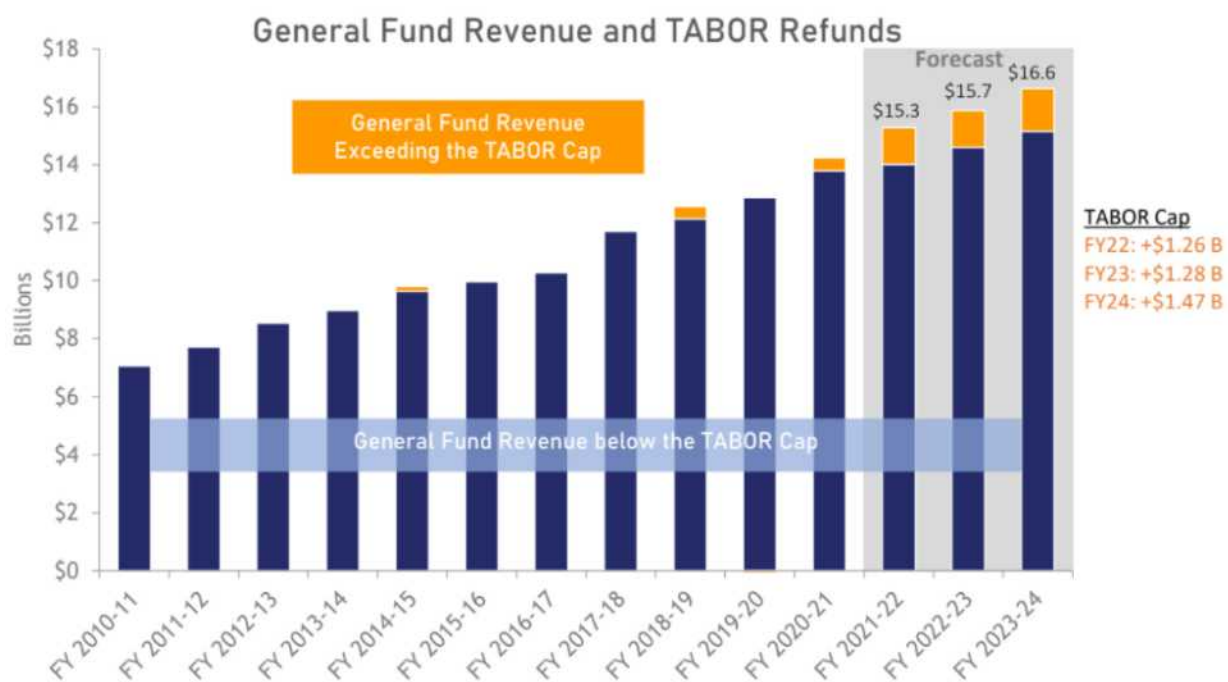
Economic conditions affect revenue to the General Fund and State Education Fund – General Fund revenue collections are heavily influenced by the performance of the economy. When more people earn and spend money, and businesses experience increased sales, State tax revenue grows. Conversely, State revenue usually declines during economic downturns; sometimes by large amounts as income and spending levels weaken. During the pandemic recession household income and spending levels did not decline, and State revenues did not decline either.

Some General Fund revenue sources – notably corporate income taxes and individual income tax estimated payments – are highly volatile, which can cause larger fluctuations in revenue than are seen in overall economic conditions. This volatility can also cause large forecast errors.

Current economic conditions – Colorado’s economic recovery from the pandemic recession continues at a rapid pace, although headwinds exist. Labor market inefficiencies due to skill mismatches and job preferences are limiting improvements in the job market. Additionally, the Delta variant has reduced consumer confidence and constrained global supply chains, driving up expectations for higher inflation in the short- and medium-term. Monthly new business applications have stabilized at a high level after rapid increases through mid-2021, while business ownership has increased significantly among Blacks and Latinos. Furthermore, household finances are strong, with wage growth and government aid supporting high savings and low debt, underpinned by accommodative financial conditions.

There is downside risk to the forecast as continued disparities in the labor market and supply chain disruptions may be a drag on further growth as well as a driver of possibly more permanent inflationary concerns. Overall, however, the risks to the forecast are balanced to the upside as wage growth shows signs of strength as the recovery continues and financial conditions are historically supportive.

Forecast for General Fund revenue — General Fund revenue is expected to grow by 7.3 percent in FY 2021-22, but growth is expected to moderate in FY 2022-23 and beyond. General Fund revenue is expected to grow by 3.9 percent in FY 2022-23 and 4.7 percent in FY 2023-24, and remain about the Referendum C revenue cap throughout the forecast period.



Source: OSPB September 2021 forecast.

Individual Income Tax — Income tax paid by individuals is by far the largest source of tax revenue for the State, representing about two-thirds of all General Fund revenue. Individual income tax collections are also extremely volatile during periods of economic change. Individual income tax is paid on most sources of household income, such as wages, investments, and royalties. Business income is also generally subject to the individual income tax, unless the business is organized as a C-corporation.

Individual income tax collections grew at a rate of 9.7 percent in FY 2020-21, but growth is expected to moderate to 5.7 percent in FY 2021-22 and 4.3 percent in FY 2022-23. The state’s unemployment rate is forecast to decline from 5.9 percent in 2021 down to 3.8 percent in 2023, while the annual growth rates for wages and

salaries are expected to range from 6.1 percent to 4.8 percent over that same time span. Income from capital gains will also contribute to rising receipts with the strong growth in real estate and investment values. At the same time, changes in federal and state tax policy are reducing income tax liabilities for many taxpayers by several hundred million dollars.

Corporate Income Tax — Certain businesses, called C-corporations, pay income tax through the corporate income tax system. Similar to individual income tax revenue, corporate income tax revenue is among the most volatile sources of General Fund revenue due to business-specific filing considerations and the structure of the corporate income tax code.

Corporate income tax collections increased by 62.5 percent in FY 2020-21 to \$1,183.7 million, the highest total on record. Federal relief in the form of expense reductions reduced revenue to an extent, but was more than offset by other government support and record corporate profits. Corporate income tax receipts are projected to fall from these historic highs in FY 2021-22 by 21.3 percent as conditions normalize. With corporate profits revised up from the previous forecast in 2022 and 2023, the projected FY 2022-23 corporate revenue is now expected to increase slightly, 1.0 percent, instead of decreasing. Finally, in FY 2023-24, corporate tax revenues are expected to grow by 5.7 percent, resulting in the second highest total on record after FY 2020-21. Note, recently passed state bills are expected to limit certain deductions in FY 2021-22 through FY 2023-24, but the overall impact on corporate revenue collections is rather limited.

Sales and Use Taxes — The State's sales and use tax collections make up slightly more than 25 percent of total General Fund revenue. Most products and a small number of services are subject to these taxes; both households and businesses pay sales and use taxes. Sales tax revenue grew 7.0 percent in FY 2020-21 and is expected to grow by an additional 9.5 percent in FY 2021-22 before slowing to 5.2 percent growth in FY 2022-23. Relative to the June forecast, the projection for FY 2021-22 was revised upward by approximately \$78.7 million to \$3.746 billion. The projection for FY 2022-23 was also revised upward by \$64.5 million. Finally, we have projected FY 2023-24 revenue for the first time in this forecast and are expecting slower but continued growth of 3.5 percent to \$4.077 billion.

The upward revision to FY 2021-22 is a result of strong collections continuing into July and August. Detailed Colorado data through June shows that this increase has been driven by increased consumption across the spectrum of goods, with particularly strong spending at non-store retailers, building and gardening supply stores, and on sporting goods and hobbies. In addition, arts and recreation, accommodations, and

food and drinking places all showed strong recoveries in June, all above 2019 June levels. Additional upward revisions to growth in FY 2021-22 and FY 2022-23 reflect new data showing that July and August collections have continued an upward trajectory above expectations, and while we expect that this growth will ease as we move into the fall and winter, it is clear that the effects of increased savings and pent-up demand across the economy persist.

Other General Fund Revenue — Several smaller sources contribute all other General Fund revenue. These include excise taxes on cigarette, tobacco, and liquor products; taxes paid by insurers on premiums; pari-mutuel wagering; interest income; and fines and fees. Other General Fund revenue is expected to increase by 36.8 percent in FY 2021-22, followed by growth of another 6.2 percent in FY 2022-23 and 3.9 percent in FY 2023-24.

State Emergency Reserve The Colorado Constitution requires that the state maintain an emergency reserve set at 3% of state fiscal year spending to be used for declared emergencies. Senate Bill 21-227 created the State Emergency Reserve Cash Fund, transfers money into the fund, and designates the cash and capital assets that constitute the state emergency reserve for FY 2021-22. The bill also allowed the Governor to transfer money from the State Emergency Reserve Cash Fund to the Disaster Emergency Fund in the case of an emergency, and requires that any reimbursement the state receives for money expended for a declared emergency replenish the fund used for the expenditure.

The forecast for the required State Emergency Reserve is approximately \$50M higher than the last pre-pandemic minimum.

Based on the OSPB September forecast, the required FY 2022-23 State Emergency Reserve will be \$501.2M, and increase of \$26.2M above FY 2021-22. To fulfill this required increase, the Governor supports legislation to direct the interest expected to be earned on the ARPA cash funds (approximately \$65M to \$75M) to the State Emergency Reserve. Additional amounts may be needed, depending on the timing and extent of FEMA reimbursements for COVID-related expenses.

**Attachment 7:
Budget Tables, by Fund Source and Department**

Total Funds

	FY 2021-22	FY 2022-23		
	Initial Appropriation	Nov 1 Governor's Request	\$ Change	% Change
Department of Agriculture	\$59,788,045	\$68,112,791	\$8,324,746	13.92%
Department of Corrections	\$961,309,352	\$983,460,798	\$22,151,446	2.30%
Department of Education	\$6,480,110,390	\$6,674,616,570	\$194,506,180	3.00%
Governor - Lt. Governor - OSPB - OEDIT - OIT - CEO	\$445,875,859	\$590,676,442	\$144,800,583	32.48%
Department of Health Care Policy and Financing	\$13,279,794,040	\$13,546,099,240	\$266,305,200	2.01%
Department of Higher Education	\$5,130,829,862	\$5,182,800,023	\$51,970,161	1.01%
Department of Human Services	\$2,957,638,755	\$2,546,882,914	(\$410,755,841)	(13.89%)
Judicial Department	\$857,385,790	\$820,220,308	(\$37,165,482)	(4.33%)
Department of Labor and Employment	\$366,919,645	\$317,138,090	(\$49,781,555)	(13.57%)
Department of Law	\$103,776,246	\$103,776,246	\$0	0.0%
Legislative Department	\$61,334,697	\$61,159,869	(\$174,828)	(0.29%)
Department of Local Affairs	\$471,596,007	\$316,890,400	(\$154,705,607)	(32.80%)
Department of Military and Veterans Affairs	\$138,651,593	\$140,393,679	\$1,742,086	1.26%
Department of Natural Resources	\$334,054,889	\$353,204,606	\$19,149,717	5.73%
Department of Personnel	\$218,184,993	\$227,458,326	\$9,273,333	4.25%
Department of Public Health and Environment	\$685,493,260	\$717,288,160	\$31,794,900	4.64%
Department of Public Safety	\$545,457,628	\$562,478,441	\$17,020,813	3.12%
Department of Regulatory Agencies	\$126,648,545	\$134,232,951	\$7,584,406	5.99%
Department of Revenue	\$429,718,883	\$448,511,239	\$18,792,356	4.37%
Department of State	\$33,198,403	\$35,927,501	\$2,729,098	8.22%
Department of Transportation	\$2,062,259,862	\$1,485,315,675	(\$576,944,187)	(27.98%)
Department of the Treasury	\$841,410,713	\$939,949,940	\$98,539,227	11.71%
Subtotal Department Operating Requests	\$36,591,437,457	\$36,256,594,209	(\$334,843,248)	(0.92%)
Estimated Supplementals	(\$109,614,309)	\$0	\$109,614,309	(100.00%)
Placeholders for Legislation and Budget Adjustments	\$11,200,000	\$74,000,000	\$62,800,000	560.71%
Dept of Early Childhood Placeholder	\$0	\$13,022,988	\$13,022,971	0.0%
Subtotal Operating Requests	\$36,602,637,457	\$36,343,617,180	(\$259,020,277)	(0.71%)

Total Funds

	FY 2021-22 Initial Appropriation	FY 2022-23 Nov 1 Governor's Request	\$ Change	% Change
Transfer to Capital Construction Fund	\$4,113,216	\$289,850,901	\$285,737,685	6,946.82%
Transfers to Controlled Maintenance	\$0	\$124,813,237	\$124,813,237	0.0%
TABOR Refund	\$1,260,140,733	\$1,277,342,147	\$17,201,414	1.37%
Rebates and Exemptions	(\$143,954,935)	(\$142,372,071)	\$1,582,864	(1.10%)
Transfers to Transportation	\$294,000,000	\$115,000,000	(\$179,000,000)	(60.88%)
Transfers to State Education Fund	\$123,000,000	\$150,000,000	\$27,000,000	21.95%
Transfers to Other Funds	\$499,388,484	\$475,257,018	(\$24,131,466)	(4.83%)
CSU NWC Transfer	\$0	\$17,496,791	\$17,496,791	0.0%
State Investments	\$0	\$1,364,259,968	\$1,514,259,968	0.0%
Subtotal Other Obligations	\$2,036,700,190	\$3,671,660,683	\$1,634,960,493	80.27%
TOTAL FUNDS Requests	\$38,529,710,646	\$40,015,265,171	\$1,485,554,525	3.86%

Total General Fund

	FY 2021-22	FY 2022-23	\$ Change	% Change
	Current Appropriation	Nov 1 Governor's Request		
Department of Agriculture	\$13,402,194	\$14,598,143	\$1,195,949	8.92%
Department of Corrections	\$867,647,658	\$890,627,559	\$22,979,901	2.65%
Department of Education	\$4,294,112,839	\$4,303,007,408	\$8,894,569	0.21%
Governor - Lt. Governor - OSPB-OEDIT-OIT-CEO	\$64,227,994	\$149,548,315	\$85,320,321	132.84%
Department of Health Care Policy and Financing	\$3,346,715,726	\$3,995,530,891	\$648,815,165	19.39%
Department of Higher Education	\$1,216,230,141	\$1,276,268,818	\$60,038,677	4.94%
Department of Human Services	\$1,108,252,446	\$1,115,834,328	\$7,581,882	0.68%
Judicial Department	\$624,209,011	\$591,647,955	(\$32,561,056)	(5.22%)
Department of Labor and Employment	\$20,396,768	\$22,537,153	\$2,140,385	10.49%
Department of Law	\$16,306,035	\$16,306,035	\$0	0.0%
Legislative Department	\$59,591,500	\$59,638,630	\$47,130	0.08%
Department of Local Affairs	\$57,130,354	\$42,885,309	(\$14,245,045)	(24.93%)
Department of Military and Veterans Affairs	\$11,766,152	\$12,948,679	\$1,182,527	10.05%
Department of Natural Resources	\$37,335,479	\$37,721,289	\$385,810	1.03%
Department of Personnel	\$20,065,817	\$25,832,554	\$5,766,737	28.74%
Department of Public Health and Environment	\$92,098,934	\$132,952,831	\$40,853,897	44.36%
Department of Public Safety	\$173,885,290	\$184,899,538	\$11,014,248	6.33%
Department of Regulatory Agencies	\$2,867,019	\$3,005,632	\$138,613	4.83%
Department of Revenue	\$141,512,776	\$143,614,471	\$2,101,695	1.49%
Department of State	\$271,360	\$423,011	\$151,651	55.89%
Department of the Treasury	\$344,218,965	\$443,321,404	\$99,102,439	28.79%
Subtotal Department Operating Requests	\$12,512,244,458	\$13,463,149,953	\$950,905,495	7.60%
Estimated Supplementals	(\$112,069,336)	\$0	\$112,069,336	(100.00%)
Placeholders for Legislation and Budget Adjustments	\$11,200,000	\$74,000,000	\$62,800,000	560.71%
Dept of Early Childhood Placeholder	\$0	\$5,130,152	\$5,130,152	n/a
Subtotal Operating Requests	\$12,523,444,458	\$13,542,280,105	\$1,018,835,647	8.14%

Total General Fund (cont.)

	FY 2021-22	FY 2022-23	\$ Change	% Change
	Current Appropriation	Nov 1 Governor's Request		
Transfer to Capital Construction Fund	\$4,113,216	\$249,318,901	\$245,205,685	5,961.41%
Transfers to Controlled Maintenance	\$0	\$124,813,237	\$124,813,237	0.0%
TABOR Refund	\$1,260,140,733	\$1,277,342,147	\$17,201,414	1.37%
Rebates and Exemptions	(\$162,854,935)	(\$161,372,071)	\$1,482,864	(0.91%)
Transfers to Transportation	\$294,000,000	\$115,000,000	(\$179,000,000)	(60.88%)
Transfers to State Education Fund	\$123,000,000	\$150,000,000	\$27,000,000	21.95%
Transfers to Other Funds	\$499,388,484	\$475,257,018	(\$24,131,466)	(4.83%)
CSU NWC Transfer	\$0	\$17,496,791	\$17,496,791	n/a
State Investments	\$0	\$1,364,259,968	\$1,364,259,968	n/a
Subtotal Other Obligations	\$2,017,787,498	\$3,612,115,991	\$1,594,328,493	79.01%
TOTAL General Fund Requests	\$14,448,062,620	\$17,173,396,096	\$2,725,333,476	18.86%

General Fund Not Subject to Limit

	FY 2021-22	FY 2022-23	\$ Change	% Change
	Current Appropriation	Nov 1 Governor's Request		
Department of Health Care Policy and Financing	\$420,001	\$399,325	(\$20,676)	(4.92%)
Department of Local Affairs	\$4,412,692	\$4,412,692	\$0	0.0%
Department of Public Health and Environment	\$420,001	\$420,001	\$0	0.0%
Department of Revenue	\$49,844,140	\$49,844,140	\$0	0.0%
Department of the Treasury	\$160,792,867	\$172,754,148	\$11,961,281	7.44%
Subtotal Department Operating Requests	\$215,889,701	\$227,830,306	\$11,940,605	5.53%
Transfer to Capital Construction Fund	\$4,113,216	\$249,318,901	\$245,205,685	5,961.41%
Transfers to Controlled Maintenance	\$0	\$124,813,237	\$124,813,237	n/a
TABOR Refund	\$1,260,140,733	\$1,277,342,147	\$17,201,414	1.37%
Rebates and Exemptions	(\$143,954,935)	(\$142,372,071)	\$1,582,864	(1.10%)
Transfers to Transportation	\$294,000,000	\$115,000,000	(\$179,000,000)	(60.88%)
Transfers to State Education Fund	\$123,000,000	\$150,000,000	\$27,000,000	21.95%
Transfers to Other Funds	\$499,388,484	\$475,257,018	(\$24,131,466)	(4.83%)
CSU NWC Transfer	\$0	\$17,496,791	\$17,496,791	n/a
State Investments	\$0	\$14,992,599,681	\$14,992,599,681	n/a
Total Other Obligations	\$2,036,687,498	\$3,613,619,200	\$1,576,931,702	77.43%
TOTAL	\$2,252,577,199	\$3,858,946,297	\$1,606,369,098	71.31%

Total Cash Funds

	FY 2021-22	FY 2022-23		
	Current	Nov 1	\$	%
	Appropriation	Governor's	Change	Change
		Request		
Department of Agriculture	\$39,854,113	\$46,943,462	\$7,089,349	17.79%
Department of Corrections	\$46,289,623	\$45,171,598	(\$1,118,025)	(2.42%)
Department of Education	\$1,509,403,229	\$1,698,814,387	\$189,411,158	12.55%
Governor - Lt. Governor - OSPB - OEDIT - OIT - CEO	\$34,850,988	\$77,731,139	\$42,880,151	123.04%
Department of Health Care Policy and Financing	\$1,595,483,422	\$1,635,634,664	\$40,151,242	2.52%
Department of Higher Education	\$2,829,959,582	\$2,826,461,410	(\$3,498,172)	(0.12%)
Department of Human Services	\$447,763,145	\$459,032,988	\$11,269,843	2.52%
Judicial Department	\$169,960,066	\$170,456,657	\$496,591	0.29%
Department of Labor and Employment	\$99,490,518	\$101,958,277	\$2,467,759	2.48%
Department of Law	\$19,976,690	\$19,976,690	\$0	0.0%
Legislative Department	\$311,958	\$90,000	(\$221,958)	(71.15%)
Department of Local Affairs	\$280,922,406	\$177,149,261	(\$103,773,145)	(36.94%)
Department of Military and Veterans Affairs	\$1,663,652	\$1,669,188	\$5,536	0.33%
Department of Natural Resources	\$262,297,967	\$280,472,824	\$18,174,857	6.93%
Department of Personnel	\$13,006,508	\$11,573,392	(\$1,433,116)	(11.02%)
Department of Public Health and Environment	\$203,508,514	\$212,241,222	\$8,732,708	4.29%
Department of Public Safety	\$242,657,305	\$252,601,162	\$9,943,857	4.10%
Department of Regulatory Agencies	\$116,251,799	\$123,419,935	\$7,168,136	6.17%
Department of Revenue	\$278,671,581	\$295,349,285	\$16,677,704	5.98%
Department of State	\$32,927,043	\$35,047,141	\$2,120,098	6.44%
Department of Transportation	\$1,414,578,403	\$834,912,724	(\$579,665,679)	(40.98%)
Department of the Treasury	\$422,198,881	\$421,629,013	(\$569,868)	(0.13%)
Subtotal Department Operating Requests	\$10,062,027,393	\$9,728,336,419	(\$333,690,974)	(3.32%)
Estimated HCPF Supplemental	\$39,848,701	\$0	(\$39,848,701)	(100.00%)
Dept of Early Childhood Placeholder	\$0	\$1,713,414	\$1,713,414	n/a
Transfer to Capital Construction Fund	\$0	\$40,532,000	\$40,532,000	n/a
TOTAL Cash Funds	\$10,101,876,094	\$9,770,581,833	(\$331,294,261)	(3.28%)

Total Reappropriated Funds

	FY 2021-22	FY 2022-23	\$ Change	% Change
	Current Appropriation	Nov 1 Governor's Request		
Department of Agriculture	\$2,580,863	\$2,623,496	\$42,633	1.65%
Department of Corrections	\$44,439,646	\$44,260,108	(\$179,538)	(0.40%)
Department of Education	\$47,339,278	\$51,068,681	\$3,729,403	7.88%
Governor - Lt. Governor - OSPB - OEDIT - OIT - CEO	\$290,029,415	\$306,549,159	\$16,519,744	5.70%
Department of Health Care Policy and Financing	\$87,674,424	\$92,584,435	\$4,910,011	5.60%
Department of Higher Education	\$980,098,751	\$1,026,742,188	\$46,643,437	4.76%
Department of Human Services	\$228,925,941	\$220,243,425	(\$8,682,516)	(3.79%)
Judicial Department	\$53,541,713	\$53,690,696	\$148,983	0.28%
Department of Labor and Employment	\$6,436,493	\$6,523,796	\$87,303	1.36%
Department of Law	\$65,007,133	\$65,007,133	\$0	0.0%
Legislative Department	\$1,431,239	\$1,431,239	\$0	0.0%
Department of Local Affairs	\$16,384,956	\$14,302,555	(\$2,082,401)	(12.71%)
Department of Military and Veterans Affairs	\$124,920	\$124,920	\$0	0.0%
Department of Natural Resources	\$7,540,179	\$7,925,759	\$385,580	5.11%
Department of Personnel	\$184,612,668	\$190,052,380	\$5,439,712	2.95%
Department of Public Health and Environment	\$47,123,084	\$47,796,866	\$673,782	1.43%
Department of Public Safety	\$54,542,492	\$49,972,035	(\$4,570,457)	(8.38%)
Department of Regulatory Agencies	\$5,639,571	\$6,194,510	\$554,939	9.84%
Department of Revenue	\$8,469,940	\$8,384,299	(\$85,641)	(1.01%)
Department of State	\$0	\$457,349	\$457,349	0.00%
Department of Transportation	\$5,478,096	\$5,528,096	\$50,000	0.91%
Department of the Treasury	\$74,992,867	\$74,999,523	\$6,656	0.01%
Subtotal Department Operating Requests	\$2,212,413,669	\$2,276,462,648	\$64,048,979	2.89%
Estimated HCPF Supplemental	(\$735,599)	\$0	\$735,599	(100.00%)
Dept of Early Childhood Placeholder	\$0	\$1,200,000	\$1,200,000	n/a
TOTAL Reappropriated Funds	\$2,211,678,070	\$2,277,662,648	\$65,984,578	2.98%

Total Federal Funds

	FY 2021-22	FY 2022-23	\$ Change	% Change
	Current Appropriation	Nov 1 Governor's Request		
Department of Agriculture	\$3,950,875	\$3,947,690	(\$3,185)	(0.08%)
Department of Corrections	\$2,932,425	\$3,401,533	\$469,108	16.00%
Department of Education	\$629,255,044	\$621,726,094	(\$7,528,950)	(1.20%)
Governor - Lt. Governor - OSPB - OEDIT - OIT - CEO	\$56,767,462	\$56,847,829	\$80,367	0.14%
Department of Health Care Policy and Financing	\$8,249,920,468	\$7,822,349,250	(\$427,571,218)	(5.18%)
Department of Higher Education	\$104,541,388	\$53,327,607	(\$51,213,781)	(48.99%)
Department of Human Services	\$1,172,697,223	\$751,772,173	(\$420,925,050)	(35.89%)
Judicial Department	\$9,675,000	\$4,425,000	(\$5,250,000)	(54.26%)
Department of Labor and Employment	\$240,595,866	\$186,118,864	(\$54,477,002)	(22.64%)
Department of Law	\$2,486,388	\$2,486,388	\$0	0.0%
Department of Local Affairs	\$117,158,291	\$82,553,275	(\$34,605,016)	(29.54%)
Department of Military and Veterans Affairs	\$125,096,869	\$125,650,892	\$554,023	0.44%
Department of Natural Resources	\$26,881,264	\$27,084,734	\$203,470	0.76%
Department of Personnel	\$500,000	\$0	(\$500,000)	(100.00%)
Department of Public Health and Environment	\$342,762,728	\$324,297,241	(\$18,465,487)	(5.39%)
Department of Public Safety	\$74,372,541	\$75,005,706	\$633,165	0.85%
Department of Regulatory Agencies	\$1,890,156	\$1,612,874	(\$277,282)	(14.67%)
Department of Revenue	\$1,064,586	\$1,163,184	\$98,598	9.26%
Department of Transportation	\$642,203,363	\$644,874,855	\$2,671,492	0.42%
Subtotal Department Operating Requests	\$11,804,751,937	\$10,788,645,189	(\$1,016,106,748)	(8.61%)
Estimated HCPF Supplemental	(\$36,658,075)	\$0	\$36,658,075	(100.00%)
Dept of Early Childhood Placeholder	\$0	\$4,979,405	\$4,979,405	n/a
TOTAL Federal Funds	\$11,768,093,862	\$10,793,624,594	(\$974,469,268)	(8.28%)

Change Request List by Departments **FY 2022-2023**

Request Title	Requires Legislation	Total Funds	FTE	General Fund	Cash Funds	Reappropriated Funds	Federal Funds
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Department of Agriculture

Decision Item

NP-01 Paid Family Medical Leave Funding	No	\$41,536	0.0	\$14,023	\$27,513	\$0	\$0
NP-02 CSEAP Resources	No	\$2,691	0.0	\$1,632	\$1,059	\$0	\$0
NP-03 Annual Fleet Vehicle Request	No	(\$48,190)	0.0	(\$19,549)	(\$28,641)	\$0	\$0
NP-04 OIT_FY23 Budget Request Package	No	\$5,694	0.0	\$4,095	\$1,599	\$0	\$0
R-01 Agriculture Emergency Coordinator	No	\$167,821	0.9	\$101,200	\$36,751	\$29,870	\$0
R-02 Enhancing Resources for Bureau of Animal Protection	No	\$418,350	2.8	\$418,350	\$0	\$0	\$0
R-03 Colorado Hemp Decortication	No	\$5,072,735	0.8	\$0	\$5,072,735	\$0	\$0
R-04 State Fair Spending Authority Increase	No	\$647,281	0.0	\$0	\$647,281	\$0	\$0
R-05 San Luis Valley Well Monitoring Network Installation	No	\$385,000	0.0	\$0	\$385,000	\$0	\$0
R-06 Improve Agricultural Pest Response	No	\$90,471	0.9	\$0	\$90,471	\$0	\$0
R-07 Agriculture Licensing and Registration System	No	\$247,800	0.0	\$0	\$247,800	\$0	\$0
Subtotal Decision Item		\$7,031,189	5.4	\$519,751	\$6,481,568	\$29,870	\$0

Request Total for Department of Agriculture		\$7,031,189	5.4	\$519,751	\$6,481,568	\$29,870	\$0
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Department of Corrections

Decision Item

NP-01 Paid Family Medical Leave Funding	No	\$2,025,459	0.0	\$2,025,459	\$0	\$0	\$0
NP-02 CSEAP Resources	No	\$28,176	0.0	\$27,536	\$640	\$0	\$0
NP-03 Annual Fleet Vehicle Request	No	\$153,784	0.0	\$153,784	\$0	\$0	\$0
NP-04 OIT_FY23 Budget Request Package	No	\$108,909	0.0	\$106,437	\$2,472	\$0	\$0
R-01 Prison Caseload	No	(\$670,837)	(6.4)	(\$663,927)	(\$6,910)	\$0	\$0
R-02 Medical Caseload	No	\$575,610	0.0	\$575,610	\$0	\$0	\$0
R-03 Long-Term Compassionate Care Project	No	\$702,187	0.0	\$168,575	\$64,201	\$0	\$469,411
R-04 Establish Drug Detection K-9 Program	No	\$304,268	1.8	\$304,268	\$0	\$0	\$0
R-05 Food Service	No	\$1,068,363	0.0	\$1,068,363	\$0	\$0	\$0
R-06 Victim Services Notifications	No	\$31,888	0.0	\$31,888	\$0	\$0	\$0
R-07 5-Year Sentencing Reform	No	\$0	0.0	\$0	\$0	\$0	\$0
R-08 Technical Adjustments	No	\$0	0.0	\$0	\$0	\$0	\$0
R-09 Provider Rate Increase	No	\$1,150,981	0.0	\$1,114,483	\$0	\$36,498	\$0
Subtotal Decision Item		\$5,478,788	(4.6)	\$4,912,476	\$60,403	\$36,498	\$469,411

Request Total for Department of Corrections		\$5,478,788	(4.6)	\$4,912,476	\$60,403	\$36,498	\$469,411
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Change Request List by Departments **FY 2022-2023**

Request Title	Requires Legislation	Total Funds	FTE	General Fund	Cash Funds	Reappropriated Funds	Federal Funds
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Department of Education

Decision Item

NP-01: Paid FMLA Funding	No	\$29,961	0.0	\$29,961	\$0	\$0	\$0
NP-02: CSEAP Resources	No	\$7,564	0.0	\$7,564	\$0	\$0	\$0
NP-03: Annual Fleet Request	No	(\$738)	0.0	(\$738)	\$0	\$0	\$0
NP-04: OIT FY2022-23 Budget Package Request	No	\$6,861	0.0	\$4,163	\$1,021	\$1,677	\$0
NP-05: Food Service and Housekeeping Comp Request	No	\$30,247	0.0	\$30,247	\$0	\$0	\$0
R-01: State Share of Total Program Increase	Yes	\$231,244,420	0.0	\$0	\$231,244,420	\$0	\$0
R-02: Categorical Programs Inflation Increases	Yes	\$13,370,425	0.0	\$0	\$13,370,425	\$0	\$0
R-03: Operating Expenses for the State Board of Education	No	\$124,497	0.5	\$124,497	\$0	\$0	\$0
R-04: Departmental Infrastructure	No	\$648,145	6.2	\$551,972	\$96,173	\$0	\$0
R-05: CSI Mill Levy Equalization	Yes	\$20,000,000	0.0	\$10,000,000	\$0	\$10,000,000	\$0
R-06: Expanding Resources for School Improvement	No	\$2,000,000	0.0	\$2,000,000	\$0	\$0	\$0
R-07: Empowering Parents with School Information	No	\$526,315	1.8	\$526,315	\$0	\$0	\$0
R-08: CSDB Teacher Salary Increase	No	\$288,614	0.0	\$288,614	\$0	\$0	\$0
R-09: CSDB Dishwashing Machine	No	\$65,000	0.0	\$65,000	\$0	\$0	\$0
Subtotal Decision Item		\$268,341,311	8.5	\$13,627,595	\$244,712,039	\$10,001,677	\$0

Request Total for Department of Education		\$268,341,311	8.5	\$13,627,595	\$244,712,039	\$10,001,677	\$0
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Office of the Governor

Decision Item

NP-01 (GOV) OIT_FY23 Budget Request Package	No	\$2,784	0.0	\$2,784	\$0	\$0	\$0
NP-01 (OIT) DOR DRIVES	Yes	\$1,351,242	8.0	\$0	\$0	\$1,351,242	\$0
NP-02 CSEAP Resources (DPA R-03)	No	\$22,773	0.0	\$7,199	\$0	\$15,574	\$0
NP-03 Annual Fleet Vehicle Request (DPA R-09)	No	(\$297)	0.0	(\$12,330)	\$0	\$12,033	\$0
NP-04 (OIT) Convert Contractor Resources (HCPF R-12)	No	(\$661,888)	0.0	\$0	\$0	(\$661,888)	\$0
NP-05 (OIT) CDPHE Phone Replacement	No	\$222,125	0.0	\$0	\$0	\$222,125	\$0
R-01 (CEO) Cannabis Resource Optimization Program	No	\$4,500,000	0.6	\$2,000,000	\$2,500,000	\$0	\$0
R-01 (GOV) Staffing Adjustments for Governor's Office	No	\$405,822	6.0	\$405,822	\$0	\$0	\$0
R-01 (LG) Serve Colorado General Fund & FTE Increase	No	\$165,000	2.0	\$165,000	\$0	\$0	\$0
R-01 (OEDIT) Spending Authority for Arts in Public Places	Yes	\$2,000,000	0.0	\$0	\$2,000,000	\$0	\$0
R-01 (OIT) Modernizing Aging IT Systems	No	\$66,000,000	0.0	\$66,000,000	\$0	\$0	\$0
R-02 (GOV) Medical-Financial Partnership Pilot	No	\$300,000	1.0	\$300,000	\$0	\$0	\$0
R-02 (OEDIT) Establish Public-Private Partnership Office	Yes	\$32,493,916	3.5	\$31,270,264	\$1,223,652	\$0	\$0
R-02 (OIT) Testing Solutions Support	No	\$435,300	3.8	\$0	\$0	\$435,300	\$0
R-03 (OIT) Veterans Cybersecurity Apprenticeship Program	No	\$356,153	3.0	\$0	\$0	\$356,153	\$0
R-04 (OIT) PEAK Call Center Staffing	No	\$0	10.0	\$0	\$0	\$0	\$0
R-05 (OIT) Interagency Agreement Spending Authority and FTE	Yes	\$14,793,497	28.0	\$0	\$0	\$14,793,497	\$0
Subtotal Decision Item		\$122,386,427	65.9	\$100,138,739	\$5,723,652	\$16,524,036	\$0

Request Total for Office of the Governor		\$122,386,427	65.9	\$100,138,739	\$5,723,652	\$16,524,036	\$0
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Change Request List by Departments **FY 2022-2023**

Request Title	Requires Legislation	Total Funds	FTE	General Fund	Cash Funds	Reappropriated Funds	Federal Funds
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Department of Health Care Policy and Finance

Decision Item							
NP-01 Food Service and Housekeeping Coordinated Compensation	No	\$30,790	0.0	\$15,395	\$0	\$0	\$15,395
NP-02 Office of Operations Operating Request	No	\$115,513	0.0	\$57,756	\$0	\$0	\$57,757
NP-03 CSEAP Resources	No	\$4,680	0.0	\$2,003	\$282	\$36	\$2,359
NP-04 Paid Family Medical Leave Act Funding	No	\$138,348	0.0	\$68,596	\$403	\$112	\$69,237
NP-05 Annual Fleet Vehicle Request	No	\$7,542	0.0	\$3,771	\$0	\$0	\$3,771
NP-06 OIT_FY23 Budget Request Package	No	\$48,745	0.0	\$22,589	\$1,243	\$347	\$24,566
NP-07 DHS 1% Community Provider Rate Increase	No	\$182,884	0.0	\$91,441	\$0	\$0	\$91,443
NP-08 Equity Officers	No	\$216,966	2.0	\$0	\$0	\$108,483	\$108,483
R-01 Medical Services Premiums	No	(\$34,349,234)	0.0	\$203,211,855	\$39,321,653	(\$785,199)	(\$276,097,543)
R-02 Behavioral Health Programs	No	\$17,894,411	0.0	\$23,043,372	\$5,181,553	\$0	(\$10,330,514)
R-03 Child Health Plan Plus	No	\$37,398,301	0.0	\$11,373,603	\$5,647,506	\$0	\$20,377,192
R-04 Medicare Modernization Act State Contribution	No	\$27,863,762	0.0	\$27,863,762	\$0	\$0	\$0
R-05 Office of Community Living	No	\$36,542,346	0.0	\$41,134,323	\$956,424	\$0	(\$5,548,401)
R-06 Value Based Payments	No	\$22,850,574	9.6	\$7,403,648	(\$7,197)	\$0	\$15,454,123
R-07 Utilization Management	No	(\$3,011,223)	0.0	(\$1,512,985)	\$116,559	\$0	(\$1,614,797)
R-08 County Administration, Oversight and Eligibility	No	(\$590,849)	5.9	\$461,138	\$1,936,919	\$0	(\$2,988,906)
R-09 Office of Community Living Program Enhancements	No	\$2,452,715	0.0	\$1,872,153	\$0	\$0	\$580,562
R-10 Provider Rate Adjustments	No	\$104,434,828	0.0	\$41,327,629	\$5,966,149	\$0	\$57,141,050
R-11 ACC/CHP+ Accountability	No	(\$1,048,141)	2.0	(\$351,127)	\$0	\$0	(\$697,014)
R-12 Convert Contractor Resources to FTE	No	(\$339,518)	23.2	(\$155,265)	(\$60,722)	\$370,586	(\$494,117)
R-13 Compliance FTE	No	(\$4,678,266)	10.8	(\$2,393,350)	\$108,434	\$0	(\$2,393,350)
R-14 MMIS Funding Adjustment and Contractor Conversion	No	(\$56,079,142)	12.5	(\$10,347,479)	(\$2,753,052)	\$0	(\$42,978,611)
R-15 Restore APCD Scholarship Funds	No	\$200,000	0.0	\$200,000	\$0	\$0	\$0
R-16 Urban Indian Health Organization State-Only Payments	No	\$48,025	0.0	\$48,025	\$0	\$0	\$0
R-17 SBIRT Training Grant Program Reduction	No	(\$250,000)	0.0	\$0	(\$250,000)	\$0	\$0
Subtotal Decision Item		\$150,084,057	66.0	\$343,440,853	\$56,166,154	(\$305,635)	(\$249,217,315)

Request Total for Department of Health Care Policy and Finance		\$150,084,057	66.0	\$343,440,853	\$56,166,154	(\$305,635)	(\$249,217,315)
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Department of Higher Education

Decision Item							
HC-01 One History Colorado Resource Realignment	No	\$0	21.0	\$0	\$0	\$0	\$0
NP-01 CSEAP Resources	No	\$830	0.0	\$0	\$466	\$364	\$0
NP-02 OIT_FY23 Budget Request Package	No	\$1,357	0.0	\$0	\$1,068	\$289	\$0
R-01 State Operating Funding for Higher Education	No	\$93,466,835	0.0	\$52,488,643	\$0	\$40,978,192	\$0
R-02 Public Higher Education Tuition Spending Authority	No	\$0	0.0	\$0	\$0	\$0	\$0
R-03 Fort Lewis Native American Tuition Waiver	No	\$758,358	0.0	\$758,358	\$0	\$0	\$0
R-04 CHECRA Spending Authority Increase	No	\$800,000	0.0	\$0	\$800,000	\$0	\$0
R-05 Division of Outreach and Attainment Services	No	\$250,000	2.0	\$250,000	\$0	\$0	\$0
R-06 Support Expansion of Single Stop	No	\$45,000	0.0	\$45,000	\$0	\$0	\$0
R-07 Lowering Fees for Former Students of Closed Schools	No	(\$4,833)	0.0	\$0	(\$4,833)	\$0	\$0
R-08 Colorado Cannabis Research Funding for ICR	No	\$1,800,000	0.0	\$0	\$1,800,000	\$0	\$0
Subtotal Decision Item		\$97,117,547	23.0	\$53,542,001	\$2,596,701	\$40,978,845	\$0

Request Total for Department of Higher Education		\$97,117,547	23.0	\$53,542,001	\$2,596,701	\$40,978,845	\$0
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Change Request List by Departments **FY 2022-2023**

Request Title	Requires Legislation	Total Funds	FTE	General Fund	Cash Funds	Reappropriated Funds	Federal Funds
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Department of Human Services

Decision Item

DEC R-01 Regulating Illegal Care, Promoting Safe Care	No	\$345,980	7.3	\$311,382	\$0	\$0	\$34,598
DEC R-02 Early Intervention Early Start Program	No	\$1,003,685	1.0	\$1,003,685	\$0	\$0	\$0
DEC R-03 Refinance Child Care Assistance Program	No	\$0	0.0	(\$1,807,730)	\$0	\$0	\$1,807,730
NP-01 Paid Family Medical Leave Funding	No	\$1,575,727	0.0	\$1,042,082	\$57,247	\$226,133	\$250,265
NP-02 CSEAP Resources	No	\$22,316	0.0	\$12,016	\$751	\$6,663	\$2,886
NP-03 Annual Fleet Vehicle Request	No	\$78,233	0.0	\$26,423	\$3,780	\$33,517	\$14,513
NP-04 DOC Food Service Cost Adjustment Request	No	\$53,381	0.0	\$0	\$0	\$53,381	\$0
NP-05 OIT_FY23 Budget Request Package	No	\$273,241	0.0	\$65,557	\$15,154	\$134,351	\$58,179
NP-06 Equity Office	No	\$478,160	4.0	\$478,160	\$0	\$0	\$0
R-01 Food Service and Housekeeping Coordinated Compensation	No	\$1,955,919	0.0	\$994,087	\$462,741	\$213,410	\$285,681
R-02 CMHIFL 44 Bed Operating Budget	No	\$10,318,585	78.3	\$10,318,585	\$0	\$0	\$0
R-03 County Trails Refresh and Support	No	\$1,800,000	0.0	\$1,776,267	\$0	\$0	\$23,733
R-04 Enhancing County Child Welfare Support	No	\$421,448	3.8	\$362,445	\$0	\$0	\$59,003
R-05 Community Provider Rate	No	\$10,409,644	0.0	\$5,796,060	\$1,785,987	\$275,342	\$2,552,255
R-06 Facilities Management Operating Increase	No	\$1,644,760	0.0	\$851,200	\$58,143	\$513,353	\$222,064
R-07 DYS Phone Replacement - Youth and Families	No	\$50,000	0.0	\$50,000	\$0	\$0	\$0
R-08 Older Coloradans Cash Fund Spending Authority	No	\$1,083,358	0.0	\$0	\$1,083,358	\$0	\$0
R-09 Improving Involuntary Mental Health Treatment	Yes	\$181,433	1.0	\$181,433	\$0	\$0	\$0
R-10 SNAP Fair Hearings Compliance	No	\$358,451	2.8	\$179,226	\$0	\$0	\$179,225
R-11 CBH Criminal Justice Long Bill Line Consolidation	Yes	\$0	0.0	\$0	\$0	\$0	\$0
R-12 Community Behavioral Health Technical Corrections	Yes	\$0	0.0	\$0	\$0	\$0	\$0
R-13 MHI Forensic Technical Long Bill Technical Corrections	Yes	\$0	0.0	\$0	\$0	\$0	\$0
R-14 Adult Protective Services Data System	No	\$0	1.0	\$0	\$0	\$0	\$0
R-15 DYS Parole and Transition Services Caseload Reduction	No	(\$533,784)	0.0	(\$533,784)	\$0	\$0	\$0
R-16 Aid to Needy Disabled Caseload Reduction	No	(\$2,750,000)	0.0	(\$2,200,000)	(\$550,000)	\$0	\$0
R-17 Realign Child Welfare Hotline Budget	No	(\$457,787)	0.0	(\$457,787)	\$0	\$0	\$0
R-18 Realign Family and Children's Programs	No	(\$2,562,279)	0.0	(\$2,152,314)	(\$215,230)	\$0	(\$194,735)
R-19 Indirect Cost Adjustments	No	\$279,076	0.0	(\$6,938,340)	\$0	\$7,217,416	\$0
R-20 CAPS Fee Reduction	No	\$0	0.0	\$0	\$0	\$0	\$0
Subtotal Decision Item		\$26,029,547	99.1	\$9,358,653	\$2,701,931	\$8,673,566	\$5,295,397

Request Total for Department of Human Services		\$26,029,547	99.1	\$9,358,653	\$2,701,931	\$8,673,566	\$5,295,397
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Department of Labor and Employment

Decision Item

NP-01 Paid Family Medical Leave Act Funding	No	\$371,656	0.0	\$13,654	\$97,950	\$0	\$260,052
NP-02 CSEAP Resources	No	\$2,385	0.0	\$89	\$627	\$0	\$1,669
NP-03 Annual Fleet Vehicle Request	No	\$18,099	0.0	\$1,448	\$10,859	\$0	\$5,792
NP-04 OIT_FY23 Budget Request Package	No	\$56,788	0.0	\$14,191	\$24,987	\$503	\$17,107
R-01 Wage Theft Enforcement Spending Authority	No	\$153,304	1.0	\$0	\$153,304	\$0	\$0
R-02 Employment First Initiatives Continuation	No	\$427,464	4.0	\$93,187	\$0	\$0	\$334,277
R-03 Underground Damage Prevention Fund Spending Authority	Yes	\$39,380	0.0	\$0	\$39,380	\$0	\$0
R-04 Veteran's Services to Career Program Refinance	No	\$0	0.0	\$0	(\$500,000)	\$0	\$500,000
Subtotal Decision Item		\$1,069,933	5.0	\$123,426	(\$172,893)	\$503	\$1,118,897

Request Total for Department of Labor and Employment		\$1,069,933	5.0	\$123,426	(\$172,893)	\$503	\$1,118,897
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Change Request List by Departments							FY 2022-2023	
Request Title	Requires Legislation	Total Funds	FTE	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	
Department of Local Affairs								
Decision Item								
NP-01 Annual Fleet Request (Vehicle Lease Payments)	No	\$1,901	0.0	\$1,708	\$0	\$193	\$0	
NP-02 CSEAP Resources (Payments to Risk Management)	No	\$856	0.0	\$278	\$177	\$401	\$0	
NP-03 OIT_FY23 Budget Request Package	No	\$12,828	0.0	\$3,425	\$2,184	\$4,940	\$2,279	
R-01 Operational Staff Adjustment	No	\$274,395	3.0	\$0	\$0	\$274,395	\$0	
R-02 Mobile Home Park Oversight Program Capacity Increase	No	\$187,438	2.0	\$0	\$187,438	\$0	\$0	
R-03 Gray and Black Marijuana Program Adjustment	No	(\$5,000,000)	0.0	\$0	(\$5,000,000)	\$0	\$0	
Subtotal Decision Item		(\$4,522,582)	5.0	\$5,411	(\$4,810,201)	\$279,929	\$2,279	
Request Total for Department of Local Affairs		(\$4,522,582)	5.0	\$5,411	(\$4,810,201)	\$279,929	\$2,279	
Department of Military Affairs								
Decision Item								
NP-01 Paid Family Medical Leave Funding	No	\$17,716	0.0	\$17,716	\$0	\$0	\$0	
NP-02 CSEAP Resources	No	\$734	0.0	\$734	\$0	\$0	\$0	
NP-03 FY23 Annual Fleet Request	No	\$10,392	0.0	\$3,118	\$0	\$0	\$7,274	
NP-04 OIT FY23 Budget Request Package	No	\$1,827	0.0	\$1,827	\$0	\$0	\$0	
NP-05 DHS Food Service and Housekeeping CCBR	No	\$44,589	0.0	\$10,513	\$0	\$0	\$34,076	
R-01 State Women Veterans Service Officer	No	\$103,125	1.0	\$103,125	\$0	\$0	\$0	
R-02 State Veteran Service Officer Compensation Adjustment	No	\$107,554	0.0	\$63,805	\$0	\$0	\$43,749	
R-03 Technical Funding Consolidation	No	\$0	0.0	\$0	\$0	\$0	\$0	
R-04 Department Automation and Improvement	No	\$210,445	0.0	\$210,445	\$0	\$0	\$0	
R-05 State Partnership Program Activity Support	No	\$20,000	0.0	\$20,000	\$0	\$0	\$0	
Subtotal Decision Item		\$516,382	1.0	\$431,283	\$0	\$0	\$85,099	
Request Total for Department of Military Affairs		\$516,382	1.0	\$431,283	\$0	\$0	\$85,099	
Department of Natural Resources								
Decision Item								
NP-01 Annual Fleet Vehicle Request	No	\$100,151	0.0	(\$19,205)	\$161,107	(\$14,186)	(\$27,565)	
NP-02 CSEAP Resources	No	\$5,138	0.0	\$860	\$4,018	\$154	\$106	
NP-03 Paid Family Medical Leave Funding	No	\$111,198	0.0	\$3,427	\$107,227	\$544	\$0	
NP-04 OIT_FY23 Budget Request Package	No	\$73,377	0.0	\$19,250	\$47,813	\$4,909	\$1,405	
R-01 Support Increased Outdoor Recreation and Conservation	No	\$5,939,796	15.5	\$0	\$5,939,796	\$0	\$0	
R-02 Project Development and Support Water Plan Grants	No	\$700,309	6.0	\$0	\$700,309	\$0	\$0	
R-03 Colorado Outdoor Regional Partnerships Initiative	No	\$861,506	1.0	\$0	\$861,506	\$0	\$0	
R-04 Water Operations Accounting Support	No	\$332,579	3.0	\$332,579	\$0	\$0	\$0	
R-05 State Land Board Water Resources Manager	No	\$130,335	1.0	\$0	\$130,335	\$0	\$0	
R-06 Assistant Director for Energy Innovation	No	\$159,551	1.0	\$0	\$0	\$159,551	\$0	
R-07 Managed Internet Protocol Communication Phones	No	\$80,508	0.0	\$11,508	\$67,218	\$1,782	\$0	
R-08 Parks and Wildlife Asset Maintenance and Repairs	No	\$5,000,000	0.0	\$0	\$5,000,000	\$0	\$0	
R-09 Spending Authority for the Colorado Wildlife Council	No	\$800,000	0.0	\$0	\$800,000	\$0	\$0	
R-10 Records Access Management System and Radios	No	\$1,084,600	0.0	\$0	\$1,084,600	\$0	\$0	
Subtotal Decision Item		\$15,379,048	27.5	\$348,419	\$14,903,929	\$152,754	(\$26,054)	
Request Total for Department of Natural Resources		\$15,379,048	27.5	\$348,419	\$14,903,929	\$152,754	(\$26,054)	

Change Request List by Departments **FY 2022-2023**

Request Title	Requires Legislation	Total Funds	FTE	General Fund	Cash Funds	Reappropriated Funds	Federal Funds
Department of Personnel and Administration							
Decision Item							
NP-01 Paid Family Medical Leave Funding	No	\$27,923	0.0	\$0	\$633	\$27,290	\$0
NP-02 CSEAP Resources	No	\$3,690	0.0	\$1,190	\$108	\$2,392	\$0
NP-03 Annual Fleet Vehicle Request	No	(\$76,188)	0.0	\$0	\$96	(\$76,284)	\$0
NP-04 OIT_FY23 Budget Request Package	No	\$21,382	0.0	\$6,900	\$627	\$13,855	\$0
NP-05 Food Service and Housekeeping Coordinated Comp Request	No	\$12,314	0.0	\$0	\$0	\$12,314	\$0
R-01 State of Colorado Equity Office	No	\$2,536,213	10.0	\$2,536,213	\$0	\$0	\$0
R-02 Paid Family Medical Leave Funding	No	\$0	0.0	\$0	\$0	\$0	\$0
R-03 CSEAP Resources	No	\$311,690	2.5	\$0	\$107,815	\$203,875	\$0
R-04 Total Compensation Report & Comp Analyst	No	(\$144,505)	1.0	(\$144,505)	\$0	\$0	\$0
R-05 Ensuring Equity for People with Disabilities	No	\$516,481	1.0	\$516,481	\$0	\$0	\$0
R-06 HB 21-1274 Underutilized Property	No	\$400,000	0.0	\$0	\$400,000	\$0	\$0
R-07 CCLS Svc Contract Increase/State Capitol Fire System	No	\$245,528	0.0	\$0	\$245,528	\$0	\$0
R-08 Integrated Document Solutions Infrastructure Refresh	No	\$0	0.0	\$0	\$0	\$0	\$0
R-09 Annual Fleet Vehicle Request	No	\$839,357	0.0	\$0	\$0	\$839,357	\$0
R-10 HB 20-1153 Partnership Agreement	No	\$1,000,000	1.0	\$1,000,000	\$0	\$0	\$0
R-11 Potential Legislation - Colo Disability Funding Committ	Yes	\$0	0.0	\$0	\$0	\$0	\$0
Subtotal Decision Item		\$5,693,885	15.5	\$3,916,279	\$754,807	\$1,022,799	\$0

Request Total for Department of Personnel and Administration		\$5,693,885	15.5	\$3,916,279	\$754,807	\$1,022,799	\$0
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Department of Public Health and Environment

Decision Item							
NP-01 Paid Family Medical Leave Funding	No	\$268,051	0.0	\$39,372	\$0	\$228,679	\$0
NP-02 CSEAP Resources	No	\$8,583	0.0	\$1,261	\$0	\$7,322	\$0
NP-03 Annual Fleet Vehicle Request	No	(\$55,304)	0.0	\$0	\$0	(\$55,304)	\$0
NP-04 OIT_FY23 Budget Request Package	No	\$40,732	0.0	\$14,256	\$6,517	\$14,664	\$5,295
R-01 Air Quality Transformation	Yes	\$24,759,015	75.0	\$24,759,015	\$0	\$0	\$0
R-02 Colorado Dairy Protection	No	\$400,000	0.0	\$400,000	\$0	\$0	\$0
R-03 Colorado General Licensure Health Facility Protection	No	\$500,000	0.0	\$500,000	\$0	\$0	\$0
R-04 Emergency Medical and Trauma Services Support	No	\$2,000,000	0.0	\$2,000,000	\$0	\$0	\$0
R-05 Administrative Division Policy Staff	No	\$357,580	3.0	\$0	\$0	\$357,580	\$0
R-06 Enterprise Phone System	No	\$222,125	0.0	\$0	\$0	\$222,125	\$0
R-07 Provider Rate Increase	No	\$92,316	0.0	\$73,762	\$18,554	\$0	\$0
Subtotal Decision Item		\$28,593,098	78.0	\$27,787,666	\$25,071	\$775,066	\$5,295

Request Total for Department of Public Health and Environment		\$28,593,098	78.0	\$27,787,666	\$25,071	\$775,066	\$5,295
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Change Request List by Departments **FY 2022-2023**

Request Title	Requires Legislation	Total Funds	FTE	General Fund	Cash Funds	Reappropriated Funds	Federal Funds
Department of Public Safety							
Decision Item							
NP-01 Paid Family Medical Leave Act Funding	No	\$43,460	0.0	\$3,345	\$40,115	\$0	\$0
NP-02 CSEAP Resources	No	\$6,544	0.0	\$6,544	\$0	\$0	\$0
NP-03 Annual Fleet Vehicle Request	No	\$567,239	0.0	\$186,229	\$325,673	\$2,554	\$52,783
NP-04 FY23 OIT Budget Request Package	No	\$37,704	0.0	\$37,704	\$0	\$0	\$0
R-01 Right-Sizing the Colorado Bureau of Investigation	No	\$6,809,699	47.0	\$6,809,699	\$0	\$0	\$0
R-02 Capitol Complex Security Plus-Up	No	\$4,546,860	27.9	\$4,546,860	\$0	\$0	\$0
R-03 State Recovery Section Staff	No	\$255,047	3.0	\$255,047	\$0	\$0	\$0
R-04 School Safety Resource Center Refinance	No	\$299,619	0.0	\$0	\$299,619	\$0	\$0
R-05 Funding for State Toxicology Laboratory	No	\$1,152,316	4.0	\$0	\$1,152,316	\$0	\$0
R-06 Resources for State Emergency Operations Center	No	\$611,314	8.0	\$945,085	\$0	\$0	(\$333,771)
R-07 State Match and Personnel Support for DFPC Training	No	\$490,000	0.0	\$490,000	\$0	\$0	\$0
R-08 Increased Salary Base for DPS Communications Officers	No	\$1,651,203	0.0	\$89,657	\$1,479,752	\$76,148	\$5,646
R-09 Central Evidence Facility Lease Funding	No	\$1,346,178	2.0	\$0	\$1,346,178	\$0	\$0
R-10 Communications Branch Technology and Equipment Funding	No	\$1,700,000	0.0	\$0	\$1,700,000	\$0	\$0
R-11 Entire State Cybersecurity Approach Program Funding	No	\$385,943	3.0	\$385,943	\$0	\$0	\$0
R-12 Community Corrections Information and Billing System	No	\$425,922	0.0	\$425,922	\$0	\$0	\$0
R-13 Preventing Bias-Motivated Violence Grant Funding	Yes	\$1,000,000	1.0	\$1,000,000	\$0	\$0	\$0
R-14 Additional Colorado State Patrol Administrative Staff	No	\$656,237	7.0	\$0	\$656,237	\$0	\$0
R-15 Combine DPS Vehicle Lease Payments Line Items	No	\$0	0.0	\$0	\$0	\$0	\$0
R-16 Reroute Enhanced State Assistance Funding to WERF	Yes	\$0	0.0	\$0	\$600,000	(\$600,000)	\$0
R-17 Community Corrections Provider Rate Increase	No	\$785,730	0.0	\$732,111	\$0	\$53,619	\$0
Subtotal Decision Item		\$22,771,015	102.9	\$15,914,146	\$7,599,890	(\$467,679)	(\$275,342)
Request Total for Department of Public Safety		\$22,771,015	102.9	\$15,914,146	\$7,599,890	(\$467,679)	(\$275,342)

Department of Regulatory Agencies							
Decision Item							
NP-01 Paid Family Medical Leave Act Funding	No	\$36,163	0.0	\$1,216	\$32,162	\$2,785	\$0
NP-02 CSAEP Resources	No	\$2,813	0.0	\$95	\$2,502	\$216	\$0
NP-03 Fleet Request	No	(\$3,104)	0.0	\$0	(\$3,104)	\$0	\$0
NP-04 OIT_FY22 Budget Request Package	No	\$15,529	0.0	\$566	\$14,963	\$0	\$0
NP-05 R - 01 Colorado Equity Office Placeholder Request	No	\$91,635	1.0	\$91,635	\$0	\$0	\$0
R-01 Implementation of Primary Care and Maternal Health APMs	Yes	\$250,000	0.0	\$0	\$250,000	\$0	\$0
R-02 Actuarial Review of Insurance Coverages	No	\$237,924	0.3	\$0	\$237,924	\$0	\$0
R-03 Align State Surprise Billing Law with Federal No Surpri	Yes	\$159,912	2.0	\$0	\$159,912	\$0	\$0
R-04 Increase EDO Resources	No	\$0	5.0	\$0	(\$392,392)	\$392,392	\$0
R-05 Reduce Disabled Telephone Payments Approp	No	(\$59,541)	0.0	\$0	(\$59,541)	\$0	\$0
Subtotal Decision Item		\$731,331	8.3	\$93,512	\$242,426	\$395,393	\$0
Request Total for Department of Regulatory Agencies		\$731,331	8.3	\$93,512	\$242,426	\$395,393	\$0

Change Request List by Departments						FY 2022-2023	
Request Title	Requires Legislation	Total Funds	FTE	General Fund	Cash Funds	Reappropriated Funds	Federal Funds
Department of Revenue							
Decision Item							
NP-01 Paid Family Medical Leave Funding	No	\$143,618	0.0	\$54,368	\$89,250	\$0	\$0
NP-02 CSEAP Resources	No	\$5,892	0.0	\$2,231	\$3,661	\$0	\$0
NP-03 Annual Fleet Vehicle Request	No	(\$170,486)	0.0	(\$26,473)	(\$144,013)	\$0	\$0
NP-04 OIT_FY22 Budget Request Package	No	\$57,672	0.0	\$57,672	\$0	\$0	\$0
NP-05 CDHS_NP_CBBR	No	\$1,045	0.0	\$0	\$1,045	\$0	\$0
NP-06 DPA Equity Office	No	\$286,880	3.0	\$0	\$0	\$286,880	\$0
R-01 DMV DRIVES System Support	Yes	\$3,075,916	11.0	\$0	\$3,075,916	\$0	\$0
R-02/SA-01 Lottery Retailer Payments	No	\$0	0.0	\$0	\$0	\$0	\$0
R-03 Lease Space Savings and Remote Work	No	(\$448,194)	0.0	(\$448,194)	\$0	\$0	\$0
R-04 Operational Funding Re-alignment	No	\$0	0.0	\$0	\$0	\$0	\$0
R-05 DMV Safety Expansion	No	\$179,720	0.0	\$0	\$179,720	\$0	\$0
R-06 Refinance HB 21-1314 to Appropriate Funding Stream	Yes	(\$140,000)	0.0	\$0	(\$140,000)	\$0	\$0
Subtotal Decision Item		\$2,992,063	14.0	(\$360,396)	\$3,065,579	\$286,880	\$0
Request Total for Department of Revenue		\$2,992,063	14.0	(\$360,396)	\$3,065,579	\$286,880	\$0
Department of Transportation							
Decision Item							
NP-01 Paid Family Medical Leave Funding	Yes	\$0	0.0	\$0	\$0	\$0	\$0
NP-02 CSEAP Resources	Yes	\$0	0.0	\$0	\$0	\$0	\$0
NP-03 Annual Fleet Vehicle Request	Yes	\$0	0.0	\$0	\$0	\$0	\$0
NP-04 OIT_FY22 Budget Request Package	No	\$0	0.0	\$0	\$0	\$0	\$0
R-01 Temporary Fuel Products Fee Reduction	Yes	(\$1,849,809)	0.0	\$0	(\$1,849,809)	\$0	\$0
R-02 Multimodal Transportation and Mitigation Options Fund	No	\$0	0.0	\$0	\$0	\$0	\$0
R-03 FTDD Account Appropriation	No	\$900,000	0.0	\$0	\$900,000	\$0	\$0
Subtotal Decision Item		(\$949,809)	0.0	\$0	(\$949,809)	\$0	\$0
Request Total for Department of Transportation		(\$949,809)	0.0	\$0	(\$949,809)	\$0	\$0
Department of Treasury							
Decision Item							
NP-01 CSEAP Resources	No	\$183	0.0	\$183	\$0	\$0	\$0
NP-02 OIT_FY23 Budget Request Package	No	\$427	0.0	\$213	\$214	\$0	\$0
Subtotal Decision Item		\$610	0.0	\$396	\$214	\$0	\$0
Request Total for Department of Treasury		\$610	0.0	\$396	\$214	\$0	\$0