

JOINT BUDGET COMMITTEE

STAFF BUDGET BRIEFING S U M M A R Y



FY 2024-25

STATE OF COLORADO

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MEMORANDUM

TO: Members of the General Assembly

FROM: Joint Budget Committee

SUBJECT: FY 2024-25 Budget Briefing Summary

DATE: December 20, 2023

For the past two months, Joint Budget Committee (JBC) staff have been briefing the JBC on each executive and judicial department's budget request for FY 2024-25. The staff briefing is a written and oral presentation aimed at stimulating discussion about each department's operations and budget, issues of efficiency and effectiveness, and the budget-related policy issues. During the briefing, JBC members identify issues they want to discuss during a formal hearing with each department's executive director. This hearing allows the department to discuss its budget and policy priorities with the Committee. We thank all of you who joined us for these staff briefings and department hearings.

This report summarizes departments' operating budget requests for FY 2024-25, as well as the Governor's requests for capital projects. Individual sections for each department provide:

- an overview of the department's responsibilities;
- the department's FY 2024-25 operating budget request compared to FY 2023-24 appropriations, including a brief description of each requested incremental funding change; and
- a summary of issue briefs presented by JBC staff.

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

We have also included a JBC staff assignment list at the end of this report. JBC staff are available to help you with any questions you might have about department budgets and operations. We hope this budget briefing summary will help you become familiar with the FY 2024-25 budget requests and major issues that impact the State budget. We look forward to working with you over the next few months to craft the State budget for FY 2024-25.

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OVERVIEW OF FY 2024-25 BUDGET REQUESTS

SUBMISSION OF BUDGET REQUESTS

On Wednesday November 1, the Governor submitted his FY 2024-25 budget request. The Governor's annual request is a comprehensive plan that consists of several elements:

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

The Governor's budget request is based on the September 2023 revenue forecast prepared by the Office of State Planning and Budgeting (OSPB).

Each of the Judicial Branch agencies, the Attorney General, the Secretary of State, and the State Treasurer all submit their own budget requests for the ongoing operations of their respective agencies. The OSPB does not review these requests, and the requests often differ from the placeholder amounts that are included in the Governor's budget request.

DEPARTMENT REQUESTS FOR ONGOING OPERATIONS

BASELINE: EXISTING FY 2023-24 OPERATING APPROPRIATIONS

The existing FY 2023-24 budget that supports state government operations includes a total of \$15.1 billion in General Fund appropriations. This represents an increase of \$1.6 billion (11.6 percent) from the \$13.5 billion adjusted appropriation for FY 2022-23. Total appropriations (from all fund sources) increased by \$1.8 billion (4.5 percent) from FY 2022-23 to FY 2023-24.

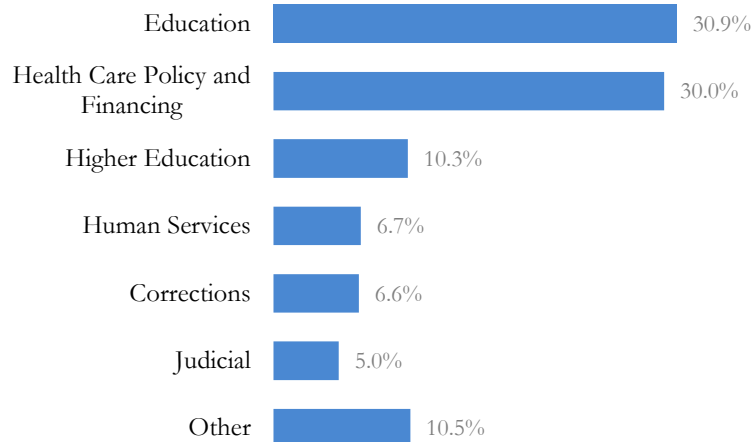
As illustrated in the first graphic on the following page, nearly 90.0 percent of current General Fund appropriations are concentrated in six of the 23 departments: Education, Health Care Policy and Financing (HCPF), Higher Education, Human Services, Corrections, and Judicial. Education and HCPF alone account for more than 60.0 percent of current General Fund appropriations.

Including other fund sources (primarily cash funds and federal funds that are available to some departments) changes the funding distribution. The second graphic on the next page illustrates the distribution of *total funds* appropriations.

- Health Care Policy and Financing (HCPF) replaces Education at the top of the chart because of the significant amount of federal funds that support the Medicaid program. However, it is important to note that local tax revenues provide significant support for public schools, and these funds are not reflected in the State budget. For example, the FY 2023-24 appropriation for the State Share of Districts' Total Program Funding assumes that school districts will collect \$4.1 billion in local tax revenues for school finance alone.

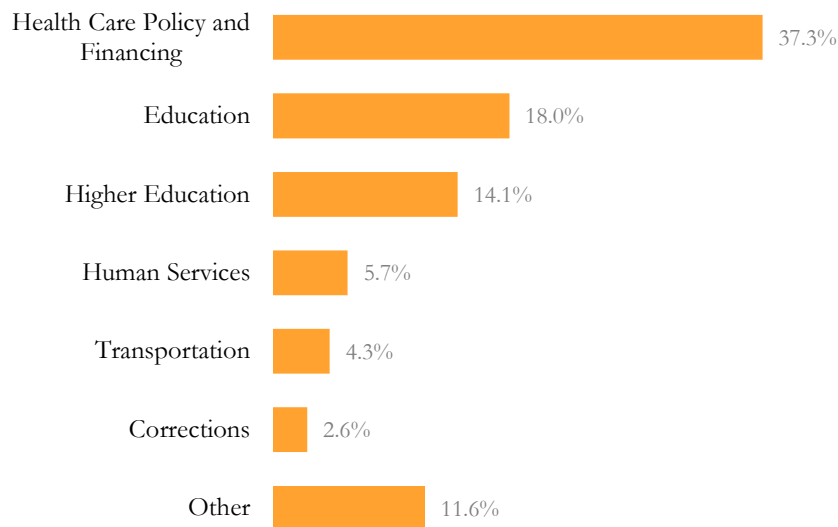
- The Department of Transportation moves up to fifth in total appropriations, while the Judicial Branch falls to seventh.

Six departments account for nearly 90 percent of FY 2023-24 [General Fund appropriations](#), with Education and Health Care Policy and Financing accounting for more than 60 percent.



Based on the FY 2023-24 appropriation.

Looking at [total funds](#) reflected in the state appropriation, Health Care Policy and Financing accounts for more than 37 percent of the statewide total, more than double the Department of Education's appropriation.



Based on the FY 2023-24 appropriation.

The General Assembly appropriates most of the annual funding for state government operations through the Long Bill (e.g., S.B. 23-214) and the annual appropriation bill for the Legislative Branch (e.g., S.B. 23-197). These two bills

provide funding for the ongoing operations of all departments *based on current law*. The remaining appropriations are included in separate bills that also make statutory changes. In most years, these other bills add a relatively small amount of funding to the budget. For example, appropriations in those separate bills represent 2.3 percent of the *total* operating appropriation and 2.2 percent of the General Fund appropriation for FY 2023-24.

MID-YEAR CHANGES TO FY 2023-24 OPERATING APPROPRIATIONS

The Governor's budget request includes a placeholder for a \$29.2 million increase in General Fund appropriations for FY 2023-24 through mid-year (supplemental) adjustments. According to the Governor's Office, this amount is not based on specific proposals; rather, it is a placeholder to budget for requests that have not yet been identified. The Committee has also approved the following General Fund changes through interim supplementals for FY 2023-24:

- \$120,000 for the Department of Corrections approved in September 2023.
- \$385,529 General Fund (\$1.3 million total funds) for the Department of Health Care Policy and Financing approved in December 2023.
- \$1.0 million General Fund (\$10.9 million total funds) for the Department of Public Safety approved in December 2023.

REQUESTS FOR FY 2023-24 FOR ONGOING OPERATIONS

Table 1 summarizes the current (total) operating budget for FY 2023-24 and the incremental changes requested by each department for FY 2024-25, resulting in the total operating appropriations proposed in the FY 2024-25 requests. The table is sorted based on the General Fund changes requested by each agency, from the largest dollar amount increase (Health Care Policy and Financing) to the largest General Fund *decrease* (Personnel).

TABLE 1 REQUESTED CHANGES IN APPROPRIATIONS FOR FY 2024-25, BY DEPARTMENT AND FUND SOURCE SORTED BY INCREMENTAL GENERAL FUND CHANGE						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2023-24 APPROPRIATION:						
TOTAL	\$41,553,190,164	\$15,097,195,800	\$11,060,415,600	\$2,624,035,359	\$12,771,543,405	65,002.8
FY 2024-25 REQUESTED APPROPRIATION:						
FY 2023-24 Appropriation	\$41,553,190,164	\$15,097,195,800	\$11,060,415,600	\$2,624,035,359	\$12,771,543,405	65,002.8
Health Care Policy and Financing	881,006,284	440,485,926	49,929,570	16,793,882	373,796,906	9.4
Human Services	167,388,693	280,212,708	(134,671,159)	11,171,605	10,675,539	126.7
Treasury	264,005,876	151,273,240	61,981,652	50,750,984	0	5.5
Judicial	122,677,919	111,129,294	8,431,891	3,116,734	0	342.6
Corrections	120,983,339	93,034,202	27,813,444	135,053	640	55.1
Public Health and Environment	41,013,390	9,416,244	27,159,394	(4,629,490)	9,067,242	20.0
Education	243,104,655	9,055,078	258,402,659	(26,252,574)	1,899,492	2.8
Local Affairs	4,399,859	6,953,509	(2,724,731)	326,735	(155,654)	3.8
Governor	(87,539,517)	6,764,789	(107,075,411)	11,774,878	996,227	14.9
Agriculture	13,806,176	4,747,706	8,325,380	631,350	101,740	10.4
Legislature	3,591,145	3,591,145	20,000	(20,000)	0	(0.9)
Natural Resources	(67,533,468)	3,573,411	(75,045,956)	765,249	3,173,828	52.4
Law	11,850,591	3,389,772	1,387,979	7,025,874	46,966	22.3
Military and Veterans Affairs	4,183,225	3,072,473	259,442	(14,386)	865,696	3.1
Revenue	24,805,840	2,254,267	21,814,267	1,332,892	(595,586)	23.8
Regulatory Agencies	11,503,396	(97,927)	10,785,240	659,123	156,960	6.7

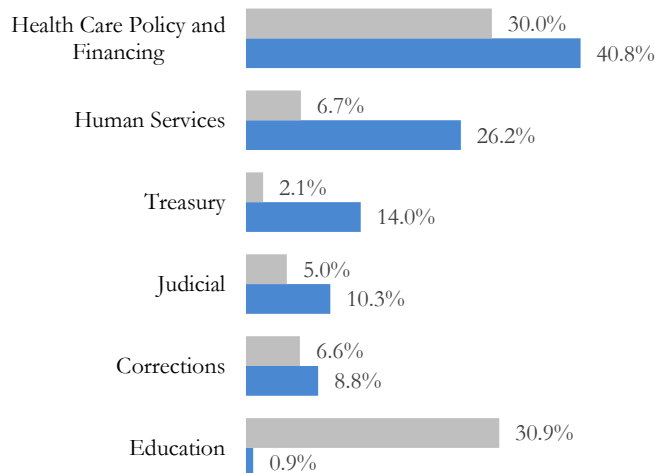
TABLE 1
REQUESTED CHANGES IN APPROPRIATIONS FOR FY 2024-25, BY DEPARTMENT AND FUND SOURCE
SORTED BY INCREMENTAL GENERAL FUND CHANGE

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Labor and Employment	21,846,330	(383,511)	7,094,104	38,587	15,097,150	11.1
Transportation	214,540,640	(500,000)	198,095,553	0	16,945,087	0.0
Public Safety	22,591,503	(1,950,691)	16,061,841	5,566,748	2,913,605	83.9
State	(3,396,055)	(6,198,515)	3,292,091	(489,631)	0	4.8
Higher Education	135,948,725	(6,832,460)	106,649,262	35,804,301	327,622	(10.5)
Early Childhood	(45,053,578)	(10,854,627)	28,373,597	1,669,426	(64,241,974)	41.2
Personnel	25,074,934	(27,013,213)	13,096,096	38,992,051	0	(1.2)
TOTAL	\$43,683,990,066	\$16,172,318,620	\$11,589,871,805	\$2,779,184,750	\$13,142,614,891	65,830.7
INCREASE/(DECREASE)	\$2,130,799,902	\$1,075,122,820	\$529,456,205	\$155,149,391	\$371,071,486	827.9
Percentage Change	5.1%	7.1%	4.8%	5.9%	2.9%	1.3%

Overall, the total appropriations requested from all fund sources for FY 2024-25 represent an increase of \$2.1 billion (5.1 percent) compared to current FY 2023-24 appropriations. This change includes increases of \$1.1 billion General Fund (7.1 percent), \$529.5 million cash funds, \$371.1 million federal funds, and \$155.1 million reappropriated funds.

In most years, the departments that receive the largest allocation of General Fund appropriations also request the largest *increases* in General Fund. However, recent years have deviated from that pattern. As shown in the graphic below, the distribution of the requested General Fund *increase* for FY 2024-25 (as a share of the total increase) is quite different from the distribution of General Fund *appropriations* for FY 2023-24. The requests from HCPF, Judicial Branch agencies, and the Department of Public Safety are significantly larger than their current shares of General Fund appropriations. The Department of Education's request for General Fund appropriations is proportionately smaller than its current share of General Fund appropriations.

The distribution of FY 2023-24 General Fund appropriations does not clearly correspond to [requested increases in General Fund appropriations for FY 2024-25](#).



Based on November 1 budget requests for FY 2024-25.

- *Health Care Policy and Financing:* Nearly three-quarters of HCPF’s requested \$440.5 million General Fund increase is based on the Department’s projections of the number of individuals eligible for Medicaid throughout FY 2024-25, the utilization and cost of medical services provided to eligible individuals, and the State’s share of funding for these services (the “forecast-based” requests). The Department is requesting a total increase of \$320.1 million General Fund for this purpose (requests R1 through R5). Another 22.6 percent of HCPF’s requested increase (\$99.3 million) is associated with provider rate increases (request R6).
- *Human Services:* Two changes account for nearly three-quarters of the Department of Human Services’ requested \$280.2million General Fund increase. First, the request proposes to restore \$130.1 million General Fund that was refinanced with Federal (ARPA) funds in FY 2023-24. Second, request R1 (Increase Psychiatric Beds to Reduce the Waitlist) proposes an increase of \$75.2 million General Fund for FY 2024-25 to increase psychiatric bed capacity in an effort to reduce the competency waitlist.
- *Treasury:* The Treasury Department is requesting an increase of \$151.3 million General Fund, which is almost entirely the result of two items. First, the request includes \$139.3 million for PERA Direct Distribution to restore funding required by S.B. 18-200 (PERA Unfunded Liability). The General Assembly used one-time funding to “pre-pay” that liability for FY 2023-24, but current law requires the restoration of the General Fund appropriation for FY 2024-25. Second, the request includes an increase of \$11.3 million to align with the September 2023 OSPB revenue forecast (primarily driven by an increase in anticipated payments for the Homestead exemption).
- *Judicial Branch:* Judicial agencies are requesting a relatively large increase of \$111.1 million General Fund for FY 2024-25. The largest component of that increase is \$32.0 million General Fund for salary survey and to implement a step compensation plan.
- *Corrections:* The Department of Corrections is requesting an increase of \$93.0 million General Fund for FY 2024-25. Of that amount \$41.6 million (43.8 percent) is for salary increases (salary survey and step plan implementation). The most significant *prioritized* General Fund requests/decision items include the following:
 - \$16.4 million for workforce housing (request R6). The Department has requested this in two parts: (1) a *transfer* of \$16.0 million from the General Fund to a cash fund, with three years of roll-forward authority to spend the funds, to support housing in Sterling and Denver; and (2) an *appropriation* of \$360,000 General Fund on an ongoing basis to support the housing initiative in Buena Vista (for which the Committee approved \$120,000 General Fund as an interim supplemental in September 2023).
 - \$11.6 million for broadband investments (request R5). Similar to the workforce housing request above, the majority of this amount is requested as a transfer of \$11.4 million from the General Fund to a cash fund, with three years of roll-forward authority to spend from that cash fund.
 - \$9.0 million to establish two living units for transgender inmates and to support surgical care for eligible inmates pursuant to a consent decree (request R4).
 - \$8.2 million for prison caseload (request R1).
- *Education:* The Department of Education is actually requesting an increase of \$305.5 million total funds (including \$75.0 million General Fund) for the state share of funding for public school finance (request R1). However, the Department’s request eliminates significant one-time General Fund appropriations provided to the Department for other purposes in FY 2023-24, resulting in a net increase of only \$9.1 million General Fund department-wide for FY 2024-25. In addition, the request utilizes the (one-time) fund balance available in the State Education Fund to reduce pressure on the General Fund for FY 2024-25. Once the one-time funds are spent down (over multiple

years), the General Fund appropriation will need to increase to sustain the proposed level of state funding for public schools.

Finally, all department requests reflect two statewide common policies proposed by the Governor for FY 2024-25:

- The Governor is proposing a 3.0 percent across-the-board salary increase for state employees, plus additional funding to implement the step system under the Colorado WINS agreement.
- The Governor is proposing a 2.0 percent increase in non-Medicaid provider rates, a 1.0 percent increase for all Medicaid providers, and additional targeted increases for specific Medicaid providers.

PROPOSALS AND REQUESTS THAT REQUIRE STATUTORY CHANGES

The State Constitution requires that the annual general appropriation bill (called the “Long Bill”) include only appropriations for agency expenses that are authorized under current law¹. Most of the funding requested by departments for FY 2024-25 is for purposes authorized under current law, and, if approved, will be included in the 2024 Long Bill. **When a proposal within the budget request is contingent on a statutory change, the Governor typically includes a “placeholder” to set aside funding for that purpose.** The required funds would then be appropriated or transferred through separate legislation that includes the necessary statutory changes. The JBC is often asked to consider sponsoring some of these bills.

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

Table 2 summarizes the Governor’s General Fund placeholders, which fall into four basic categories. The placeholders include:

- *Increases in General Fund Appropriations.* The placeholders assume a net increase of \$29.2 million in supplemental adjustments for FY 2023-24 and \$197.0 million for FY 2024-25. The proposed increases for FY 2024-25 include \$115.0 million for unspecified executive branch legislative priorities, \$59.6 million for *specific* legislative priorities, and \$15.0 million assumed for the General Assembly’s legislative priorities.
- *Proposals to Make Additional General Fund Revenues Available.* The placeholders include proposals to make additional revenues available for FY 2024-25, including \$212.7 million that would make revenues available within the TABOR limit (primarily by refinancing existing General Fund appropriations with other fund sources) and \$172.9 million that would make additional revenues available not subject to the TABOR limit (driven primarily by converting existing General Fund appropriations to tax credits and by adjustments to enterprise funds).
- *Accounting for Increased Cash Fund Revenues.* The Governor’s budget proposal includes placeholders totaling \$81.6 million to account for potential increases in projections of cash fund revenues collected in FY 2024-25, which would increase the General Fund obligation for taxpayer refunds.
- *Transfers from the General Fund.* The placeholders include \$325.2 million in proposed transfers from the General Fund to other funds, including \$219.5 million for capital construction and information technology capital projects and \$105.8 million in proposed transfers for other uses. These placeholders would increase appropriations by \$29.2 million for FY 2023-24 and by \$137.3 million for FY 2024-25 and would increase transfers out of the General Fund in FY 2024-25 by \$325.2 million. The Governor’s budget proposal also includes placeholders

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

totaling \$51.6 million to account for potential increases in projections of cash fund revenues collected in FY 2024-25, which would increase the General Fund obligation for taxpayer refunds.

TABLE 2
GOVERNOR'S PROPOSED GENERAL FUND PLACE HOLDERS

DESCRIPTION	FY 2023-24	FY 2024-25
<i>Appropriations:</i>		
Supplemental requests and budget amendments (includes refinance of operating appropriations with appropriations from the Revenue Loss Restoration Fund anticipated to be requested through budget amendments)	\$29,193,533	\$0
Governor Placeholders for Executive Branch Legislative Priorities	0	115,000,000
Governor Placeholders for <i>appropriations</i> in specific legislative proposals outside of decision items		59,630,228
Placeholder for General Assembly Legislative Priorities	0	15,000,000
Behavioral/Mental Health Expenses (formerly Revenue Loss Restoration Cash Fund)	0	7,333,967
Subtotal: Appropriations	\$29,193,533	\$196,964,195
<i>Governor Requested Revenue Proposals</i>		
Proposals making revenues available subject to limit (refinancing expenditures under the TABOR limit)	\$0	(\$212,708,022)
Proposals making revenues available <i>not</i> subject to limit (e.g., tax credits, enterprise changes, inclusion of hard assets in TABOR Emergency Reserve)	0	(172,865,500)
Subtotal: Governor Requested Revenue Proposals	\$0	(\$385,573,522)
<i>TABOR Refund:</i>		
Placeholder to buffer against cash fund forecast risk	\$0	\$56,561,999
Potential adjustments to TABOR Surplus based on changes in cash fund revenue estimates	0	25,000,000
Subtotal: TABOR Refund	\$0	\$81,561,999
<i>Transfers:</i>		
Transportation	\$0	\$0
Capital Construction and Information Technology Projects	0	219,457,304
Other transfer placeholders (both within and outside of decision items)	0	105,776,491
Subtotal: Transfers	\$0	\$325,233,795
TOTAL	\$29,193,533	\$218,186,467

Table 3 provides a detailed list of the items within the Governor's budget proposal (as decision items) that would require separate legislation. The top portion of the table identifies items that relate to appropriations, and the bottom portion includes items that involve transfers between funds. Each proposal includes the priority number and title of the relevant budget request (decision item) in the "description" column.

TABLE 3
GOVERNOR'S FY 2024-25 *DECISION ITEMS* THAT REQUIRE STATUTORY CHANGES

DEPARTMENT	DESCRIPTION	TOTAL FUNDS	GENERAL FUND	OTHER FUNDS
Appropriation Changes:				
Agriculture	R2: Division of Animal Welfare	\$741,628	\$741,628	\$0
Corrections	R5: Broadband	199,751	199,751	0
Corrections	R6: Workforce Housing	16,360,000	0	16,360,000
Education	R1: State Share of Total Program Increase	305,455,136	75,000,000	230,455,136
Education	R2: Categorical Programs Inflation	24,897,897	0	24,897,897
Education	R3: CSI Mill Levy Equalization	(11,876,574)	(27,000,000)	15,123,426
Education	R8: Facility Schools and Residential Child Care Inclusion in Health School Meals Act	0	0	0
Education	R13: Educator Talent Mentorship Grant Program	3,132,271	3,132,271	0
Governor	OEDIT R1: Advanced Industries Accelerator Program	125,000	125,000	0
Governor	OEDIT R2: Support for the Rural Opportunity Office	153,000	0	153,000
Governor	OEDIT R7: Reauthorize PTAC	0	0	0
Health Care Policy and Finance	R6: Provider Rate Adjustment	244,170,406	71,295,814	172,874,592

TABLE 3
GOVERNOR'S FY 2024-25 *DECISION ITEMS* THAT REQUIRE STATUTORY CHANGES

DEPARTMENT	DESCRIPTION	TOTAL FUNDS	GENERAL FUND	OTHER FUNDS
Health Care Policy and Finance	R9: Access to Benefits	14,297,164	3,122,077	11,175,087
Health Care Policy and Finance	R15: Continuing Support for DH and Hospital Authority	5,000,000	5,000,000	0
Higher Education	History Colorado R1: Collections Care and Storage Lease	500,000	500,000	0
Higher Education	History Colorado R3: 250/150 Commission Outreach	1,000,000	500,000	500,000
Higher Education	History Colorado R9: Indian Boarding School Research Program	333,333	333,333	0
Judicial	R7: Ralph Carr Judicial Center	5,756,717	8,009,497	(2,252,780)
Judicial	R10: Judicial Performance Education And Prof. Development	167,383	0	167,383
Labor and Employment	R6: OJT Funding Category and Spend Date Alignment	0	0	0
Local Affairs	R1: Continuation of H.B. 19-1009 Voucher Program	999,479	999,479	0
Military and Veterans Affairs	R4: Veterans Trust Fund Expanded Spending Authority	0	0	
Natural Resources	R3: Reverse Wildlife Cash and Lottery Transfers	(199,068)	0	(199,068)
Personnel (and all departments)	R1: Central Services Omnibus	25,435,124	(9,997,042)	35,432,166
Public Health and Environment	R2: Stationary Sources Control Fund	5,900,000	0	5,900,000
Public Health and Environment	R3: Sustainable Funding for Health Facility Licensure	2,591,934	2,189,180	402,754
Public Safety	R16 HUTF One-time Cap Adjustment	0	(3,811,353)	3,811,353
Regulatory Agencies	R1: Increase Banking Staff in Response to Industry Growth	665,956	0	665,956
Subtotal: Appropriations		\$645,806,537	\$130,339,635	\$515,466,902
Transfers Out:				
Corrections	R6: Workforce Housing	16,000,000	16,000,000	0
Corrections	R5: Broadband	11,407,019	11,407,019	0
Education	R3: CSI Mill Levy Equalization: Transfer \$42.1 million to CSI Mill Levy Equalization Fund	42,123,426	42,123,426	0
Governor	OEDIT R4: Creative Districts Modifications and Funding	540,000	540,000	0
Public Safety	R2: Invest in Local Crime Prevention Strategies	7,500,000	7,500,000	0
Subtotal: Transfers Out		\$77,570,445	\$77,570,445	\$0
TOTAL		\$723,376,982	\$207,910,080	\$515,466,902

Table 4 summarizes 52 additional placeholders that are *not* associated with specific departmental decision items. This list includes increases of \$115.2 million General Fund, including \$59.6 million in appropriations and \$55.6 million in transfers.

TABLE 4
GOVERNOR'S FY 2024-25 LEGISLATIVE PLACEHOLDERS *OUTSIDE OF DECISION ITEMS*

DEPARTMENT	DESCRIPTION	TOTAL FUNDS	GENERAL FUND	OTHER FUNDS
Appropriation Changes:				
Agriculture	Equine Welfare	\$500,000	\$500,000	\$0
Agriculture	Authorizing Direct-to-Consumer Sales of Raw Milk	224,000	224,000	0
Agriculture	Pollinator Health	100,000	0	100,000
Agriculture	Reauthorization of Rural Jump Start	22,000	22,000	0

TABLE 4
GOVERNOR'S FY 2024-25 LEGISLATIVE PLACEHOLDERS *OUTSIDE OF DECISION ITEMS*

DEPARTMENT	DESCRIPTION	TOTAL FUNDS	GENERAL FUND	OTHER FUNDS
Early Childhood	Middle Income Housing (Special Purpose Transfer)	1,000,000	0	1,000,000
Early Childhood	Bilingual Licensing Unit	277,846	277,846	0
Education	Academic Enrichment and Work-based Learning	5,000,000	5,000,000	0
Education	Placeholder for H.B. 23-1215 Task Force	800,000	800,000	0
Education	School-based Behavioral Health Support	2,500,000	0	2,500,000
Governor	CBO Modifications and Funding	5,000,000	0	5,000,000
Governor	Employee Ownership Codification and Tax Credit	576,000	576,000	0
Governor	OEDIT Space to Create & Community Revitalization	250,000	250,000	0
Higher Education	Modifying and Expanding Historic Preservation Tax Credit	200,000	200,000	0
Higher Education	Postsecondary Assistance for High School Students Who Experienced Homelessness	177,921	177,921	0
Human Services	Strengthening treatment for high-acuity youth	29,075,524	15,751,735	13,323,789
Human Services	Behavioral Healthcare Continuum Gap Grant Program	8,000,000	8,000,000	0
Human Services	I Matter Continuation	6,000,000	0	6,000,000
Human Services	Summer EBT	3,500,000	3,500,000	0
Human Services	Supporting Survivors to Stabilize Housing	1,000,000	0	1,000,000
Labor and Employment	Apprenticeship Expansion Grant and Tax Credit	2,500,000	2,500,000	0
Labor and Employment	ONA Expansion and Support for New Migrants	2,500,000	2,500,000	0
Legislative Branch	JBC ARPA Placeholder	10,000,000	0	10,000,000
Local Affairs	Strategic Growth	10,000,000	10,000,000	0
Local Affairs	Accessory Dwelling Unit (ADU) Fee Support	10,000,000	0	10,000,000
Local Affairs	Accessory Dwelling Unit (ADU) Financing	8,000,000	2,700,000	5,300,000
Local Affairs	Housing Development Grant Fund Tax Credit Conversion	300,000	300,000	0
Local Affairs	Boosting Affordable Housing Tax Credit for Transit-oriented Developments	300,000	300,000	0
Local Affairs	Incentive for Commercial Residential Conversions	200,000	200,000	0
Natural Resources	Species Conservation Trust Fund Annual Legislation	5,000,000	0	5,000,000
Natural Resources	Wolverine Reintroduction	645,902	0	645,902
Personnel	Floodplain Development Permit System	165,606	165,606	0
Public Health and Environment	Establish State Dredge and Fill Water Permit Program	577,742	0	577,742
Public Health and Environment	Modernize Pollution Prevention Statute	0	0	0
Public Safety	CBI Reduction in Illegal Firearms	1,690,258	1,690,258	0
Public Safety	Record Sealing Initiative Spending Authority	441,451	441,451	0

TABLE 4
GOVERNOR'S FY 2024-25 LEGISLATIVE PLACEHOLDERS *OUTSIDE OF DECISION ITEMS*

DEPARTMENT	DESCRIPTION	TOTAL FUNDS	GENERAL FUND	OTHER FUNDS
Public Safety	CCJJ Successor	300,000	300,000	0
Public Safety	DFPC Employee Reclassification	15,195	15,195	0
Regulatory Agencies	R1: Increase Banking Staff in Response to Industry Growth	665,956	0	665,956
Regulatory Agencies	Placeholder for Natural Medicine	100,000	0	100,000
Regulatory Agencies	PUC Improving Safety of Residential Energy Use	857,690	0	857,690
Revenue	Pre-filled Tax Return to Boos EITC and CTC Claims	250,000	250,000	0
Revenue	Tax Return Checkoff Box for Benefits Outreach	80,000	80,000	0
Revenue	Child Tax Credit (CTC) Adjustment	80,000	80,000	0
Revenue	Department of Revenue Hearings Notifications	30,992	30,992	0
Transportation	Zero Fare for Youth	7,000,000	0	7,000,000
Transportation	Zero Fare for Better Air	7,000,000	0	7,000,000
Unknown	Other Legislative Placeholders	3,674,872	2,797,224	877,648
Subtotal: Appropriations		\$136,578,955	\$59,630,228	\$76,948,727
Transfers Out:				
Governor	Opportunity Now 2.0	\$5,250,000	\$5,250,000	\$0
Labor and Employment	Retail EV Charging Stations	263,065	263,065	0
Local Affairs	Transit-oriented Communities Infrastructure	35,000,000	35,000,000	0
Regulatory Agencies	Placeholder for Natural Medicine	100,000	100,000	0
Treasury	Short-term Rental Local Government/Property Taxpayers Reimbursement	15,000,000	15,000,000	0
Subtotal: Transfers Out		\$55,613,065	\$55,613,065	\$0
TOTAL		\$192,192,020	\$115,243,293	\$76,948,727

Please note that in addition to the specific placeholders summarized above, the request includes \$15.0 million General Fund for the Legislative Branch's legislative priorities.

Finally, **Table 5** provides details related to the Governor's proposed transfers for infrastructure investments (**capital construction and information technology capital projects**). In addition to the amounts reflected in the table, the Governor has proposed to spend \$86.8 million on controlled maintenance Level I projects; however, that amount is proposed from the existing balance of the Controlled Maintenance Trust Fund (which originated as transfers from the General Fund in prior years) rather than as a new transfer from the General Fund.

TABLE 5
GOVERNOR'S PROPOSED FY 2024-25 GENERAL FUND TRANSFERS FOR INFRASTRUCTURE

DEPARTMENT	DESCRIPTION	GENERAL FUND
Various	Capital Construction Projects (12)	\$154,074,229
Various	Capital Information Technology Projects (11)	65,378,652
TOTAL		\$219,452,881

SUMMARY

Based on the budget requests submitted November 1, 2023, the General Assembly will be considering proposed changes in General Fund appropriations or transfers totaling \$1.4 billion during the 2024 legislative session. Table 6 summarizes these changes based on the nature of the request. The next section of this document provides more detail concerning the \$1.1 billion in requested appropriation changes for FY 2024-25.

TABLE 6 SUMMARY OF REQUESTED GENERAL FUND CHANGES REFLECTED IN THE BUDGET REQUESTS SUBMITTED BY THE GOVERNOR, INDEPENDENT ELECTED OFFICIALS, AND JUDICIAL BRANCH AGENCIES ¹	
FY 2023-24: Proposed Mid-year Changes	
Interim Supplemental Operating Requests Approved by the Joint Budget Committee	\$1,505,529
Governor's Placeholder for Additional FY 2023-24 Supplemental Operating Requests (net change)	29,193,533
Subtotal	\$30,699,062
FY 2024-25: Incremental Changes Requested	
Requested Changes in Appropriations for FY 2023-24 (Table 1)	\$1,080,611,971
Governor's Placeholder for Potential Amendments to FY 2024-25 Operating Requests (Table 2)	(145,685,691)
Governor's Placeholder for Executive Branch Legislative Priorities	115,000,000
Governor's Placeholder for Legislative Branch Legislative Priorities (Table 2)	15,000,000
Governor's Placeholders for Legislative Proposals That Transfer Money Out of the General Fund in FY 2024-25 (Tables 3 and 4)	105,776,491
Governor's Requests for FY 2024-25 for Capital Projects (Table 5)	219,457,304
Subtotal	\$1,390,160,075
TOTAL	\$1,420,859,137

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

DEPARTMENT OF AGRICULTURE

The Department of Agriculture regulates, promotes, and supports various agricultural activities throughout Colorado. Department personnel perform a wide range of services including: regulatory and inspection services relating to agriculture; investigations and hearings; standardizing, grading, inspecting, labeling, handling, storage, and marketing of agricultural products; and agriculture-related policy analysis. Recently, the Department has taken on several new program areas including community food access, agricultural labor, soil health, and drought and climate resilience. The Department's FY 2023-24 appropriation represents approximately 0.2 percent of statewide operating appropriations and 0.1 percent of statewide General Fund appropriations.

FY 2023-24 APPROPRIATION AND FY 2024-25 REQUEST

DEPARTMENT OF AGRICULTURE						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2023-24 APPROPRIATION:						
SB 23-214 (Long Bill)	\$66,625,053	\$17,058,045	\$42,931,530	\$2,714,972	\$3,920,506	314.2
Other Legislation	1,044,433	972,283	72,150	0	0	3.3
TOTAL	\$67,669,486	\$18,030,328	\$43,003,680	\$2,714,972	\$3,920,506	317.5
FY 2024-25 REQUESTED APPROPRIATION:						
FY 2023-24 Appropriation	\$67,669,486	\$18,030,328	\$43,003,680	\$2,714,972	\$3,920,506	317.5
R1 Ag emergency management resilience	363,018	363,018	0	0	0	2.7
R2 Division of Animal Welfare	741,628	741,628	0	0	0	3.6
R3 Renewable energy adaptation and development	931,656	931,656	0	0	0	1.9
R4 General Fund operational increase	195,000	195,000	0	0	0	0.0
R5 Operational cash fund increase	3,174,718	0	3,174,718	0	0	0.0
R6 Commissioner's Office indirect cost assessment	1,400,000	0	612,358	700,000	87,642	0.0
R7 Next gen/ag leadership program	451,021	451,021	0	0	0	0.7
R8 Rural mental and behavioral health grant program	550,020	550,020	0	0	0	0.3
R9 Workforce services	289,788	289,788	0	0	0	1.8
R10 Business operations process improvements	207,009	207,009	0	0	0	0.0
R11 Hemp center of excellence	1,467,847	0	1,467,847	0	0	0.0
Centrally appropriated line items	5,445,343	1,837,052	3,607,268	0	1,023	0.0
Non-prioritized decision items	410,173	243,104	166,913	0	156	0.0
Indirect cost assessment	14,884	0	2,669	(704)	12,919	0.0
Annualize prior year actions	(1,835,929)	(1,061,590)	(706,393)	(67,946)	0	(0.6)
TOTAL	\$81,475,662	\$22,778,034	\$51,329,060	\$3,346,322	\$4,022,246	327.9
INCREASE/(DECREASE)	\$13,806,176	\$4,747,706	\$8,325,380	\$631,350	\$101,740	10.4
Percentage Change	20.4%	26.3%	19.4%	23.3%	2.6%	3.3%

R1 AGRICULTURAL EMERGENCY MANAGEMENT RESILIENCE: The request includes an increase of \$363,018 General Fund and 2.7 FTE in FY 2024-25 to hire three Emergency Preparedness and Communications Specialists. In future years, this request increases to \$371,328 and 3.0 FTE ongoing. These positions will specialize in training, logistics, and planning, in addition to providing regional on-the-ground support during emergencies such as wildfire, flooding, severe winter weather, and animal disease. The Department indicates that this request is theory-informed per S.B. 21-284.

R2 DIVISION OF ANIMAL WELFARE [REQUIRES LEGISLATION]: The request includes an increase of \$741,628 General Fund and 3.6 FTE to establish a Division of Animal Welfare intended to create operational efficiencies by aligning two existing programs in the Animal Industry Division, and support future animal welfare initiatives. In addition to the restructuring of existing programs, the request also includes hiring four additional staff to support the growing program (Managing Director, two Education and Outreach Specialists, and an Administrative Assistant). In future years, the request reduces to \$664,135 General Fund and 4.0 FTE ongoing. The Department indicates that this request is theory-informed per S.B. 21-284.

R3 RENEWABLE ENERGY ADAPTATION AND DEVELOPMENT: The request includes an increase of \$931,656 General Fund and 1.9 FTE to (1) fund an existing grant program with \$700,000 and (2) expand the Agricultural Drought and Climate Resilience Office's (ADCRO) programming by hiring a Program Manager and Grants Specialist. In future years, the request increases to \$932,426 General Fund and 2.0 FTE ongoing, and will fund existing programming within the office that is currently supported by stimulus funding from the General Fund that is anticipated to be fully utilized by the end of FY 2023-24. The Department also seeks roll forward authority in order to facilitate the grants across multiple years. The Department indicates that this request is theory-informed per S.B. 21-284.

R4 GENERAL FUND OPERATIONAL INCREASE: The request includes an increase of \$195,000 General Fund in FY 2024-25 and ongoing, including \$65,000 for the International Markets programs, \$85,000 for the Colorado Proud program, and \$45,000 for the Colorado State Conservation Board program, to address recent increases in operating expenses due to inflation. The Department indicates that this request is theory-informed per S.B. 21-284.

R5 OPERATIONAL CASH FUND INCREASE: The request includes a cash fund spending authority increase of \$3.2 million across four Divisions in FY 2024-25 and ongoing to adjust for rising costs due to inflation. This total is comprised of a 13.5% spending authority increase in each of the following cash funds: Plant Health, Pest Control, and Environmental Protection; State Fair Authority; Agricultural Products Inspection; Brand Inspection; and Inspection and Consumer Services. With the exception of the State Fair Authority Cash Fund, spending authority for these cash funds has not increased in at least a decade.

R6 COMMISSIONER'S OFFICE INDIRECT COST ASSESSMENT: The request includes an increase of \$1.4 million total funds for spending authority to pay for increased centralized services provided by the Commissioner's Office. This is comprised of \$700,000 in reappropriated funds and a corresponding spending authority increase in indirect cost assessment lines that are funded by \$612,358 in cash funds and \$87,642 in federal funds. The Department indicates that this request is theory-informed per S.B. 21-284.

R7 NEXT GEN/AG LEADERSHIP PROGRAM: The request includes an increase of \$451,021 General Fund and 0.7 FTE in FY 2024-25, and \$444,021 and 0.7 FTE ongoing, to expand the Agriculture Workforce Development and Next Generation Agriculture Leadership programs. The Department indicates that this request is theory-informed per S.B. 21-284.

R8 RURAL MENTAL AND BEHAVIORAL HEALTH GRANT PROGRAM: The request includes a one-time increase of \$550,020 General Fund and 0.3 FTE to support the existing Rural Mental Health Grant program within the Department, with a long-term goal of transferring this function to the Behavioral Health Administration. Previously, the grant program was funded by a 2020 federal grant and 2022 Long Bill. The Department also seeks roll forward authority for two years to facilitate the grants across multiple years. The Department indicates that this request is theory-informed per S.B. 21-284.

R9 WORKFORCE SERVICES: The request includes an increase of \$289,788 General Fund and 1.8 FTE in FY 2024-25, and \$294,730 and 2.0 FTE ongoing, to hire two regional coordinators in an effort to expand the Agricultural

Worker Services Program, help agricultural employers attract employees, and improve employer compliance with existing labor laws. The Department indicates that this request is theory-informed per S.B. 21-284.

R10 BUSINESS OPERATIONS PROCESS IMPROVEMENTS: The request includes a one-time General Fund increase of \$207,009 with three-year spending authority to install a human resources and business operations IT solution within OnBase, the Department's data management system. The Department indicates that this request is theory-informed per S.B. 21-284.

R11 HEMP CENTER OF EXCELLENCE: The request includes an increase of \$1.5 million cash funds from the Marijuana Tax Cash Fund that increases to \$3.4 million in subsequent years through FY 2027-28 to establish a Colorado Hemp Center of Excellence. The proposed center would be established in partnership with Colorado State University and include staff to lead and conduct research at the university, a state industrial hemp conference, increased marketing, equipment for hemp-related research, and grants to the hemp industry.

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

CENTRALLY APPROPRIATED LINE ITEMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Salary survey	\$2,940,059	\$974,232	\$1,965,827	\$0	\$0	0.0
Payments to OIT	603,783	391,251	212,532	0	0	0.0
AED/SAED	910,683	190,094	720,589	0	0	0.0
PERA Direct Distribution	435,446	150,356	285,090	0	0	0.0
Health, life, and dental	215,223	4,259	210,964	0	0	0.0
Workers' compensation	107,960	21,354	86,606	0	0	0.0
Paid Family and Medical Leave Insurance	94,010	48,118	45,892	0	0	0.0
Legal services	91,648	17,312	74,336	0	0	0.0
Risk management & property	79,753	48,346	31,407	0	0	0.0
Shift differential	50,259	1,091	48,145	0	1,023	0.0
Short-term disability	13,651	2,844	10,807	0	0	0.0
CORE adjustment	(72,028)	(9,796)	(62,232)	0	0	0.0
ALJ services	(21,398)	0	(21,398)	0	0	0.0
DPS Digital trunk radio	(3,706)	(2,409)	(1,297)	0	0	0.0
TOTAL	\$5,445,343	\$1,837,052	\$3,607,268	\$0	\$1,023	0.0

NON-PRIORITIZED DECISION ITEMS: The request includes an increase of \$410,173 total funds, including \$243,104 General Fund, for adjustments related to budget requests from the Department of Personnel for seven new common policies for various centralized services, CORE operating resources, and an annual fleet vehicle request.

NON-PRIORITIZED DECISION ITEMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
NP Central services omnibus request	\$391,666	\$237,429	\$154,237	\$0	\$0	0.0
NP1 Annual fleet vehicle request	11,325	4,698	6,471	0	156	0.0
CORE operating resources	7,182	977	6,205	0	0	0.0
TOTAL	\$410,173	\$243,104	\$166,913	\$0	\$156	0.0

INDIRECT COST ASSESSMENT: The request includes a net increase of \$14,884 total funds to pay for indirect costs across the Department. This includes a \$2,669 increase in cash funds and \$12,919 increase in federal funds alongside a \$704 decrease in reappropriated funds.

ANNUALIZE PRIOR YEAR ACTIONS: The request includes a net decrease of \$1.8 million total funds to reflect the FY 2024-25 impact of prior year budget actions and legislation, summarized in the following table. The majority of the decrease, approximately \$1.7 million, is attributed to prior year budget actions.

ANNUALIZE PRIOR YEAR ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
SB 23-092 Agrivoltaics	\$8,123	\$8,123	\$0	\$0	\$0	0.0
FY 23-24 R2 Commissioners office support	4,117	72,063	0	(67,946)	0	0.1
FY 23-24 R1 Climate drought-smart marketing	1,512	1,512	0	0	0	0.1
FY 23-24 BA1 Ag water advisor	570	570	0	0	0	0.1
FY 23-24 NPBA1 OIT IT accessibility	(1,637,964)	(1,061,400)	(576,564)	0	0	0.0
SB 23-192 Pesticides applicator	(72,150)	0	(72,150)	0	0	0.0
SB 22-209 Meat processing	(61,621)	(61,621)	0	0	0	(1.0)
FY 23-24 R4 Insectary lab tech	(57,679)	0	(57,679)	0	0	0.1
HB 23-1008 Food accessibility	(20,010)	(20,010)	0	0	0	0.0
FY 23-24 R6 Animal health and welfare	(827)	(827)	0	0	0	0.0
TOTAL	(\$1,835,929)	(\$1,061,590)	(\$706,393)	(\$67,946)	\$0	(0.6)

SUMMARY OF ISSUES PRESENTED TO THE JOINT BUDGET COMMITTEE

ONE-TIME FUNDING AUTHORIZED IN RECENT LEGISLATIVE SESSIONS: During the 2021 and 2022 legislative sessions, the General Assembly allocated significant one-time funding to the Department of Agriculture that included \$80.0 million originating as state General Fund and \$8.0 million originating as federal Coronavirus State Fiscal Recovery funds (American Rescue Plan Act, or ARPA, funds).

R2 DIVISION OF ANIMAL WELFARE: The FY 2024-25 request includes \$741,628 General Fund and 3.6 FTE to create a Division of Animal Welfare that will align two existing programs (the Bureau of Animal Protection and Pet Animal Care and Facilities Act programs) and prepare the Department to support future animal welfare initiatives. The two programs proposed for consolidation already exist within the same Division, but the Department has indicated that the alignment will create additional operational efficiencies.

R11 HEMP CENTER OF EXCELLENCE: The FY 2024-25 request includes \$1.5 million cash funds from the Marijuana Tax Cash Fund that increases to \$3.4 million in subsequent years through FY 2027-28 to establish a Colorado Hemp Center of Excellence (CHCoE) that will be created and operated by Colorado State University. The Center would focus on research and innovation and the development and promotion of the hemp industry in Colorado, in an effort to allow Colorado to remain at the forefront of the U.S. hemp industry. Additionally, while the Department has plans to secure long-term funding through grants, gifts, and fee-for-service activities, the proposed back-up funding plan is to request funding through the annual budget process.

R3 RENEWABLE ENERGY ADAPTATION AND DEVELOPMENT: The FY 2024-25 request includes \$931,656 General Fund and 1.9 FTE to expand the Agricultural Drought and Climate Resilience Office's (ADCRO) programming and fund a \$700,000 grant program for renewable energy and energy efficiency, also known as the Advancing Colorado's Renewable Energy and Energy Efficiency (ACRE3) program. The funding would allow the state to work towards its greenhouse gas reduction goals and help producers access energy savings and additional federal funds for related projects. The program has historically relied on one-time funding that includes stimulus funding, but the Department is now requesting ongoing funding to support the program in the long-term.

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DEPARTMENT OF CORRECTIONS

The Department of Corrections is for the management of the State's adult prison and parole system. The Department's FY 2023-24 appropriation represents approximately 2.6 percent of statewide operating appropriations and 6.6 percent of statewide General Fund appropriations.

FY 2023-24 APPROPRIATION AND FY 2024-25 REQUEST

DEPARTMENT OF CORRECTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2023-24 APPROPRIATION:						
SB 23-214 (Long Bill)	\$1,082,512,096	\$988,667,494	\$45,669,318	\$44,928,789	\$3,246,495	6,343.1
Other legislation	532,631	532,631	0	0	0	3.0
TOTAL	\$1,083,044,727	\$989,200,125	\$45,669,318	\$44,928,789	\$3,246,495	6,346.1
FY 2024-25 REQUESTED APPROPRIATION:						
FY 2023-24 Appropriation	\$1,083,044,727	\$989,200,125	\$45,669,318	\$44,928,789	\$3,246,495	6,346.1
R1 Prison caseload	7,271,457	7,266,627	4,830	0	0	11.0
R2 Medical caseload	3,176,772	3,176,772	0	0	0	0.0
R3 Critical staff retention and talent acq.	3,098,081	3,098,081	0	0	0	6.2
R4 Transgender unit and healthcare	7,995,411	7,995,411	0	0	0	28.3
R5 Broadband	11,606,770	199,751	11,407,019	0	0	1.8
R6 Workforce housing	16,360,000	360,000	16,000,000	0	0	0.0
R7 Disabilities Act compliance	2,744,791	2,744,791	0	0	0	2.7
R8 Transportation	1,156,457	1,156,457	0	0	0	1.8
R9 Maintenance	3,750,000	3,750,000	0	0	0	0.0
R10 Replacement cameras and software	1,476,400	1,476,400	0	0	0	0.0
R11 Inmate pay	586,190	586,190	0	0	0	0.0
R12 Victim services unit	300,196	300,196	0	0	0	2.7
R13 Reverse Fugitive Apprehension Unit transfer from parole to inspector general	(227,550)	(227,550)	0	0	0	(1.0)
R14 Provider rate common policy	2,663,326	2,582,863	0	80,463	0	0.0
Centrally appropriated line items	73,957,984	73,671,092	296,262	(9,370)	0	0.0
Non-prioritized decision items	3,910,868	3,825,133	85,041	694	0	0.0
Annualize prior year legislation	143,958	143,958	0	0	0	1.3
Indirect cost assessment	44,520	(44,520)	25,134	63,266	640	0.0
Annualize prior year budget actions	(18,814,437)	(18,809,595)	(4,842)	0	0	0.3
Technical adjustments	(217,855)	(217,855)	0	0	0	0.0
TOTAL	\$1,204,028,066	\$1,082,234,327	\$73,482,762	\$45,063,842	\$3,247,135	6,401.2
INCREASE/(DECREASE)	\$120,983,339	\$93,034,202	\$27,813,444	\$135,053	\$640	55.1
Percentage Change	11.2%	9.4%	60.9%	0.3%	0.0%	0.9%

*JBC staff note: The table above reflects revisions to the original FY 2024-25 request. The total for the original request was \$1,217,112,396 total funds, including \$1,095,314,778 General Fund. The revised request shows reductions totaling \$13,084,330 (almost entirely General Fund) due to corrected errors in the base request and in R1 Prison Caseload and R4 Transgender Units and Healthcare.

R1 PRISON CASELOAD [REVISED]: The Department requests an increase of \$7,266,627 General Fund, \$4,830 cash funds, and 11.0 FTE starting in FY 2024-25. The request aims to provide funding for 253 male private prison beds and 80 female state prison beds at the La Vista facility. It also includes funding for 1.0 FTE for a Budget and Policy Analyst III. The Department is not proposing a new caseload methodology for FY 2024-25. Briefing Issue #2 Prison Caseload provides additional details about prison caseload issues.

JBC staff notes that this is a revised request. The original request submitted on November 1 was for \$8.2 million total funds and 17.4 FTE, which included funding for 353 male prison beds: 253 private prison beds and 100 state prison beds at Sterling. JBC staff and the Department identified and corrected an error in the existing base male prison bed capacity used to calculate the original request. This correction eliminated funding for the 100 beds at Sterling.

R2 MEDICAL CASELOAD: The Department requests an increase of \$3,176,772 General Fund in FY 2024-25 to account for updated prison population projections. Of this amount, \$1.0 million is for pharmaceuticals and \$2.2 million is for external medical services.

R3 CRITICAL STAFF RETENTION AND TALENT ACQUISITION: The Department requests an increase of \$3,098,081 General Fund and 6.2 FTE in FY 2024-25. This would decrease to \$3,079,014 General Fund and 6.5 FTE in FY 2025-26. The request consists of the following components:

- **Talent Acquisition Group (TAG) ≈ \$1,112,202 and 4.0 FTE.** The TAG was formed in August 2022 and backed by about \$950,000 ARPA funds. This ARPA funding expired on June 30, 2023. Since then, the DOC has used staff vacancy savings to continue supporting the TAG in its efforts to reduce the DOC's staff vacancy rate. Per the request, additional funding is needed to support the TAG and "leverage robust marketing efforts to achieve positive staffing outcomes and be competitive in today's market."

The request highlights how the TAG visited 14 states in FY 2022-23, resulting in 642 applications. JBC staff asked how many of those applications resulted in job offers and how many of those applicants are still with the DOC. Those 642 applications yielded 251 job offers, of which 76 individuals are still employed by the DOC.

Of the \$1.1 million shown above, \$850,000 is for operating costs like advertising (\$750,000), travel (\$35,000), job fairs and event registrations (\$10,500), and other operating costs related to new FTE.

- **Staff Mentorship Program (pilot) ≈ \$1,037,079 and 2.5 FTE.** These funds would allow the Department to hire five part-time Training Specialist IIIs and provide \$200 monthly stipends to about 350 Mentor Officers. The overall goal of this new pilot program is to improve staff retention rates by enhancing job satisfaction and reducing feelings of isolation and burnout. Per the request, the program would be rolled out at four DOC facilities: Limon, Sterling, Buena Vista, and the Denver Complex.
- **Staff uniform stipends = \$900,000.** These funds would allow the Department to provide a \$150 uniform stipend to new hires and existing uniformed staff. Per the request, this component stems from an agreement with COWINS.¹ The Department currently provides all new staff with uniforms, which include two pants, three polo shirts, one jacket, shoulder patches, a baseball-style cap, and embroidered name tags. However, duty belts, utility belts, and footwear are currently acquired at the employee's expense (about \$200-300). The request asserts that these additional costs contribute to a loss of 2.5 FTE per basic training class.

The \$900,000 request was calculated as follows: 4,700 uniformed staff + 1,300 average annual turnover = 6,000 uniformed staff * \$150 = \$900,000.

The request also includes \$48,800 for FTE-related operating expenses.

¹ COWINS Agreement, Addendum B, Section 11: <https://drive.google.com/file/d/1CZJYLU2GQCW3-D6iX2zHhohbxCj1jv3u/view>. The agreement says "DOC and COWINS will jointly seek sufficient funding each fiscal year from the legislature for a Uniform Maintenance Program ("UMP") for all Employees who are required to wear a uniform. The implementation of the UMP is contingent upon the availability of money and the specific appropriation of the requested amount of money by the General Assembly."

R4 TRANSGENDER UNITS AND HEALTHCARE [REVISED]: The Department requests an increase of \$7,995,411 General Fund and 28.3 FTE starting in FY 2024-25. This would decrease to \$7,888,320 General Fund and 31.0 FTE in FY 2025-26. The request is driven, at least in part, by an ongoing class action lawsuit and a related consent decree. There are two main components to the request:

- **\$2,677,911 to create two transgender living units totaling 148 beds**, including 48 at the Denver Women’s facility and 100 at the Sterling facility. The 48 beds at Denver Women’s would be a Transitional Unit (TU) for “newly arriving transgender female inmates and those scheduled for or recovering from surgery.” The 100 beds at Sterling would be for transgender inmates who “have not yet met the criteria for placement at Denver Women’s...” Placement in the Sterling unit would be on a voluntary basis and include individuals “who may feel threatened due to their gender identity.”

Of the \$2.7 million requested for these two new living units, about \$227,000 is for one-time operating expenses. This includes \$37,000 for other informational technology hardware to facilitate telehealth appointments, parole board hearings, etc. It also includes \$160,000 for two transport vans and \$30,000 to develop mandatory training for DOC staff.

- **\$5,317,500 for “gender-confirming surgical care** for transgender female inmates in DOC custody when they meet the clinical criteria outlined in the consent decree.” Per the request, gender confirming surgery refers to “several operations which align a person’s physical characteristics with their gender identity.” The amount requested reflects the DOC’s estimates based on prevailing costs and a best guess at prevalence. The request notes that the consent decree says that the DOC will request “...sufficient annual funding for the injunctive relief related to the medical-transgender care specified.”

Staff notes that this is a revised request. The original request was for \$9,012,316 General Fund, which included \$1.0 million General Fund for fiber optic installation at Sterling. This part of the request is no longer necessary. Another request, R5 Broadband, shows a \$1.5 million broadband project at Sterling that is already funded through other sources. The DOC has indicated to JBC staff that the \$1.0 million shown in R4 is based on a quote received in 2022 and the \$1.5 million figure in R5 is an updated version of the same quote. Thus the \$1.02 million in R4 is a duplicate request.

R5 BROADBAND [LEGISLATION REQUIRED]: The Department requests that the JBC sponsor legislation to create a new cash fund, transfer \$11.4 million General Fund into that cash fund on a one-time basis, and provide roll-forward spending authority for three years. The Department also requests \$199,751 General Fund and 1.8 FTE in FY 2024-25, which would increase to \$212,509 General Fund and 2.0 FTE in FY 2025-26.

These funds would allow the Department to install broadband internet infrastructure at 14 DOC facilities. Another five facilities are being funded through alternative sources. Thus the request represents the difference between existing funding and funding needed to install broadband at all DOC prisons. The following tables show existing projects and requested projects. The existing projects are supported by \$2.3 million ARPA funds from the Colorado Office of eHealth Innovation, with the remainder coming from the Denver Foundation.

Table 1. DOC-funded Broadband Projects by Facility

Facility	Status	Amount
Centennial Correctional Facility	DOC Funded	\$529,641
Colorado State Penitentiary (CSP)	DOC Funded	\$534,759
LaVista Correctional Facility	DOC Funded	\$823,800
Limon Correctional Facility	DOC Funded	\$663,704
Sterling Correctional Facility	DOC Funded	\$1,528,379
DOC FUNDED TOTALS	5 Facilities	\$4,080,283

Table 3 - DOC Unfunded Facility Broadband Needs

Facility	Status	Funding Need
Arkansas Valley Correctional Facility	Unfunded	\$596,496
Arrowhead Correctional Center	Unfunded	\$887,488
Buena Vista Correctional Facility	Unfunded	\$1,042,656
Colorado Territorial Correctional Facility	Unfunded	\$920,252
Delta Correctional Center	Unfunded	\$780,339
Denver Reception & Diagnostic Facility	Unfunded	\$1,077,931
Denver Women's Correctional Facility	Unfunded	\$666,095
Four Mile Correctional Center	Unfunded	\$872,850
Fremont Correctional Facility	Unfunded	\$1,222,333
Rifle Correctional Center	Unfunded	\$1,042,656
San Carlos Correctional Facility	Unfunded	\$473,686
Skyline Correctional Center	Unfunded	\$596,496
Trinidad Correctional Facility	Unfunded	\$527,086
Youthful Offender System	Unfunded	\$700,655
DOC UNFUNDED TOTALS	14 Facilities	\$11,407,019

Per the request, adding broadband “will increase safety and security, improve healthcare, facilitate virtual legal environments, attract and retain staff, make critical educational opportunities widely accessible, and decrease long-term costs.” The DOC would also hire a designer/planner to coordinate material locations, site verification, and drawing accuracy. They would also hire a project manager to coordinate all of the installation projects between the contractor, facilities, and the Governor’s Office of Information Technology.

R6 WORKFORCE HOUSING [LEGISLATION REQUIRED]: The Department requests that the JBC sponsor legislation to create a new cash fund and transfer \$16.0 million General Fund into that cash fund on a one-time basis and provide roll-forward spending authority for three years. The Department would partner with the Colorado Public-Private Partnership (P3) Office to develop staff housing at the Sterling facility and the Denver Complex. The Department also requests \$360,000 General Fund related to a September interim supplemental request approved by the Joint Budget Committee for housing development for staff at the Buena Vista facility. Briefing Issue #1 DOC Staffing and Related Funding provides more information about this request.

R7 DISABILITIES ACT COMPLIANCE: The Department requests an increase of \$2,744,791 General Fund and 2.7 FTE in FY 2024-25 to cover legal settlement costs and increase compliance with the federal Americans with Disabilities Act, thereby reducing the risk of future litigation. This would increase to \$2.75 million General Fund and 3.0 FTE in FY 2025-26.

LEGAL SETTLEMENTS

The Department requests \$656,696 General Fund and 1.8 FTE to support sign language interpretation services, assistive devices required under legal settlement agreements, and other assistive technology devices for inmates and visitors.

This part of the request stems, at least in part, from at least two lawsuits brought against the Department on behalf of inmates who are blind and/or deaf/hard of hearing. With regards to inmates who are blind or vision-impaired, the Department must provide assistive technology and ensure that inmates receive individualized consultation from an orientation and mobility specialist upon request and entry to the prison system. Assistive technology refers to such things as laptops with screen-reader software.

Regarding inmates who are deaf or hard of hearing, the Department must ensure access to in-person American Sign Language (ASL) interpreters for “critical interactions such as intake and orientation, medical appointments, educational vocational, and religious programs, [and] preparation for parole and release...” The Department must also provide captioned telephones and continued access to videophones. Lastly, the Department has to ensure that inmates are evaluated by an audiologist and provided hearing aids if necessary, along with text-based notifications and a visual or tactile alarm system.

The request notes that the “in-person” requirements for ASL interpreters, along with increased program availability for the entire inmate population, “will continue to drive an ongoing need for increased dollars in this space.”

IMPROVING ADA COMPLIANCE

The Department also requests \$2,088,174 to “make DOC facilities compliant with ADA standards.” The amount requested represents a very small portion of the total estimated ADA deficiencies at DOC facilities; the DOC has identified 129 ADA projects that would cost an estimated \$204.9 million. The DOC aims to use the requested \$2.1 million to “fulfill settlement requirements and avoid future litigation.”

R8 TRANSPORTATION: The Department requests an increase of \$1,156,457 General Fund and 1.8 FTE in FY 2024-25. This would decrease to \$752,683 in FY 2025-26. The request aims to: (1) provide capacity for the Department to launch a fleet safety program, (2) provide an education inmate job-skills program for bus and other vehicle repairs, and (3) sustain fleet operations inherited from Colorado Correctional Industries, which had managed fleet operations on a for-profit basis until the program was shut down due to a lack of profitability.

R9 MAINTENANCE: The Department requests an increase of \$3,750,000 General Fund in FY 2024-25, which would remain in the budget in future years. The request says that these funds would offset an “annual deficit in controlled maintenance funding relative to the Office of the State Architect’s (OSA) guidance to allocate 1% of an agency’s buildings’ Current Replacement Value (CRV).” For example, the current CRV for DOC buildings is \$1.9 billion, so 1.0 percent would be \$19.0 million. However, FY 2023-24 funding for the DOC is only \$5.8 million, which is a 69.0 percent deficit relative to the 1.0 percent benchmark. The request says that this deficit “lands directly on day-to-day maintenance” that is supported by the DOC’s operating budget.

R10 REPLACEMENT CAMERAS AND SOFTWARE: The Department requests an increase of \$1,476,400 General Fund in FY 2024-25, which would remain in the budget in future years. The Department would use these funds to replace about 738 security cameras every year, or about 10.0 percent of the total number of cameras that are currently-installed. They would also install Network Video Recorders that are necessary for networks that contain analog cameras and more advanced Internet Protocol-based cameras.

The request aims to “improve security and accountability within DOC facilities, leading to safer living and working conditions...” It notes that with fewer personnel due to staffing challenges, cameras become “even more essential for maintaining effective surveillance and security within [facilities]...” It also says that cameras serve as a deterrent to potential incidents while enabling a prompt response to issues when necessary.

Additionally, the request highlights the importance of quality camera footage for District Attorneys that are prosecuting alleged crimes that occur within prison facilities. It provides a specific example where an inmate was killed in an assault, but only one of the six assailants has been prosecuted due to insufficient video evidence.

R11 INMATE PAY: The Department requests an increase of \$586,190 General Fund in FY 2024-25 to “begin a phased approach over the next several years to bring average daily inmate pay to parity with the 2023 national average of around \$2.00 per day.” The request notes that the current daily rate is about \$0.86 per day in most cases.

As shown in the table below, this phased approach would cost about \$4.5 million General Fund through FY 2030-31. This was calculated by adding \$500,000 annually to the base appropriation, plus a 3.0 percent inflation rate that accounts for the price of goods that inmates can purchase from the DOC canteen (e.g. snacks, hygiene products, cosmetics, hobby supplies, etc.).

Table 1 - Summary of Seven-Year Inmate Pay Increases

Fiscal Year	Base	Addition	New Base	Plus 3%	Increment
FY 2024-25	\$2,373,004	\$500,000	\$2,873,004	\$2,959,194	\$586,190
FY 2025-26	\$2,959,194	\$500,000	\$3,459,194	\$3,562,970	\$603,776
FY 2026-27	\$3,562,970	\$500,000	\$4,062,970	\$4,184,859	\$621,889
FY 2027-28	\$4,184,859	\$500,000	\$4,684,859	\$4,825,405	\$640,546
FY 2028-29	\$4,825,405	\$500,000	\$5,325,405	\$5,485,167	\$659,762
FY 2029-30	\$5,485,167	\$500,000	\$5,985,167	\$6,164,722	\$679,555
FY 2030-31	\$6,164,722	\$500,000	\$6,664,722	\$6,864,664	\$699,942
Total					\$4,491,660

The current appropriation—about \$2.4 million General Fund—is below FY 2002-03 levels even though the national inflation rate has increased by 69.39 percent since then. The main reason for this gap is a \$1.4 million budget reduction that occurred in FY 2003-04, paired with only minimal annual increases in the two decades that followed.

R12 VICTIM SERVICES UNIT: The Department requests an increase of \$300,196 General Fund and 2.7 FTE in FY 2024-25 to comply with statutory requirements and with the Colorado Attorney General’s interpretation of those requirements. This would decrease to \$294,696 General Fund and 3.0 FTE in FY 2025-26.

Per the request, the DOC’s Victim Services Unit (VSU) must provide notifications to an estimated 36,552 victims in 2023. This is up substantially from 7,185 prior to the passage of House Bill 19-1064 (Victim Notification Criminal Proceedings). That bill called for every victim of a Victim Rights Act (VRA) designated crime to be automatically enrolled in victim notifications. Prior to the bill, victims had to opt-in for notifications.

After the bill was passed, the Attorney General advised the DOC that the mandatory notification principal was retroactive to the VRA's effective date of January 1, 1993. This added victims that were not accounted for during the fiscal note process for the bill, which appropriated \$784,542 to the DOC and included funding for 9.1 FTE. The request says that the VSU is meeting its duties as best it can, but "rising victim registrations and notifications threaten to exceed the current processing capacity."

R13 REVERSE FUGITIVE APPREHENSION UNIT TRANSFER FROM PAROLE TO INSPECTOR GENERAL: The Department requests an ongoing decrease of \$227,550 and 1.0 FTE beginning in FY 2024-25. This request effectively reverses a request that was approved for FY 2023-24 (R9 Upgrade Fugitive Apprehension Unit). The FY 2023-24 Long Bill included a transfer of funds for the Fugitive Apprehension Unit (FAU) from the Parole Subprogram to the DOC's Office of the Inspector General. The current request says, "DOC has since determined that the FAU will be more effective within the Parole Unit until a more robust plan is developed that better incorporates the needs of multiple units..." The request also notes equal pay for equal work concerns.

R14 PROVIDER RATE COMMON POLICY: The Department requests an increase of \$2,663,326 total funds, including \$2,582,863 General Fund, in FY 2023-24 for the 2.0 percent common policy increase proposed by the Governor.

CENTRALLY APPROPRIATED LINE ITEMS: The request includes a net increase of \$74.0 million total funds for centrally appropriated line items. Briefing Issue #1 DOC Staffing and Related Funding provides more information about the compensation components seen in the table below, particularly the \$42.2 million requested for salary survey.

CENTRALLY APPROPRIATED LINE ITEMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Salary survey	\$42,162,424	\$41,620,657	\$541,767	\$0	\$0	0.0
Shift differential	9,936,381	9,935,159	1,222	0	0	0.0
PERA Direct Distribution	7,396,299	7,284,890	111,409	0	0	0.0
Health, life, and dental	6,862,780	7,143,417	(280,637)	0	0	0.0
AED	2,190,106	2,264,868	(74,762)	0	0	0.0
SAED	2,190,106	2,264,868	(74,762)	0	0	0.0
Paid Family and Medical Leave Insurance	1,935,355	1,907,068	28,287	0	0	0.0
Payments to OIT	1,563,875	1,557,360	6,515	0	0	0.0
Workers' compensation	1,326,281	1,296,970	29,311	0	0	0.0
Leased space	317,066	318,846	(1,780)	0	0	0.0
Vehicle lease payments	177,318	154,976	22,342	0	0	0.0
Risk management & property	127,741	124,918	2,823	0	0	0.0
DPS Digital trunk radio	(1,814,822)	(1,814,822)	0	0	0	0.0
CORE	(223,088)	(204,349)	(9,369)	(9,370)	0	0.0
Legal services	(175,042)	(171,174)	(3,868)	0	0	0.0
Short-term disability	(14,796)	(12,560)	(2,236)	0	0	0.0
TOTAL	\$73,957,984	\$73,671,092	\$296,262	(\$9,370)	\$0	0.0

NON-PRIORITIZED DECISION ITEMS: The request includes an increase of \$3.9 million total funds for decision items originating in other agencies.

NON-PRIORITIZED DECISION ITEMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
NP Central services omnibus request	\$3,816,609	\$3,732,262	\$84,347	\$0	\$0	0.0
Salary survey other agencies	77,727	77,727	0	0	0	0.0
CORE operating resources	16,532	15,144	694	694	0	0.0
TOTAL	\$3,910,868	\$3,825,133	\$85,041	\$694	\$0	0.0

ANNUALIZE PRIOR YEAR LEGISLATION: The request includes a net decrease of \$143,958 total funds to reflect the FY 2024-25 impact of bills passed in previous sessions.

ANNUALIZE PRIOR YEAR LEGISLATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
HB 23-1133 Inmate phone calls	\$156,251	\$156,251	\$0	\$0	\$0	0.0
SB 23-172 Workers rights	73,017	73,017	0	0	0	0.7
SB 23-039 Reduce family separation	33,562	33,562	0	0	0	0.6
SB 23-067 Recidivism reduction	(100,000)	(100,000)	0	0	0	0.0
HB 23-1013 Restrictive practices prisons	(18,872)	(18,872)	0	0	0	0.0
TOTAL	\$143,958	\$143,958	\$0	\$0	\$0	1.3

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

ANNUALIZE PRIOR YEAR BUDGET ACTIONS: The request includes a decrease of \$18.8 million total funds for the FY 2024-25 impact of prior year budget actions.

ANNUALIZE PRIOR YEAR BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 23-24 BA1 Prison caseload	(\$9,333,037)	(\$9,333,037)	\$0	\$0	\$0	0.0
Prior year salary survey	(7,385,965)	(7,381,123)	(4,842)	0	0	0.0
FY 23-24 DPA R3 Non-base building incentives	(1,652,664)	(1,652,664)	0	0	0	0.0
FY 23-24 R11 Virtual reality career training	(270,513)	(270,513)	0	0	0	0.3
FY 23-24 R9 Fugitive apprehension unit	(172,258)	(172,258)	0	0	0	0.0
TOTAL	(\$18,814,437)	(\$18,809,595)	(\$4,842)	\$0	\$0	0.3

TECHNICAL ADJUSTMENTS: The request includes a decrease of \$217,855 General Fund to reverse leap-day increases in the FY 2023-24 budget.

SUMMARY OF ISSUES PRESENTED TO THE JOINT BUDGET COMMITTEE

ISSUE 1 DOC STAFFING AND RELATED FUNDING: This issue adds context to the DOC's \$100.8 million General Fund request for employee compensation and recruitment and retention efforts in FY 2024-25.

ISSUE 2 MALE PRISON CASELOAD: This issue discusses male prison population projections through FY 2026-27 and how those projections compare to male prison capacity.

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

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DEPARTMENT OF EARLY CHILDHOOD

The Department of Early Childhood exists to support the care, education, and well-being of young children. The Department's FY 2023-24 appropriation represents approximately 1.9 percent of statewide operating appropriations and 2.0 percent of statewide General Fund appropriations.

FY 2023-24 APPROPRIATION AND FY 2024-25 REQUEST

DEPARTMENT OF EARLY CHILDHOOD						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2023-24 APPROPRIATION:						
SB 23-214 (Long Bill)	\$792,508,376	\$303,619,129	\$212,983,095	\$13,954,712	\$261,951,440	231.7
Other legislation	2,500,000	2,500,000	0	0	0	0.0
TOTAL	\$795,008,376	\$306,119,129	\$212,983,095	\$13,954,712	\$261,951,440	231.7
FY 2024-25 REQUESTED APPROPRIATION:						
FY 2023-24 Appropriation	\$795,008,376	\$306,119,129	\$212,983,095	\$13,954,712	\$261,951,440	231.7
R1 Universal Preschool Program	32,544,619	7,580,558	24,964,061	0	0	5.7
R2 CDEC departmental operations	5,699,078	4,010,888	131,219	586,628	970,343	25.8
R3 UPK information technology	3,260,000	3,260,000	0	0	0	0.0
R4 UPK and child care workforce supports	2,262,889	2,262,889	0	0	0	10.0
R5 CCCAP	21,144,642	0	1,546,701	0	19,597,941	4.0
R6 Expand universal home visiting pilot	4,004,248	4,004,248	0	0	0	0.9
R7 Early Intervention caseload	1,137,166	796,016	0	341,150	0	0.0
R8 Provider rate increase	4,382,733	2,004,107	342,279	0	2,036,347	0.0
Centrally appropriated line items	9,318,417	4,372,566	1,344,190	597,480	3,004,181	0.0
Non-prioritized decision item	155,536	61,961	40,766	2,670	50,139	0.0
Annualize prior year budget actions	(126,042,900)	(36,582,801)	45,054	141,498	(89,646,651)	(5.2)
Annualize prior year legislation	(2,500,000)	(2,500,000)	0	0	0	0.0
Technical adjustment	(420,006)	(125,059)	(40,673)	0	(254,274)	0.0
TOTAL	\$749,954,798	\$295,264,502	\$241,356,692	\$15,624,138	\$197,709,466	272.9
INCREASE/(DECREASE)	(\$45,053,578)	(\$10,854,627)	\$28,373,597	\$1,669,426	(\$64,241,974)	41.2
Percentage Change	(5.7%)	(3.5%)	13.3%	12.0%	(24.5%)	17.8%

R1 UNIVERSAL PRESCHOOL PROGRAM: The Department requests an increase of \$32,544,619 in total funds and 5.7 FTE in FY 2024-25, including \$7,580,558 in General Fund and \$24,964,061 in Preschool Program Cash Funds, to support the Universal Preschool Program. The FY 2025-26 impact of this request would be \$32,611,099 total funds and 6.3 FTE, including \$12,247,038 General Fund and \$20,264,061 Preschool Program Cash Funds.

The request is comprised of four components in support of the UPK program: increased provider payments, the addition of UPK support staff, further development of the UPK resource bank, and funding for Local Coordinating Organizations as federal stimulus funds expire. The Department identified the request as theory-informed. Each piece is highlighted in the chart below.

R1 UNIVERSAL PRESCHOOL PROGRAM			
COMPONENT	FY 2024-25	FY 2025-26	DESCRIPTION
Increased Provider Payments	\$28,155,976	\$28,155,976	Proposed rule changes for a 2% provider increase and a new qualifying factor - "children in poverty," defined as 100% of the Federal Poverty Guidelines.
Additional UPK Support Staff	588,643	655,123	5.7 FTEs in FY 2024-25, and 6.3 FTEs in FY 2025-26 to provide fiscal monitoring, contract support, training, system support, quality control, data analysis, and technical product ownership.

R1 UNIVERSAL PRESCHOOL PROGRAM			
COMPONENT	FY 2024-25	FY 2025-26	DESCRIPTION
UPK Resource Bank	1,000,000	1,000,000	One-stop-shop resource bank for UPK curricula, assessments, screeners, and policies and procedures; currently stimulus-funded.
Local Coordinating Organizations	2,800,000	2,800,000	Funding for LCOs to provide outreach, provider support, travel, local engagement, website updates, and materials distribution.
Total Request	\$32,544,619	\$32,611,099	

R2 CDEC DEPARTMENTAL OPERATIONS: The Department requests \$5,699,078 in total funds and 25.8 FTE in FY 2024-25, including \$4,010,888 General Fund, to support department operations. The FY 2025-26 impact of this request would be \$6,308,184 total funds, including \$4,245,426 General Fund, and 31.0 FTE. There are multiple components to this request related to staffing and IT infrastructure for the Department as outlined in the chart below.

R2 DEPARTMENTAL OPERATIONS			
COMPONENT	FY 2024-25	FY 2025-26	DESCRIPTION
Staffing and Operating Expenses	\$2,739,112	\$3,075,207	25.8 FTEs in FY 2024-25 increasing to 31.0 FTEs in FY 2025-26 to support CORA requests, the policy and legislative unit, financial operations, human resources, communications, Early Childhood Mental Health, State Systems Building Initiatives, and departmental IT. Of the requested FTEs, 17.9 are currently stimulus-funded. The remainder would be new FTEs related to IT development and support.
Department Evaluation	175,000	175,000	Contract for 3rd party vendor to conduct a thorough evaluation of the Department as required by statute.
IT System Enhancements and Maintenance	2,784,966	3,057,977	System enhancements for the Child Care Automated Tracking System, childcare licensing and inspections, Professional Development Information System to provide online training opportunities to child care professionals, and support for multiple programs in the Community and Family Services Division. Also includes ongoing annual funding for existing IT systems. Parts of this request are partially funded with federal stimulus dollars in the current fiscal year.
Total Request	\$5,699,078	\$6,308,184	

Also included in this request is a net-neutral legislative placeholder for the Department's cost allocation plan for administration of the federal Child Care Development Funds. The Department submitted the plan in July, the approval of which would potentially result in the shuffling of funding as well as possible General Fund savings. The Department identified this request as theory-informed.

R3 UNIVERSAL PRESCHOOL PROGRAM (UPK) IT: The Department requests \$3,260,000 General Fund in FY 2024-25 and ongoing to support the Universal Preschool Program IT platform, BridgeCare, as well as OIT costs and a permanent call center.

Funding would support continued integration and build out of the system with the goal of enhancing data reporting capabilities (\$50,000), "ticket" routing and tracking management to reduce backlogs (\$339,680), technical support services (\$396,200), enhanced databases and displays (\$113,120), software integrations (\$230,000), web services for cloud hosting (\$131,000), and ongoing maintenance and operating costs (\$1,500,000). The request also includes funding to establish a permanent, centralized help desk support for the UPK program customer service (\$500,000). The Department indicates there is no replacement of federal stimulus dollars in this request. The Department identified this request as theory-informed.

R4 UNIVERSAL PRESCHOOL AND CHILD CARE WORKFORCE SUPPORTS: The Department requests \$2,262,889 General Fund and 10.0 FTE in FY 2024-25. The FY 2025-26 impact of this request would be \$2,375,694 General Fund and 12.0 FTE, to support preschool and child care workforce development programs.

This request is comprised of four main components: professional development support of the UPK program and early care providers, retention of preschool staff, training and licensure support for providers, and continued development of the early childhood workforce. The Department identified this request as theory-informed. Each component is highlighted in the chart below.

R4 UNIVERSAL PRESCHOOL AND CHILD CARE WORKFORCE SUPPORTS			
COMPONENT	FY 2024-25	FY 2025-26	DESCRIPTION
Staffing and Operating Expenses	\$1,075,229	\$1,075,229	8.0 FTE in FY 2024-25 and 10.0 FTE in FY 2025-26 to support the Early Childhood Workforce unit and 12.0 FTE in FY 2024-25 and ongoing to support the Child Care Resource and Referral and Family Child Care Home Navigators. These positions are all currently supported with stimulus funding. Costs also include related training, professional development software, and professional registry and qualification management of child care personnel.
Early Childhood Councils	1,000,000	1,000,000	Partially sustain 29 existing Early Childhood Council Navigator positions that are currently supported with stimulus funding.
OEDIT Contract	187,660	187,660	Existing contract which provides business training courses and consultation at no cost to existing and prospective child care providers. Currently stimulus-funded.
Total Request	\$2,262,889	\$2,262,889	

R5 COLORADO CHILD CARE ASSISTANCE PROGRAM (CCCAP): The Department requests \$21,144,642 total funds in FY 2024-25, including \$19,597,941 in Child Care Development Funds and \$1,546,701 from local government funds, to continue CCCAP policies currently funded with stimulus funds. The FY 2025-26 impact of this request would be \$19,384,213 total funds, including \$2,062,268 local funds and \$17,321,945 federal CCDF.

Requested funding would support a new rate methodology for CCCAP providers which considers the cost to provide quality care; payment for a minimum number of absences of participating children; funding for infant-toddler care based on enrollment vs. attendance; lower parent copays; retention of stimulus-funded staff; and funding for caseload increase. The components are outlined in the chart below; all are currently supported with stimulus funding.

R5 COLORADO CHILD CARE ASSISTANCE PROGRAM			
COMPONENT	FY 2024-25	FY 2025-26	DESCRIPTION
FY 2024-25 Provider Rates	\$8,771,128	\$11,694,837	Rate increase required by the federal government.
Alternative Rate Methodology	3,247,044	4,329,392	Alternative rate methodology to align reimbursements to providers with costs of providing care vs. families' ability to pay.
Paid Absences	1,839,799	2,453,065	Cost required to meet federal stipulations for paid absences. Currently stimulus-funded.
Infant and Toddler Enrollment	4,189,800	0	Reimbursements to providers of infant and toddler-care based on enrollment/participation rather than attendance. Currently stimulus-funded.
Parent Copays	2,365,468	0	Reduces family copays and slows copay increases. Currently stimulus-funded.
Caseload Increase	331,950	442,600	Supports projected increase in CCCAP participation.
CCCAP Personnel & Operating Expenses	399,453	464,319	4.0 FTEs in FY 2024-25, and 5.0 FTEs in FY 2025-26 to sustain Social Services Specialists that are currently supported with stimulus funds.
Total Request	\$21,144,642	\$19,384,213	
<i>*Local Portion included in total above</i>	<i>1,546,701</i>	<i>2,062,268</i>	

R6 EXPAND UNIVERSAL HOME VISITING PILOT: The Department requests \$4,004,248 General Fund in FY 2024-25 and ongoing through FY 2028-29 for a five-year expansion of the Family Connect program. The program offers three free post-natal home visits in the first three months of a child's life to conduct comprehensive evaluation of the mother, the child, and the living environment, and to connect families to services as needed.

Family Connect currently operates without state funds in four Colorado counties. The funding would expand the program to five other interested counties with the goal of supporting 12,000 births in Colorado. The Department identified this request as a proven program.

R7 EARLY INTERVENTION CASELOAD: The Department requests \$1,137,166 total funds in FY 2024-25 and ongoing, including \$796,016 General Fund and \$341,150 reappropriated funds to support caseload increases in the Early Intervention program. The program has experienced an 11.0 percent increase in caseload above previous projections. The increase is driven by eligibility changes, a decrease in Medicaid enrollment, and higher acuity needs of eligible children. The Department identified this request as theory-informed.

R8 PROVIDER RATE INCREASE: The Department requests an increase of \$4,382,733 in total funds in FY 2024-25 and ongoing, including \$2,004,107 in General Fund, \$342,279 cash funds, and \$2,036,347 federal funds to provide a two percent provider rate increase for community-based providers. Included in the request are providers paid through CDECs' Family Resource Centers, CCCAP, Child Care Licensing, Early Intervention, Nurse Home Visiting Program, Home Visiting for School Readiness, Child Maltreatment Prevention, Early Childhood Mental Health Services, and Social-emotional Language Grant Programs. Staff is exploring whether Early Childhood Councils and Local Coordinating Organizations should be included in this request as well.

CENTRALLY APPROPRIATED LINE ITEMS: The requests include an increase of \$9.3 million total funds for adjustments to centrally appropriated line items as outlined in the following table.

CENTRALLY APPROPRIATED LINE ITEMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Health, life, and dental	\$3,861,331	\$1,577,171	\$744,930	\$23,738	\$1,515,492	0.0
Payments to OIT	3,142,368	2,588,729	0	553,639	0	0.0
Salary survey	1,185,895	428,709	222,822	6,874	527,490	0.0
AED	1,021,452	386,992	177,435	6,240	450,785	0.0
SAED	1,021,452	386,992	177,435	6,240	450,785	0.0
Paid Family Medical Leave Insurance	91,931	34,829	15,969	562	40,571	0.0
Short-term disability	30,643	11,610	5,322	187	13,524	0.0
Leased space	9,224	3,413	277	0	5,534	0.0
CORE	3,485	3,485	0	0	0	0.0
Legal services	(965,583)	(965,583)	0	0	0	0.0
CORE	(50,400)	(50,400)	0	0	0	0.0
ALJ services	(33,381)	(33,381)	0	0	0	0.0
TOTAL	\$9,318,417	\$4,372,566	\$1,344,190	\$597,480	\$3,004,181	0.0

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

NON-PRIORITIZED DECISION ITEMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
NP Central services omnibus	\$151,690	\$58,115	\$40,766	\$2,670	\$50,139	0.0
NP4 HCPF PEAK	5,014	5,014	0	0	0	0.0
NP1 Vehicle lease payments	(1,168)	(1,168)	0	0	0	0.0
TOTAL	\$155,536	\$61,961	\$40,766	\$2,670	\$50,139	0.0

ANNUALIZE PRIOR YEAR BUDGET ACTIONS: The requests include a net decrease of \$126.0 million total funds for prior year budget actions, primarily related to the expiration of one-time federal funds.

ANNUALIZE PRIOR YEAR BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 23-24 R4 EI caseload adjustment	\$703,970	\$517,418	\$45,054	\$141,498	\$0	0.0
FY 23-24 BA1 UPK svcs & evaluation	1,512	1,512	0	0	0	0.1

ANNUALIZE PRIOR YEAR BUDGET ACTIONS

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 22-23 R3 GF to CCDF	0	(1,807,730)	0	0	1,807,730	0.0
FY 23-24 R7/BA4 Federal stimulus	(88,444,368)	0	0	0	(88,444,368)	0.0
FY 23-24 R1 UPK	(28,400,000)	(28,400,000)	0	0	0	0.0
FY 23-24 R2 Increasing UPK part.	(3,600,000)	(3,000,000)	0	0	(600,000)	(3.5)
FY 23-24 BA5 Employer based child care	(3,000,000)	(3,000,000)	0	0	0	0.0
FY 23-24 R5 Equity in CDEC	(2,048,962)	(235,826)	0	0	(1,813,136)	0.2
FY 23-24 NP-01 IT Accessibility	(1,148,357)	(551,480)	0	0	(596,877)	(2.0)
FY 23-24 R13 Transfer of FTE between CDEC and CDHS	(106,695)	(106,695)	0	0	0	0.0
TOTAL	(\$126,042,900)	(\$36,582,801)	\$45,054	\$141,498	(\$89,646,651)	(5.2)

ANNUALIZE PRIOR YEAR LEGISLATION: The request includes a decrease of \$2.5 million General Fund to reflect the FY 2024-25 impact of S.B. 23-269 (UPK Provider Bonuses).

TECHNICAL ADJUSTMENT: The request includes a decrease of \$420,006 total funds, including \$125,059 General Fund for technical adjustments.

SUMMARY OF ISSUES PRESENTED TO THE JOINT BUDGET COMMITTEE

ONE-TIME FUNDING AUTHORIZED IN RECENT LEGISLATIVE SESSIONS: During the 2020B, 2021, 2022, and 2023 legislative sessions, the General Assembly allocated significant one-time funding to the Department of Early Childhood, and predecessor programs that were in the Department of Human Services' Office of Early Childhood, that included \$45.0 million originating as state General Fund, \$52.0 million originating as federal Coronavirus State Fiscal Recovery funds (ARPA funds), and \$590.3 million from one-time federal Child Care Development Funds.

UNIVERSAL PRESCHOOL PROGRAM & THE PRESCHOOL PROGRAM CASH FUND: This issue brief discusses the Universal Preschool Program funding structure and reserve. As the UPK program grows, and as the Department endeavors to remain responsive to the needs of children, families, and providers, cost structures continue to be honed and shaped, maintaining a reserve in the Preschool Program Cash Fund provides a buffer in the event of the unexpected. Providing clear expectations and guidelines for how the fund may be accessed and utilized will allow the Department and the Legislature to move more swiftly should the need for it arise. Staff recommends the JBC consider sponsoring a bill to establish policies governing the reserve for the Preschool Program Cash Fund including reserve amounts as well as how and when the reserve may be utilized.

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DEPARTMENT OF EDUCATION

The Department of Education supports the State Board of Education in its duty to exercise general supervision over public schools, including accrediting public schools and school districts. The Department distributes state and federal funds to school districts, and it administers a variety of education-related programs, including educator licensure, education programs for children with special needs, English language proficiency programs, the Colorado Preschool Program, and a variety of grant programs. The Department develops and maintains state model content standards, and administers associated assessments. The Department also includes three independent agencies: (1) the Board of Trustees for the Colorado School for the Deaf and the Blind; (2) the State Charter School Institute Board, which is responsible for authorizing and monitoring institute charter schools; and (3) the Public School Capital Construction Assistance Board, which is responsible for assessing public school capital construction needs statewide and making recommendations concerning the prioritization of state financial assistance for school construction projects. The Department's FY 2023-24 appropriation represents approximately 18.0 percent of statewide operating appropriations and 30.9 percent of statewide General Fund appropriations. Most of this funding is distributed on a formula basis for school finance and categorical programs.

FY 2023-24 APPROPRIATION AND FY 2024-25 REQUEST

DEPARTMENT OF EDUCATION						
	TOTAL FUNDS	GENERAL FUND ¹	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2023-24 APPROPRIATION:						
SB 23-214 (Long Bill)	\$7,004,038,646	\$4,512,345,184	\$1,361,942,038	\$79,976,873	\$1,049,774,551	636.5
Other legislation	483,089,239	157,874,034	322,931,830	2,283,375	0	23.6
SB 23B-002 (Summer EBT)	339,740	169,870	0	0	169,870	1.8
TOTAL	\$7,487,467,625	\$4,670,389,088	\$1,684,873,868	\$82,260,248	\$1,049,944,421	661.9
FY 2024-25 REQUESTED APPROPRIATION:						
FY 2023-24 Appropriation	\$7,487,467,625	4,670,389,088	\$1,684,873,868	\$82,260,248	\$1,049,944,421	661.9
R1 State share of total program	305,455,136	75,000,000	230,455,136	0	0	0.0
R2 Categorical programs increase	24,897,895	0	24,897,895	0	0	0.0
R3 CSI mill levy equalization	(11,876,574)	(27,000,000)	42,123,426	(27,000,000)	0	0.0
R4 Human resources capacity	298,662	298,662	0	0	0	0.9
R5 School finance system modernization	200,000	200,000	0	0	0	0.0
R6 ESSER staff closeout	571,416	0	0	0	571,416	0.0
R7 Facility school baseline model inflation	2,425,756	0	2,425,756	0	0	0.0
R8 Facility schools & RCCI inclusion in Healthy School Meals	0	0	0	0	0	0.0
R9 State Board of Education operating	133,250	133,250	0	0	0	0.0
R10 CDIP enhancement	2,000,000	2,000,000	0	0	0	0.0
R11 STEM extended learning time programming	8,000,000	0	8,000,000	0	0	0.9
R12 Proactive intervention expansion	500,000	500,000	0	0	0	0.0
R13 Ed talent mentorship grant program	3,132,271	3,132,271	0	0	0	1.2
R14 Payroll office support	130,056	130,056	0	0	0	0.9
R15 CDE facility needs	95,662	95,662	0	0	0	0.9
R16 BEST term-limited FTE continuation	7,423	0	7,423	0	0	0.0
R17 Colfax security	89,241	89,241	0	0	0	0.0
R18 CSDB teacher salary increase	504,053	504,053	0	0	0	0.0
R19 CSDB deans	201,892	201,892	0	0	0	1.6
R20 CSDB preschool personnel	166,575	166,575	0	0	0	1.8
Centrally appropriated line items	6,855,686	2,765,492	904,774	736,028	2,449,392	0.0
Non-prioritized requests	577,413	571,802	4,346	1,265	0	0.0

DEPARTMENT OF EDUCATION						
	TOTAL FUNDS	GENERAL FUND ¹	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Technical adjustments	0	0	0	0	0	0.0
Annualize prior year legislation	(96,293,090)	(46,773,339)	(49,349,881)	0	(169,870)	(5.3)
Annualize prior year budget actions	(4,967,698)	(2,960,539)	(1,124,699)	(23,406)	(859,054)	(0.1)
Indirect cost assessment	(370)	0	58,483	33,539	(92,392)	0.0
TOTAL	\$7,730,572,280	\$4,679,444,166	\$1,943,276,527	\$56,007,674	\$1,051,843,913	664.7
INCREASE/(DECREASE)	\$243,104,655	\$9,055,078	\$258,402,659	(\$26,252,574)	\$1,899,492	2.8
Percentage Change	3.2%	0.2%	15.3%	(31.9%)	0.2%	0.4%

¹ Includes General Fund Exempt.

R1 STATE SHARE OF TOTAL PROGRAM [REQUIRES LEGISLATION]: The request includes a net increase of \$305.5 million state funds (including \$75.0 million General Fund and \$230.5 million cash funds) for the state share of districts' total program funding in FY 2024-25. Based on the Office of State Planning and Budgeting (OSPB) September 2023 Revenue Forecast, and including OSPB's projection of local revenues, the proposal would: (1) increase statewide average per pupil funding by \$705 (6.6 percent); and (2) eliminate the budget stabilization factor (BSF), which totals \$141.2 million in FY 2023-24. The Department indicates that this request is evidence-informed per S.B. 21-284.

R2 CATEGORICAL PROGRAMS INCREASE: Amendment 23 requires the General Assembly to increase total state funding for all categorical programs (in aggregate) by at least the rate of inflation in FY 2024-25. The request, based on the OSPB-projected inflation rate for CY 2023 (5.0 percent), seeks an increase of \$24.9 million cash funds from the State Education Fund to support the required increase. The following table shows the requested allocation of funds by program. See the second issue in the briefing document for a detailed discussion of the categorical programs allocation for FY 2024-25.

R2 REQUESTED INCREASES IN STATE FUNDING FOR CATEGORICAL PROGRAMS				
LONG BILL LINE ITEM	FY 2023-24 APPROPRIATION	FY 2024-25 REQUEST	CHANGE IN STATE FUNDING	PERCENT CHANGE
Special Education - Children with Disabilities	\$340,858,304	\$355,756,068	\$14,897,764	4.4%
English Language Proficiency Program	31,294,098	35,343,922	4,049,824	12.9%
Public School Transportation	68,379,237	72,024,210	3,644,973	5.3%
Career and Technical Education Programs	30,514,944	32,324,498	1,809,554	5.9%
Special Education - Gifted and Talented Children	14,677,532	15,174,351	496,819	3.4%
Expelled and At-risk Student Services Grant Program	9,499,542	9,490,831	(8,711)	-0.1%
Small Attendance Center Aid	1,599,991	1,605,338	5,347	0.3%
Comprehensive Health Education	1,134,284	1,136,611	2,327	0.2%
Total	\$497,957,932	\$522,855,829	\$24,897,897	5.0%

R3 CSI MILL LEVY EQUALIZATION [REQUIRES LEGISLATION AS REQUESTED]: The Governor's Office and Charter School Institute (CSI) request a \$15.1 million General Fund increase for mill levy equalization for CSI charter schools, which would bring total General Fund support for equalization to \$42.1 million from the current \$27.0 million General Fund. The request as submitted shows a decrease in total funds, including a reduction of \$27.0 million General Fund, based on a proposal to change the structure of funding for this program. Under current law, the program receives a General Fund appropriation in the Long Bill into the Mill Levy Equalization Fund (MLE Fund) and a reappropriated funds appropriation (a double-count) from the MLE Fund to CSI. The Executive proposal is to provide a statutory General Fund transfer to the MLE Fund and provide a cash funds appropriation from the cash fund. Legislation would be required to implement the proposed structural change and would likely be required each year to provide the necessary program funding. A significant impact of the proposed change would be to eliminate the need for a 15.0 percent General Fund reserve associated with the program, as transfers are not subject to the reserve requirement.

R3 CHANGES REQUESTED – IMPACT OF STRUCTURAL CHANGE

	FY 23-24 CSI MLOE APPROPRIATION (A)	FY 24-25 CSI MLOE REQUEST IF NO STRUCTURAL CHANGE (B)	FY 24-25 CHANGE TO MLOE IF NO STRUCTURAL CHANGE (B-A)	FY25 CSI MLOE APPROP. IF STRUCTURAL CHANGE ADOPTED (LEGISLATION REQUESTED) (C)	PROPOSED APPROP. CHANGE R3 (ASSUMES LEGISLATIVE CHANGE) (C-A)
Total	\$54,000,000	\$84,246,852	\$30,246,852	\$42,123,426	(\$11,876,574)
General Fund	27,000,000	42,123,426	15,123,426	0	(27,000,000)
Cash Funds based on deposit of General Fund	0	0	0	42,123,426	42,123,426
Reappropriated Funds (double-count)	27,000,000	42,123,426	15,123,426	0	(27,000,000)

The FY 2023-24 School Finance Act (S.B. 23-287) requires that “beginning in the 2024-25 budget year and each budget year thereafter, the general assembly shall appropriate from the general fund the amount necessary each budget year to fund full mill levy equalization for all institute charter schools for the applicable budget year.” The amount in the request operationalizes this requirement based on the data that was available at the time of the submission. The statutory requirement added in S.B. 23-287 is intended to ensure that students enrolled at CSI schools receive per pupil funding equal to the district per pupil funding in each district where a CSI school is located.

JBC Staff notes that the cost of “full equalization” is not a fixed number and will continue to evolve over the course of the year. Updated data requested from CSI, which incorporates the impact of a Douglas County mill levy override approved in November 2023, incorporates a revised cost estimate of \$45.1 million (an increase of \$18.1 million General Fund over the FY 2023-24 base). However, CSI also notes that two schools may shift from CSI oversight to district oversight, which could reduce costs back to \$41.3 million.

R4 HUMAN RESOURCES CAPACITY: The Department requests \$298,662 of General Fund and 0.9 FTE in FY 2024-25, annualizing to \$296,433 General Fund and 1.0 FTE in FY 2025-26, to hire an additional human resources position and to implement a cloud-based Human Resource Information System. The Department currently operates without a Human Resources Information System and relies primarily on spreadsheets and other ad hoc tools to manage human resources information. A new system would address employee data management, record keeping, data reporting and metrics, performance management, and onboarding. The new FTE would enable the Department to meet the increased workload. This request would support a basic cloud based system for human resources automation within the Department.

R5 SCHOOL FINANCE SYSTEM MODERNIZATION: The request includes a one-time increase of \$200,000 General Fund to hire an independent contractor to evaluate the feasibility and estimate the cost of modernizing the State Equal and Audit modules of the Department’s School Finance System. Portions of the current system rely heavily on spreadsheet uploads rather than a database and are extremely prone to human error. Recent changes to school finance funding have highlighted the inadequacies of this system. The Department anticipates that the results of the feasibility will result in a FY 2025-26 budget request to implement a new system by July 2026. The request also makes reference to potentially accessing the School Finance Simulator maintained by Legislative Council Staff.

R6 ESSER STAFF CLOSEOUT: The Department requests \$571,416 in one-time federal State and Local Fiscal Recovery Funds (state-appropriated ARPA funds) accrued by the state to support staff in the close out of ARPA-ESSER grants. This request is for a one-time appropriation to facilitate the closeout of ESSER projects and the creation of final reports after the costs of administration can no longer be charged to ESSER funds. ESSER funds, which were not under the General Assembly’s control, expire September 30, 2024, but accounting will be required after this date to complete the close-out process.

R7 FACILITY SCHOOL BASELINE MODEL INFLATION: The Department requests an increase of \$2.4 million from the State Education Fund in FY 2024-25 to address projected inflation and expansion in the use of facility schools. This request modifies *and lowers* the annualization assumed in S.B. 23-219 (Supports to Students and Facility Schools; a JBC bill) for FY 2024-25 only. Because of the size, complexity, and adjustments anticipated in the annualization for S.B. 23-219, the Department submitted this change as a decision item, rather than including the fiscal note annualization amount as the second-year impact of new legislation. The table below compares the annualization for FY 2024-25 included in the S.B. 23-219 final fiscal note with the most recent estimate incorporated in R7. The Department currently anticipates that additional annualization assumed for FY 2025-26 in the fiscal note will occur and that costs for new specialized day schools will be \$11.2 million in FY 2025-26 compared to \$3.1 million in FY 2023-24; however, out-year figures will also continue to evolve.

FACILITY SCHOOL BASELINE FUNDING MODEL COSTS			
	FY 2023-24 ENACTED	FY 2024-25 PROJECTION/REQUEST	CHANGE
SB 23-219 Fiscal Note Assumption	\$26,648,310	\$31,077,641	\$4,429,331
R7 Request	26,648,310	29,074,066	2,425,756
Request above/(below) Fiscal Note Assumption		(\$2,003,575)	

R8 FACILITY SCHOOLS & RCCI INCLUSION IN HEALTHY SCHOOL MEALS [LEGISLATION REQUIRED]: The Department requests legislation to include facility schools and residential child care institutions in the Healthy School Meals for All Program. The request states that no additional appropriation is required but estimates the additional cost to be between \$258,793 and \$487,002. The request states that the additional cost can be absorbed within the existing \$115.0 million General Fund Exempt appropriation for the Healthy School Meals for All Program (although as discussed later in this packet, the current projection for the program exceeds the appropriation even without this addition). The proposed legislation would add facility schools to the statutory definition of “school food authority”, thus aligning state statute with the related federal regulations.

R9 STATE BOARD OF EDUCATION OPERATING: The Colorado State Board of Education requests a General Fund increase of \$133,250 for Board operating-related expenses, including \$77,250 for operating costs, \$6,000 for computer replacement, and \$50,000 for IT room support. This would increase the budget for the Board by 31.3 percent.

R10 CDIP ENHANCEMENT [LEGISLATION OPTION]: The Governor’s Office requests \$2.0 million in one-time General Fund to increase funding for the Career Development Incentive Program (CDIP). This funding will allow the Colorado Department of Education (CDE) to provide a one-time boost in the per-pupil reimbursement rates for the 2023-24 school year. The request states that this will provide an additional \$100 (approximate) per pupil enrolled in CDIP for School Year 2023-24, bringing reimbursement closer to historical reimbursement rates and the \$1,000 Tier 1 cap. The request proposes to add funding in FY 2024-25 to retroactively fund FY 2024-25 CDIP enrollment, based on a projected FY 2023-24 enrollment of 16,000, given average annual program growth of 30-35 percent. This proposal is discussed in more detail in a staff budget briefing issue. While legislation is not required to add funding to the program, the General Assembly may wish to consider changes to the program and might consider including funding as part of such legislation.

R11 STEM EXTENDED LEARNING TIME PROGRAMMING: The Governor’s office requests \$8.0 million in one-time State Education Fund and 0.9 FTE ongoing to bolster academic enrichment and extended learning time programming related to Science, Technology, Engineering, and Math (STEM) as part of the Colorado Academic Accelerator Grant Program established in H.B. 23-1231 (Math in Pre-Kindergarten Through Twelfth Grade). This funding will allow the Department to expand the Colorado Academic Accelerator Grant Program to include grantees specifically focused on improving science instruction through community learning centers that provide free academic enrichment and support activities and tutoring programs. The request indicates (and staff concurs) that expanding current funding to

support STEM programming is consistent with the program as created in H.B. 23-1231 and does not require statutory change *if* the new funding is used before spending authority ends and the program repeals. Amounts appropriated for this program may be expended through FY 2026-27 without further appropriation.

Additional information: The H.B. 23-1231 math accelerator application is currently under development: applications are expected to be due in February 2024, with programs starting in summer 2024. The fiscal note for H.B. 23-1231 reflected expenditures of \$5.9 to \$6.0 million per year for three years through FY 2025-26 for math acceleration programs. The Department indicates that the program is built on a longstanding federal program that is administered by the State, the Nita M. Lowey 21st Century Community Learning Centers (CCLC), which supports after-school and summer programming with grants totaling \$5.5 million per year in Colorado. *The Governor’s Office informed JBC Staff on November 28, 2023, that it plans to withdraw Request R11.*

R12 PROACTIVE INTERVENTION EXPANSION: The Governor’s Office requests an increase of \$500,000 General Fund, to be continued in future years, for the School Transformation Grant Program. The requested increase would add to the \$1.0 million added and set aside in FY 2023-24 specifically for schools which are early in the accountability clock process. The request would enable the Department to fund proactive interventions for 10-12 schools per grant cycle using a set-aside of \$1.5 million, rather than serving 6-8 schools with the initial set-aside of \$1.0 million. The set-aside provides grants of up to \$100,000 (spread over 1-2 years) for schools that are “on the clock” (because they are rated priority improvement or turnaround), with the goal of avoiding having these schools remain on the accountability clock. Schools that remain on the clock require intensive (and expensive) state interventions. The School Transformation Grant Program operates with base funding of \$7.5 million General Fund and approximately \$8.0 million federal Every Student Succeeds Act Funds, but most of this money is used for schools that have remained on the accountability clock for five or more years. The request notes that the number of schools that are on the clock has grown sharply since the pre-pandemic period.

PRELIMINARY SCHOOL RATINGS – 2019 AND 2023		
	2019	2023 (FIRST FULL REINSTATEMENT OF ACCOUNTABILITY MEASURES POST-PANDEMIC)
On Watch (exiting accountability)	28	19
On Clock Y2+	64	53
Newly Identified On Clock (Y1)	86	159

R13 EDUCATOR TALENT MENTORSHIP GRANT PROGRAM [LEGISLATION REQUIRED]: The Department requests \$3.1 million General Fund and 1.2 FTE in FY 2024-25 and ongoing to sustain support for the Teacher Mentorship Grant Program, which is currently funded with federal Elementary and Secondary School Emergency Relief (ESSER) funds. ESSER funds were part of federal COVID-relief funding and were distributed based on federal formulas and decisions by the State Board of Education. These funds expire September 30, 2024. The Department used \$9.5 million in FY 2022-23 and \$3.15 million in FY 2023-24 from its ESSER set-aside to fund teacher mentor grants. The ESSER funds have been used for mentor and inductee stipends, teacher release time, mentor training, technology, and other supports for teachers in year 1-3 and their mentors. The Department cites national studies indicating that mentorship programs improve new teacher retention and indicates that initial evaluation results indicate that 97 percent of teachers who participated in the ESSER-funded program intend to stay in education, with 95 percent intending to continue in teaching.

The request proposes \$3.0 million in mentorship grant awards ongoing to support 20-30 districts a year in a competitive grant process and requests 1.2 FTE for administration. It indicates that it believes the \$3.0 million requested should be sufficient to seed new mentorship programs without providing ongoing program support.

This proposal requires legislation. The Department of Education has authority to establish standards for induction programs, but no apparent authority for a related grant program. At the same time, the Colorado Department of Higher Education operates a Teacher Mentor Grant Program, authorized by Section 23-78-105, C.R.S. (FY 2023-24 appropriation of \$548,477 General Fund and 0.5 FTE). One statutory option would be to move and modify the teacher mentorship program currently created in CDHE. Senate Bill 23-258 consolidated educator training program oversight in the Department of Education, but the teacher mentorship grant program was not moved in that bill.

R14 PAYROLL OFFICE SUPPORT: The Colorado Department of Education (CDE) requests \$130,056 and 0.9 FTE for FY 2024-25 from the General Fund, and an annual allocation of \$142,203 and 1.0 FTE in subsequent years. This request for a payroll office supervisor will enable the Department to meet the payroll processing demands associated with the Office of the State Controller's fiscal rule requiring all new employees to be put onto the bi-weekly payroll as, over time this requirement will come close to doubling the workload for the payroll office.

R15 CDE FACILITY NEEDS: The Department requests a General Fund increase of \$95,662 and 0.9 FTE for FY 2024-25, annualizing to \$98,443 and 1.0 FTE for FY 2025-26 and ongoing to obtain a dedicated staff member to address facility needs, including safety and security and coordination with Capitol Complex.

R16 BEST TERM-LIMITED FTE CONTINUATION: The Department requests \$102,584 cash funds from the Public School Capital Construction Assistance Fund and the continuation of 1.0 FTE in FY 2024-25 and ongoing to support the continuation of staff in the Capital Construction Program. In FY 2022-23, a term-limited position (through FY 2023-24) was approved for a fifth regional program manager for the Building Excellent Schools Today (BEST) grant program due an increase in the number and complexity of grant requests. Given continued workload and additional responsibilities, the request is to make the position permanent. With this FTE, the CCU has been able to provide additional support for charter schools and rural school districts that struggle with facilities planning, grant applications, and project management.

R17 COLFAX SECURITY: The Department requests a General Fund increase of \$89,241 for FY 2024-25 and \$89,645 for FY 2025-26 and ongoing to address the safety and security needs of 201 E Colfax and the Capitol Complex. The request includes increasing its current contracted security to provide two guards (rather than one) present at all times and to purchase a weapons detection system. The request also notes that the Department is exploring having Colorado State Patrol provide security similar to what is provided at other state locations but State Patrol has informed the Department that such a change could only be implemented after FY 2024-25.

R18 CSDB TEACHER SALARY INCREASE: The Colorado School for the Deaf and Blind (CSDB) requests an increase of \$504,053 General Fund to provide staff step increases and other adjustments, consistent with the Colorado Springs District 11 pay scale. The District 11 Board of Education and the Colorado Springs Education Association agreed to the following: a 5.0 percent increase to the salary schedule, with a BA starting at \$50,000, a one-step movement for staff who have not reached the maximum step increase (representing an approximately a 2.0 percent increase), and a 6.0 percent non-recurring compensation increase. The CSDB requests funding to match these adjustments.

R19 CSDB DEANS: The Colorado School for the Deaf and Blind (CSDB) requests \$201,892 General Fund for the continuation of 1.6 FTE. These positions include two full-time Deans of Student, including one for the School for the Deaf and one for the School for the Blind. Currently, these positions are funded using one-time ARPA funds and this request is for state funding to sustain them. The ongoing funding will support student behavior, discipline, attendance, and restorative justice practices for preschool through age 21, and it will also help address deaf and blind students who are developmentally behind in relationship building and self-regulation.

R20 CSDB PRESCHOOL PERSONNEL: The Colorado School for the Deaf and Blind (CSDB) requests \$166,575 ongoing General Fund for the continuation of 1.8 FTE positions in the Preschool program. A section of the Preschool program is currently being funded by one-time ARPA funds and this request is to replace that funding after the roll-off of ARPA funds. The request includes \$49,829 for a preschool coordinator, \$74,604 for an early childhood/preschool teacher, and \$42,142 for a state teacher aide/paraprofessional.

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

CENTRALLY APPROPRIATED LINE ITEMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Salary survey	\$4,331,406	\$1,708,481	\$623,819	\$445,887	\$1,553,219	0.0
PERA Direct Distribution	1,121,515	834,900	161,188	125,427	0	0.0
Short-term disability	361,569	(160,317)	120,235	35,390	366,261	0.0
Payments to OIT	328,409	184,218	65,940	78,251	0	0.0
DPA Paid family leave	265,628	98,074	38,371	29,501	99,682	0.0
Capitol Complex leased space	252,229	84,694	13,398	(21,499)	175,636	0.0
AED	172,177	44,159	6,352	14,894	106,772	0.0
SAED	172,177	44,159	6,352	14,894	106,772	0.0
Workers' compensation	115,554	55,519	15,080	3,905	41,050	0.0
ALJ services	35,988	0	35,988	0	0	0.0
Shift differential	20,149	20,064	69	16	0	0.0
CORE	(138,833)	(69,410)	(53,785)	(15,638)	0	0.0
Legal services	(126,668)	(23,435)	(128,233)	25,000	0	0.0
Risk management & property	(55,614)	(55,614)	0	0	0	0.0
TOTAL	\$6,855,686	\$2,765,492	\$904,774	\$736,028	\$2,449,392	0.0

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

NON-PRIORITIZED REQUESTS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
DPA Central services omnibus request	\$562,622	\$562,622	\$0	\$0	\$0	0.0
CORE operating resources	11,220	5,609	4,346	1,265	0	0.0
DPA fleet vehicle	3,571	3,571	0	0	0	0.0
TOTAL	\$577,413	\$571,802	\$4,346	\$1,265	\$0	0.0

TECHNICAL ADJUSTMENTS: The request includes net zero dollar technical adjustments.

ANNUALIZE PRIOR YEAR LEGISLATION: The appropriation includes adjustments for the out-year impacts of prior year legislation. Annualization for S.B. 23-287 includes eliminating one-time funding of \$30.0 million for additional funding for rural schools, \$10.0 million for state aid for charter school facilities, and \$10.0 million for the special education preschool maintenance of effort, among other adjustments.

ANNUALIZE PRIOR YEAR LEGISLATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
SB 23-219 Supports to students	\$264,423	\$0	\$264,423	\$0	\$0	0.5
SB 23-172 Protecting workers' rights	10,648	10,648	0	0	0	0.0
SB 23-258 Consolidate ed prep prog	9,423	0	9,423	0	0	0.2
SB 23-086 Student leaders institute	744	744	0	0	0	0.0

ANNUALIZE PRIOR YEAR LEGISLATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
SB 23-065 Career Dev Success Prog	0	0	0	0	0	0.2
SB 23-287 Public school finance act	(49,623,727)	0	(49,623,727)	0	0	(0.4)
HB 23-1231 Math in Pre-K	(26,223,638)	(26,223,638)	0	0	0	(3.5)
SB 23-221 HSMA program	(13,886,234)	(13,886,234)	0	0	0	1.1
SB 23-003 Adult high school	(5,000,000)	(5,000,000)	0	0	0	(0.4)
HB 20-1418 Local food purchasing prog	(675,729)	(675,729)	0	0	0	0.0
SB 23B-002 Summer EBT Program	(339,740)	(169,870)	0	0	(169,870)	(1.8)
HB 23-1241 Accountability task force	(300,709)	(300,709)	0	0	0	(0.3)
SB 23-029 School discipline task force	(164,398)	(164,398)	0	0	0	(0.5)
SB 23-094 Transportation task force	(95,313)	(95,313)	0	0	0	(0.5)
HB 20-1032 K12 education standards review	(92,174)	(92,174)	0	0	0	0.0
HB 23-1009 Secondary student substance use	(49,950)	(49,950)	0	0	0	(0.2)
HB 23-1291 Procedures for expulsion	(48,771)	(48,771)	0	0	0	0.1
HB 23-1212 Promotion of apprentices	(44,000)	(44,000)	0	0	0	0.0
HB 23-1168 Legal representation	(13,260)	(13,260)	0	0	0	0.0
SB 23-087 Teacher degree apprent	(12,185)	(12,185)	0	0	0	0.2
HB 21-1087 Teaching & learning conditions	(8,500)	(8,500)	0	0	0	0.0
TOTAL	(\$96,293,090)	(\$46,773,339)	(\$49,349,881)	\$0	(\$169,870)	(5.3)

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

ANNUALIZE PRIOR YEAR BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 23-24 R6 Personnel	\$17,363	\$11,973	\$5,390	\$0	\$0	0.2
FY 23-24 R8 Evaluation support	7,291	7,291	0	0	0	0.1
FY 23-24 R3 Translation services	6,034	6,034	0	0	0	0.1
FY 23-24 OIT Accessibility	(2,929,144)	(2,346,830)	(582,314)	0	0	0.0
FY 23-24 R9 Leased space	(1,778,658)	(598,423)	(297,775)	(23,406)	(859,054)	0.0
FY 23-24 R5 Gifted & talented DMS	(250,000)	0	(250,000)	0	0	0.0
FY 22-23 R7 Empowering parents	(40,584)	(40,584)	0	0	0	(0.5)
TOTAL	(\$4,967,698)	(\$2,960,539)	(\$1,124,699)	(\$23,406)	(\$859,054)	(0.1)

INDIRECT COST ASSESSMENT: The request includes a net decrease of \$370 in indirect cost assessments with related fund source adjustments.

SUMMARY OF ISSUES PRESENTED TO THE JOINT BUDGET COMMITTEE

SCHOOL FINANCE ACT FUNDING PROJECTIONS: Current law requires the General Assembly to eliminate the Budget Stabilization Factor (BSF) for FY 2024-25, a reduction of \$141.2 million from FY 2023-24. Based on current Legislative Council Staff estimates of local share, revenues, and pupil counts, eliminating the BSF would require an additional \$52.0 million in state funding above the current FY 2023-24 appropriation. Legislative Council Staff projections also show a growing balance in the State Education Fund through FY 2027-28 even without the BSF, while holding General Fund appropriations for total program constant.

ALLOCATION OF THE INCREASE TO CATEGORICAL PROGRAMS FOR FY 2024-25: Amendment 23 requires the total amount of state funding appropriated to support categorical programs to increase by at least the rate of inflation, and the General Assembly has the authority to allocate the mandatory increase among the various categorical programs.

Historically, the Committee and the General Assembly generally allocated that increase based on a formula that considers the difference between state and federal funding provided for each program and the total amount that school districts actually spend on the program/services. In FY 2022-23 and FY 2023-24, the General Assembly passed legislation to provide additional funding for special education programs for children with disabilities in excess of the required inflationary increase. Based on discussions surrounding the passage of S.B. 23-099 (Special Education Funding), staff assumes it is the General Assembly's intent to fully fund special education programs for children with disabilities up to the statutory maximum. The maximum funding will be based on FY 2023-24 pupil counts, which are not available at this time.

NEW AT-RISK FACTOR: House Bill 22-1202 (At-risk Student Measure for School Finance) created a new at-risk measure for the school finance formula for use starting in FY 2023-24 and established a working group to determine how to calculate and implement the new measure. S.B. 23-287 (School Finance) delayed implementation of the new measure until FY 2024-25 and requires the Department of Education to conduct pre-implementation modeling and report findings to the General Assembly by January 5, 2024. The measure uses an identified student percentage (ISP) count and a neighborhood socioeconomic status (SES) index to calculate an imputed at-risk count for each district. The Department is currently working through challenges surrounding data collection for the updated measure, including working with nine pilot districts to test the upload process and determine whether actual data provided by those districts is similar to estimates provided by the Urban Institute.

HEALTHY SCHOOL MEALS FOR ALL FY 2023-24 REVENUE AND EXPENSES: Proposition FF, adopted by voters in November 2022, created the Healthy School Meals for All program, which supports free meals for all public school students. Recent projections of revenues and expenditures for the program indicate that revenues are likely to be lower and expenditures higher than originally projected for FY 2023-24. Based on preliminary projections, all revenue and reserves deposited in the Healthy School Meals for All Program General Fund Exempt Account plus a \$7.4 million General Fund subsidy will be required to close the gap.

H.B. 22-1215 TASK FORCE & EFFORTS TO SUPPORT POSTSECONDARY AND WORKFORCE READINESS: The H.B. 22-1215 Secondary, Postsecondary, and Work-based Learning Integration Task Force final report recommends consolidating some existing programs under a broader program umbrella to streamline administration and reporting. It also recommends adding start-up and ongoing funding for postsecondary and workforce readiness programs.

ACCELERATING STUDENTS THROUGH CONCURRENT ENROLLMENT PROGRAM (ASCENT): Accelerating Students through Concurrent Enrollment (ASCENT) is a fifth-year high school program that allows students to earn college credit at no tuition cost to them or their families. Program enrollment was uncapped through legislation in the 2022 session and is growing more rapidly than projected.

ONE-TIME FUNDING AUTHORIZED IN RECENT LEGISLATIVE SESSIONS: During the 2021, 2022, and 2023 legislative sessions, the General Assembly allocated significant one-time funding to the Department of Education. This includes \$41.9 million originating as state General Fund and \$13.8 million originating as federal Coronavirus State Fiscal Recovery funds (ARPA funds) that were directed to specific programs.

CONCURRENT ENROLLMENT IN OTHER STATES: This issue provides background information on concurrent enrollment and career and technical education initiatives in other states to gain an understanding of how similar they are to programs in Colorado and to explore best practice.

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OFFICE OF THE GOVERNOR

The Office of the Governor includes the functions associated with the Governorship (oversight of executive branch agencies, policy development, communications, and citizen support services), as well as the Office of the Lieutenant Governor, Office of State Planning and Budgeting, Office of Economic Development and International Trade, Office of Information Technology, and Colorado Energy Office. The Office's FY 2023-24 appropriation represents approximately 1.5 percent of statewide operating appropriations and 0.3 percent of statewide General Fund appropriations.

FY 2023-24 APPROPRIATION AND FY 2024-25 REQUEST

GOVERNOR - LIEUTENANT GOVERNOR - STATE PLANNING AND BUDGETING						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2023-24 APPROPRIATION:						
SB 23-214 (Long Bill)	\$520,235,676	\$48,319,243	\$95,040,576	\$369,056,086	\$7,819,771	1,312.7
Other legislation	112,034,316	1,460,930	108,717,583	1,689,429	166,374	15.6
TOTAL	\$632,269,992	\$49,780,173	\$203,758,159	\$370,745,515	\$7,986,145	1,328.3
FY 2024-25 REQUESTED APPROPRIATION:						
FY 2023-24 Appropriation	\$632,269,992	\$49,780,173	\$203,758,159	\$370,745,515	\$7,986,145	1,328.3
(GOV) R1 Operating increase	75,472	75,472	0	0	0	0.0
(GOV/LG) R2 Press & cmty. engagement	83,487	83,487	0	0	0	0.9
(LG) R1 Tribal & AI/AN Affairs Roadmap	32,676	32,676	0	0	0	0.0
(OEDIT) R1 Advanced Industries program	125,000	125,000	0	0	0	1.0
(OEDIT) R2 Support for Rural Opp Office	153,000	0	0	153,000	0	0.0
(OEDIT) R3 CCI Ops and matching funds	2,500,000	2,500,000	0	0	0	1.0
(OEDIT) R4 Creative districts	540,000	0	540,000	0	0	0.0
(OEDIT) R5 Ag tech recruitment strategy	134,923	134,923	0	0	0	1.0
(OEDIT) R6 Small business support	475,000	475,000	0	0	0	0.0
(OEDIT) R7 PTAC Reauthorization	0	0	0	0	0	0.0
(OIT) R1 Broadband middle mile	278,579	278,579	0	0	0	1.8
Centrally appropriated line items	22,795,023	4,482,400	1,588,276	15,416,660	1,307,687	0.0
Indirect cost adjustment	253,457	0	(139,534)	453,488	(60,497)	0.0
Prior year legislation	(108,629,225)	(817,107)	(108,717,583)	852,189	53,276	2.4
Prior year budget action	(5,699,319)	(1,057,491)	(346,570)	(3,991,019)	(304,239)	6.8
Non-prioritized requests	(657,590)	451,850	0	(1,109,440)	0	0.0
TOTAL	\$544,730,475	\$56,544,962	\$96,682,748	\$382,520,393	\$8,982,372	1,343.2
INCREASE/(DECREASE)	(\$87,539,517)	\$6,764,789	(\$107,075,411)	\$11,774,878	\$996,227	14.9
Percentage Change	(13.8%)	13.6%	(52.6%)	3.2%	12.5%	1.1%

OFFICE OF THE GOVERNOR DIVISION (GOV)

(GOV) R1 OPERATING INCREASE: The request includes \$75,472 General Fund in FY 2024-25 and ongoing for the increased operating costs in the Governor's Office, the Lt. Governor's Office, and the Office of State Planning and Budgeting. These operating expense appropriations historically had received regular inflationary adjustments, but have remained nominally flat for at least the past five years despite significant inflationary pressure during that time.

(GOV/LG) R2 PRESS AND COMMUNITY ENGAGEMENT: The request includes \$83,487 General Fund and 0.9 FTE in FY 2024-25 and \$83,071 General Fund and 1.0 FTE ongoing to hire a community engagement coordinator to

support the Offices of the Governor, Lt. Governor, and Serve Colorado. This position will coordinate events with external partners and stakeholders across the state, assist with constituent affairs and correspondence functions, and staff the Governor or Lieutenant Governor at such events. Events include, but are not limited to, roundtable discussions, supporting external stakeholder requests, and supporting conferences and meetings.

LIEUTENANT GOVERNOR (LG)

(LG) R1 TRIBAL & AI/AN AFFAIRS ROADMAP: The request includes \$32,676 General Fund to develop a Roadmap on Conducting Tribal and American Indian and Alaska Native Affairs within the state. The Colorado Commission on Indian Affairs requests the funds to conduct two tribal consultations with the Ute Mountain Ute Tribe, two with the Southern Ute Indian Tribe, and one with the other 46 tribes with historic connections to Colorado. It also intends to host listening sessions including one with state agency leadership, one with legislators, and four with the American Indian/Alaska Native communities across the state.

OFFICE OF ECONOMIC DEVELOPMENT AND INTERNATIONAL TRADE (OEDIT)

(OEDIT) R1 ADVANCED INDUSTRIES PROGRAM [REQUIRES LEGISLATION]: The request is for the Committee to sponsor legislation to continue a transfer of General Fund estimated to be approximately \$7.0 million to the Advanced Industries Cash Fund for an additional eight years. The transfer is from the bioscience income tax withholding growth, which is slated to end in FY 2024-25 despite S.B. 23-066 (AI Acceleration Program) extending the Advanced Industries program through FY 2032-33. The request also includes an ongoing appropriation increase of \$125,000 General Fund and 1.0 FTE for administering the program which assists business in the advances industries with international business development and marketing costs related to export operations. Due to the nature of the transfer, it does not appear in the Office's operating budget.

(OEDIT) R2 SUPPORT FOR RURAL OPPORTUNITY OFFICE: The request includes a one-time increase of \$153,000 reappropriated funds from unspent grant funds remaining in OEDIT's Rural Jump Start Program to support current FTE and operations engaging in rural community outreach. Created by S.B. 23-006 (Rural Opportunity Office), which passed both houses by the middle of April 2023, OEDIT seeks funding not included in the final fiscal note associated with travel expenses, software licensing, and FTE salary differences. Gaps in funding include costs associated with travel to rural communities, operating expenses, and operational support of the Rural Technical Assistance Program.

(OEDIT) R3 CCI OPERATING AND MATCHING FUNDS: The request includes \$2.5 million General Fund and 1.0 FTE for the Council on Creative Industries (CCI) to maximize federal matching funds from the National Endowment for the Arts (NEA). The agency is currently funded with an appropriation of \$2,203,000 from the Limited Gaming Cash Fund, as well as direct federal funding from the NEA through an annual partnership agreement. In recent years, Colorado's allocation of funds from the NEA has grown, which require a 1:1 match, while CCI's allocation from the Limited Gaming Fund has remained flat. CCI provides grantmaking through its Colorado Creates, Arts in Society, Equity in Arts Learning, Advancing Creatives, and Space to Create programs. In addition to direct grantmaking programs, CCI manages programs focused on Creative Aging, Arts in Transportation, Literary Arts, including the Poetry Out Loud and the Poet Laureate programs as well as preserving Colorado's unique cultural heritage, through the Colorado Folk Arts program.

(OEDIT) R4 CREATIVE DISTRICTS [REQUIRES LEGISLATION]: The request includes a one-time \$500,000 General Fund transfer to the Colorado Creative Industries Cash Fund and modification of the Creative District Loan Fund statute to allow CCI to expend interest earned on the principal in that fund, which is estimated to be up to \$40,000 in the FY 2024-25 budget year. While this request does have a direct General Fund impact, the budget request submitted only included the cash fund appropriations assuming the transfer is made.

(OEDIT) R5 AG TECH RECRUITMENT STRATEGY: The request includes \$134,923 General Fund and 1.0 FTE in FY 2024-25 and ongoing to support the agricultural technology sector by providing a strategy for industry support, coordination, and development similar to those OEDIT provides other industries such as aerospace and defense. In coordination with the Department of Agriculture the position will utilize the state's agricultural data and insight related to Colorado's performance, opportunities, and risk in the state's agricultural commodities and exports to specifically identify and maximize Colorado's inbound opportunities for investment in the agricultural technology sector both domestically and internationally.

(OEDIT) R6 SMALL BUSINESS SUPPORT [REQUIRES LEGISLATION]: The request includes \$475,000 General Fund and 1.0 FTE in FY 2024-25 and ongoing to maximize the state's drawdown of small business and economic development funding from the Small Business Administration (SBA), which requires a 1:1 funding match. The Colorado Small Business Development Centers Network is eligible to receive \$2.3 million from the SBA as long as the Lead Center and local locations are able to secure the same amount in match funds. Currently, the Network only receives two Long Bill appropriations annually totaling \$170,144 (7.6 percent of the SBA Grant amount), which places the burden to identify and secure matching funds on each local location as well as the Lead Center. Providing \$475,000 in additional general funds for the SBDC will allow the network to fully match the funding needed for the operations of the Lead Center at OEDIT.

(OEDIT) R7 PTAC REAUTHORIZATION [REQUIRES LEGISLATION]: The request includes extending a transfer of \$220,000 General Fund to the Procurement Technical Assistance Program Cash Fund, which is set to make its final transfer on July 1, 2024. The Colorado Procurement Technical Assistance Collaboration (PTAC) provides counseling, education, events, a BidMatch program, access to subject matter experts, networking, and policy guidance to small businesses applying for and receiving federal, state, and local government contracts. PTAC has about 7,000 active clients, which generate contract awards. In 2022, urban small businesses received awards of \$1.4 billion among 360 clients and rural small businesses received awards of \$488 million among 75 clients.

OFFICE OF INFORMATION TECHNOLOGY (OIT)

(OIT) R1 BROADBAND MIDDLE MILE: The request includes \$278,579 General Fund and 1.8 FTE in FY 2024-25 and \$286,133 General Fund and 2.0 FTE in FY 2025-26 and ongoing to establish a comprehensive middle mile program for broadband. The program involves managing middle mile grants, negotiating Public-Private Partnerships (P3s) and unsolicited proposals for state-owned property and rights-of way, as well as developing policies to remove barriers to execution. By consolidating these efforts, OIT aims to advance missing middle mile technology, expand backbone networks to facilitate new last-mile connections across the state, leading to cost savings for customers and the efficient deployment of broadband services.

OTHER CHANGES

CENTRALLY APPROPRIATED LINE ITEMS: The request includes an increase of \$22.8 million total funds, including an increase of \$4.5 million General Fund, for adjustments to centrally appropriated line items for the following: state contributions for health, life, and dental benefits; salary survey; short-term disability; supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund; shift differential; vehicle lease payments; workers' compensation; legal services; payment to risk management and property funds; Capitol Complex leased space; leased space; and Payments to OIT.

CENTRALLY APPROPRIATED LINE ITEMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Salary survey	\$11,603,882	\$1,348,870	\$683,165	\$9,007,925	\$563,922	0.0
Health, life, and dental	3,639,646	627,238	455,752	2,050,427	506,229	0.0
PERA Direct Distribution	2,535,196	404,813	135,635	2,012,111	(17,363)	0.0
Legal services	1,426,616	1,110,479	0	316,137	0	0.0
AED	1,383,627	236,349	134,039	905,005	108,234	0.0
SAED	1,383,627	236,349	134,039	905,005	108,234	0.0
Paid Family & Medical Leave Insurance	694,848	83,376	41,625	534,666	35,181	0.0
Payments to OIT	394,848	394,848	0	0	0	0.0
Workers' compensation	46,845	0	0	46,845	0	0.0
Short-term disability	41,732	7,095	4,021	27,366	3,250	0.0
Leased space	36,842	36,842	0	0	0	0.0
Vehicle lease payments	118	118	0	0	0	0.0
CORE	(251,823)	0	0	(251,823)	0	0.0
Shift differential	(60,559)	0	0	(60,559)	0	0.0
Capitol Complex leased space	(41,718)	77,079	0	(118,797)	0	0.0
Risk management & property	(38,704)	(81,056)	0	42,352	0	0.0
TOTAL	\$22,795,023	\$4,482,400	\$1,588,276	\$15,416,660	\$1,307,687	0.0

INDIRECT COST ADJUSTMENT: The request includes a net increase of \$0.3 total funds based on the statewide indirect cost allocation plan and summarized below.

INDIRECT COST ADJUSTMENT						
SUB-AGENCY REQUESTING CHANGE		TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
(GOV)	Office of the Governor division	\$4,774	\$0	\$0	\$4,774	\$0
(CEO)	Colorado Energy Office	(60,497)	0	0	0	(60,497)
(OEDIT)	Office of Economic Development & International Trade	(139,534)	0	(139,534)	0	0
(OIT)	Office of Information Technology	448,714	0	0	448,714	0
TOTAL		\$253,457	\$0	(\$139,534)	\$453,488	(\$60,497)

PRIOR YEAR LEGISLATION: The request includes a net decrease of just over \$108.6 million total funds, including a decrease of \$0.8 million General Fund, to reflect the out-year impact of bills passed in previous sessions, summarized in the following table.

PRIOR YEAR LEGISLATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
HB 23-1199 Forensic Evidence	\$799,150	\$0	\$0	\$799,150	\$0	2.0
HB 22-1289 Cover all Coloradans	451,446	0	0	451,446	0	0.0
HB 23-1309 Film Tax Credit	282,417	0	282,417	0	0	(1.3)
HB 23-1281 Advance clean hydrogen	108,078	108,078	0	0	0	0.9
SB 23-006 Create Rural Opp Office	99,191	99,191	0	0	0	1.0
SB 23-172 Protections for Workers	13,878	13,878	0	0	0	0.0
HB 23-1039 Elec resource adequacy	4,913	4,913	0	0	0	0.1
HB 22-1244 Toxic Air Contaminants	3,786	0	0	3,786	0	0.0
HB 23-1247 Assess energy solutions	3,276	0	0	(50,000)	53,276	0.0
SB 23-283 Infrastructure funding	(84,000,000)	0	(84,000,000)	0	0	0.0
SB 23-205 Universal HS Scholarships	(25,000,000)	0	(25,000,000)	0	0	0.2
HB 23-1234 Streamlined solar	(961,922)	(961,922)	0	0	0	0.0
SB 22-283 Property Tax	(81,504)	0	0	(81,504)	0	0.0
SB 23-192 Pesticide Applicators	(72,150)	0	0	(72,150)	0	0.0
HB 22-1361 Oil and Gas reporting	(61,500)	0	0	(61,500)	0	0.0
HB 22-1304 Affordable housing grants	(46,704)	0	0	(46,704)	0	0.0
HB 22-1149 AI Tax Credit	(41,931)	(41,931)	0	0	0	0.0
HB 21-1279 Occ. Therapy	(40,000)	0	0	(40,000)	0	0.0

PRIOR YEAR LEGISLATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
HB 23-1260 CHIPS	(39,314)	(39,314)	0	0	0	(0.3)
HB 23-1086 Asset Forfeiture	(22,000)	0	0	(22,000)	0	(0.2)
HB 23-1013 Restrictive practices	(12,000)	0	0	(12,000)	0	0.0
SB 23-012 Motor Carriers	(8,910)	0	0	(8,910)	0	0.0
HB 23-1267 Double Fines Trucks	(7,425)	0	0	(7,425)	0	0.0
TOTAL	(\$108,629,225)	(\$817,107)	(\$108,717,583)	\$852,189	\$53,276	2.4

PRIOR YEAR BUDGET ACTION: The request includes a net decrease of \$5.7 million total funds, including a decrease of \$1.1 million General Fund, for prior year budget actions summarized in the following table.

PRIOR YEAR BUDGET ACTION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 23-24 Data Driven decisions	\$976,990	\$0	\$0	\$976,990	\$0	10.8
FY 23-24 Emergency funds staff	43,806	43,806	0	0	0	0.4
FY 23-24 Behavioral Health	25,777	0	0	25,777	0	0.0
FY 23-24 Financial planning	20,442	20,442	0	0	0	0.2
FY 23-24 CCIA funding	10,910	10,910	0	0	0	0.2
FY 23-24 Asset Management	6,420	0	0	6,420	0	0.2
FY 23-24 IT Accessibility	(4,897,704)	(1,132,649)	0	(3,765,055)	0	(5.0)
FY 23-24 PEAK Pro	(1,049,230)	0	0	(1,049,230)	0	0.0
FY 23-24 Salary survey	(650,809)	0	(346,570)	0	(304,239)	0.0
FY 23-24 myColorado	(126,000)	0	0	(126,000)	0	0.0
FY 23-24 OIT Package	(47,570)	0	0	(47,570)	0	0.0
FY 23-24 Veterans Cybersecurity Prog.	(12,351)	0	0	(12,351)	0	0.0
TOTAL	(\$5,699,319)	(\$1,057,491)	(\$346,570)	(\$3,991,019)	(\$304,239)	6.8

NON-PRIORITIZED ITEMS: The request includes a net decrease of \$0.7 million total funds, including an increase of \$0.5 million General Fund, for the following non-prioritized request items, which are linked to decision items in other departments and common policy decisions.

NON-PRIORITIZED REQUESTS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
NP3 DPA Central services omnibus	\$1,041,449	\$445,900	\$0	\$595,549	\$0	0.0
NP2 DPA Procurement Equity Ops	114,824	0	0	114,824	0	0.0
NP1 DPA CORE operating resources	20,697	5,950	0	14,747	0	0.0
NP4 REV GenTax Support	(1,248,000)	0	0	(1,248,000)	0	0.0
NP5 HCPF Convert Contract to FTE	(586,560)	0	0	(586,560)	0	0.0
TOTAL	(\$657,590)	\$451,850	\$0	(\$1,109,440)	\$0	0.0

SUMMARY OF ISSUES PRESENTED TO THE JOINT BUDGET COMMITTEE

ONE-TIME FUNDING AUTHORIZED IN RECENT LEGISLATIVE SESSIONS: During the 2020B, 2021, 2022, and 2023 legislative sessions, the General Assembly allocated significant one-time funding to the Office of the Governor that included \$1,054.4 million originating as state General Fund and \$561.1 million originating as federal Coronavirus State Fiscal Recovery funds (ARPA funds).

ONE-TIME FUNDING AUTHORIZED IN RECENT LEGISLATIVE SESSIONS FOR CEO: During the 2021, 2022, and 2023 legislative sessions, the General Assembly allocated significant one-time funding to the Colorado Energy Office that included \$167.5 million originating as state General Fund.

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DEPARTMENT OF HEALTH CARE POLICY AND FINANCING

The Department of Health Care Policy and Financing helps pay health and long-term care expenses for low-income and vulnerable populations. To assist with these costs, the Department receives significant federal matching funds, but must adhere to federal rules regarding program eligibility, benefits, and other features, as a condition of accepting the federal money. The Department's FY 2023-24 appropriation represents approximately 37.3 percent of statewide operating appropriations and 30.0 percent of statewide General Fund appropriations.

FY 2023-24 APPROPRIATION AND FY 2024-25 REQUEST

DEPARTMENT OF HEALTH CARE POLICY AND FINANCING						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2023-24 APPROPRIATION:						
SB 23-214 (Long Bill)	\$15,434,750,224	\$4,492,248,232	\$1,768,567,113	\$105,145,754	\$9,068,789,125	776.4
Other legislation	71,998,355	33,270,426	602,078	0	38,125,851	11.5
TOTAL	\$15,506,748,579	\$4,525,518,658	\$1,769,169,191	\$105,145,754	\$9,106,914,976	787.9
FY 2024-25 REQUESTED APPROPRIATION:						
FY 2023-24 Appropriation	\$15,506,748,579	\$4,525,518,658	\$1,769,169,191	\$105,145,754	\$9,106,914,976	787.9
R1 Medical Services Premiums	596,082,486	268,968,078	98,116,763	15,098,477	213,899,168	0.0
R2 Behavioral Health	(22,964,198)	7,229,032	571,519	0	(30,764,749)	0.0
R3 Child Health Plan Plus	37,371,293	17,915,399	(3,581,375)	0	23,037,269	0.0
R4 Medicare Modernization Act	(3,024,782)	(3,024,782)	0	0	0	0.0
R5 Office of Community Living	45,002,004	28,990,641	2,467,507	0	13,543,856	0.0
R6a Provider rates	82,665,975	29,464,829	4,065,580	0	49,135,566	0.0
R6b Targeted provider rates	161,504,431	41,830,985	25,311,222	0	94,362,224	0.0
R7 Behavioral health continuum	4,409,298	945,354	318,817	0	3,145,127	1.4
R8 Eligibility process compliance	8,514,959	799,917	639,862	0	7,075,180	1.8
R9 Access to benefits	14,297,164	3,122,077	1,946,204	0	9,228,883	0.9
R10 Assessments for skilled nursing	1,938,600	484,650	0	0	1,453,950	0.0
R11 Program support	1,106,846	431,818	21,381	0	653,647	4.7
R12 Accessibility & senior dental admin	449,355	216,039	46,140	0	187,176	0.9
R13 Convert contracts to FTE	372,793	(6,606)	(3,951)	394,074	(10,724)	12.6
R14 Contract true up	2,018,390	90,668	473,690	0	1,454,032	0.0
R15 Denver Health	5,000,000	5,000,000	0	0	0	0.0
Centrally appropriated items	10,825,828	4,898,681	795,227	23,179	5,108,741	0.0
Payments to OIT	8,150,957	1,697,254	709,460	1,120,975	4,623,268	0.0
Human Services	3,757,293	2,730,433	(47,820)	0	1,074,680	0.0
Transfers to other departments	341,150	170,575	0	0	170,575	0.0
Indirect costs	266,194	0	75,450	156,732	34,012	0.0
Annualize prior year funding	(77,079,752)	28,530,884	(81,996,106)	445	(23,614,975)	(12.9)
TOTAL	\$16,387,754,863	\$4,966,004,584	\$1,819,098,761	\$121,939,636	\$9,480,711,882	797.3
INCREASE/(DECREASE)	\$881,006,284	\$440,485,926	\$49,929,570	\$16,793,882	\$373,796,906	9.4
Percentage Change	5.7%	9.7%	2.8%	16.0%	4.1%	1.2%

DESCRIPTION OF INCREMENTAL CHANGES

R1 MEDICAL SERVICES PREMIUMS [POTENTIAL LEGISLATION]: The Department requests a net increase of \$596.1 million total funds, including an increase of \$269.0 million General Fund, for projected changes in caseload, per capita

expenditures, and fund sources for the Medical Services Premiums line item. The JBC staff recommends that the JBC carry legislation to implement a federal regulation requiring Medicaid coverage for DACA recipients.

R2 BEHAVIORAL HEALTH PROGRAMS: The Department requests a net decrease of \$23.0 million total funds, including an increase of \$7.2 million General Fund, for projected changes in caseload, per capita expenditures, and fund sources for behavioral health services.

R3 CHILD HEALTH PLAN PLUS: The Department requests an increase of \$37.4 million total funds, including \$17.9 million General Fund, for projected changes in caseload, per capita expenditures, and fund sources for the Children's Basic Health Plan.

R4 MEDICARE MODERNIZATION ACT: The Department requests a decrease of \$3.0 million General Fund for the projected state obligation, pursuant to the federal Medicare Modernization Act, to pay the federal government in lieu of the state covering prescription drugs for people dually eligible for Medicaid and Medicare.

R5 OFFICE OF COMMUNITY LIVING: The Department requests a net increase of \$45.0 million total funds, including an increase of \$29.0 million General Fund, for projected changes in caseload, per capita expenditures, and fund sources for services for people with intellectual and developmental disabilities.

R6A PROVIDER RATES: The Department requests an increase of \$82.7 million total funds, including \$29.5 million General Fund, for a 1.0 percent across-the-board community provider rate increase for eligible providers. The Department indicates that funding is for the implementation of an evidence-informed practice.

R6B TARGETED PROVIDER RATES [POTENTIAL LEGISLATION]: The Department requests an increase of \$161.5 million total funds, including \$41.8 million General Fund, for targeted provider rate increases. The largest dollar increases are for dental services and for the wage component of Home- and Community-Based Services. The Department indicates that funding is for the implementation of an evidence-informed practice. As part of the proposed increase for the Primary Care Fund, the Department requests that the JBC sponsor legislation to sunset the Colorado Indigent Care Program and move some of the existing requirements to the Primary Care Fund and Healthcare Affordability and Sustainability (HAS) Fee statutes.

R6B TARGETED PROVIDER RATES					
RATE	CHANGE	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	FEDERAL FUNDS
Adjustments based on the MPRRAC Rate Review					
Dental	15 preventative codes to 100% 13 diagnostic codes to 70%	\$78,485,021	\$14,331,366	\$11,851,238	\$52,302,417
Pediatric behavioral therapies	100% of benchmark without NE	11,934,437	5,967,219	0	5,967,218
Maternity	14 preventive rates to 100% 12 other rates to 80%	7,786,537	3,893,269	0	3,893,268
Surgeries	70-100% most surgeries 100% preventive digestive & integumentary 70-125% cardiovascular to non-facility	6,773,293	1,982,002	280,956	4,510,335
Ambulatory surgery centers	Increase rates below 70% to 70%	4,002,748	1,171,284	166,034	2,665,430
Co-surgeries	Expand billable codes	1,613,031	472,005	66,908	1,074,118
Autism spectrum screening	Restore 2 codes to previous levels	1,507,144	753,572	0	753,572
Abortion	100% of benchmark	298	149	0	149
Anesthesia	100% of benchmark	(9,073,136)	(2,654,982)	(376,353)	(6,041,801)
Subtotal - MPRRAC		\$103,029,373	\$25,915,884	\$11,988,783	\$65,124,706
Other targeted rate adjustments					
Wages for HCBS	Minimum wage increase	\$53,856,751	\$13,605,949	\$13,322,439	\$26,928,363
Single Assessment Tool	Implementation cost	2,556,493	1,278,246	0	1,278,247

R6B TARGETED PROVIDER RATES					
RATE	CHANGE	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	FEDERAL FUNDS
Primary Care Fund	Serve clients 201-250% of FPL	1,113,806	556,902	0	556,904
Regional Center transitions	1-year enhanced rate for transitions	948,008	474,004	0	474,004
Subtotal - Other		\$58,475,058	\$15,915,101	\$13,322,439	\$29,237,518
TOTAL		\$161,504,431	\$41,830,985	\$25,311,222	\$94,362,224

R7 BEHAVIORAL HEALTH CONTINUUM: The Department requests \$4.4 million total funds, including \$945,354 General Fund, and 1.4 FTE in FY 2024-25 and \$4.5 million total funds and 2.0 FTE in FY 2025-26 and on-going for multiple behavioral health programs described in the table below. The Department indicates that funding for the Permanent Supportive Housing is for an evidence-informed practice and the rest of the request is for theory-informed practices.

R7 BEHAVIORAL HEALTH CONTINUUM SUMMARY					
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	FEDERAL FUNDS	FTE
Institutions of Mental Disease stays	\$2,450,304	\$582,769	\$162,017	\$1,705,518	0.0
Partial Hospitalization Program	1,025,500	243,900	67,807	713,793	0.0
Permanent Supportive Housing pilot	717,836	22,522	77,327	617,987	0.5
Value Based Payment Methodology	465,658	221,163	11,666	232,829	0.9
SUD Administrative savings	(250,000)	(125,000)	0	(125,000)	0.0
TOTAL	\$4,409,298	\$945,354	\$318,817	\$3,145,127	1.4

R8 ELIGIBILITY PROCESS COMPLIANCE: The Department requests \$8.5 million total funds, including \$799,917 General Fund, and 1.8 FTE for (1) federal database charges to automatically verify applicant income, (2) an increase in the federal match for credit bureau income verifications, (3) monitoring county administration of eligibility, and (4) managing eligibility appeals. The Department indicates that funding is for the implementation of a theory-informed practice.

R8 ELIGIBILITY PROCESS COMPLIANCE					
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	FEDERAL FUNDS	FTE
Federal charges for income verifications	\$8,036,599	\$1,245,673	\$763,477	\$6,027,449	0.0
Federal match for credit bureau income verifications	0	(594,048)	(214,502)	808,550	0.0
Monitoring county administration of eligibility	352,070	109,142	66,893	176,035	0.9
Managing eligibility appeals	126,290	39,150	23,994	63,146	0.9
TOTAL	\$8,514,959	\$799,917	\$639,862	\$7,075,180	1.8

R9 ACCESS TO BENEFITS [POTENTIAL LEGISLATION]: The Department requests an increase of \$14.3 million total funds, including \$3.1 million General Fund, primarily to add autism spectrum disorder treatments as covered services under the Children's Basic Health Plan (marketed as the Child Health Plan Plus or CHP+). The Department requests that the JBC sponsor legislation to remove a statutory prohibition on covering these treatments in CHP+.

In addition, the request includes money to: (1) continue a federal stimulus-funded program that provides training and peer-to-peer consults for primary care providers regarding client pain management; (2) continue a federal stimulus-funded FTE that provides guidance for the pain management benefit and coordinates referrals for services; and (3) research the efficacy of a nurse navigator program to improve the diagnosis, treatment, and monitoring of members in need of organ transplants. The Department indicates that funding for Autism spectrum disorder treatment in CHP+ is for a proven practice and the rest of the request is for the implementation of theory-informed practices.

R9 ACCESS TO BENEFITS					
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	FEDERAL FUNDS	FTE
Autism spectrum disorder treatment in CHP+	\$13,868,700	\$2,922,751	\$1,931,294	\$9,014,655	0.0
Pain management provider training & consults	250,000	125,000	0	125,000	0.0
Pain management referral coordinator	78,464	24,326	14,910	39,228	0.9
Plan for transplant nurse navigator program	100,000	50,000	0	50,000	0.0
TOTAL	\$14,297,164	\$3,122,077	\$1,946,204	\$9,228,883	0.9

R10 ASSESSMENTS FOR SKILLED NURSING: The Department requests \$1.9 million total funds, including \$484,650 General Fund, for needs assessments of clients for the appropriate level of skilled nursing services provided in the home or a community setting. The projected costs increase to \$10.3 million total funds, including \$2.6 million General Fund, in FY 2025-26 and on-going. The assessments would use a validated acuity tool to determine the level of care and hours of services for Private Duty Nursing, Long-Term Home Health, and Health Maintenance Activities. The Department indicates that funding is for the implementation of a theory-informed practice.

R11 PROGRAM SUPPORT: The Department requests \$1.1 million total funds, including \$431,818 General Fund, and 4.7 FTE for four initiatives previously funded with federal stimulus money: HCBS System support, Direct Care Workforce Unit, preventative care outreach analyst, and the Person-Centered Budget Algorithm. The Department indicates that funding for the preventative care outreach analyst is for a proven practice, funding for the Person-Centered Budget Algorithm and Direct Care Workforce Unit is for evidence-informed practices, and the HCBS Systems support is for a theory-informed practice.

R11 PROGRAM SUPPORT					
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	FEDERAL FUNDS	FTE
HCBS Systems support	\$400,896	\$100,224	\$0	\$300,672	2.8
Direct Care Workforce Unit	472,218	236,109	0	236,109	1.0
Preventative Care Outreach Analyst	133,632	45,435	21,381	66,816	0.9
Person-Centered Budget Algorithm	100,100	50,050	0	50,050	0.0
TOTAL	\$1,106,846	\$431,818	\$21,381	\$653,647	4.7

R12 ACCESSIBILITY & SENIOR DENTAL ADMIN: The Department requests \$449,355 total funds, including \$216,039 General Fund, and 0.9 FTE for administrative support. Of the total, \$374,355 total funds, including \$141,039 General Fund, and 0.9 FTE is for on-going costs associated with ensuring department communications are accessible to people with disabilities and compliant with H.B. 21-1110 (Colorado Laws For Persons With Disabilities). The remaining \$75,000 General Fund (increasing to \$150,000 General Fund in out years) is for contract services to assist with invoicing, reporting, and eligibility verifications for the senior dental program that provides roughly \$4.0 million per year for around 3,000 seniors at or below 250 percent of the federal poverty guidelines who do not qualify for Medicaid. Currently, eligibility is determined by grantees, invoices are tracked manually, and there are no controls to prevent overutilization of care across multiple providers. The Department believes the contract would reduce the administrative burden on providers, thereby attracting more providers, and allow more seniors to be served.

R13 CONVERT CONTRACTS TO FTE: The Department requests a net increase of \$372,793 total funds, including a decrease of \$6,606 General Fund, to convert some appropriations for contract services to state FTE. The Department argues that using state FTE will reduce turnover and knowledge drain when work is transitioned between vendors and reduce administrative burdens associated with overseeing contracts, processing invoices and payments, drafting contract documents, and initiating corrective actions. For two of the contracts, related to payment reform and the Substance Use Disorder (SUD) benefit, the Department estimates the cost of state employees would be cheaper than contract services. For the third contract, related to the Call Center, the Department believes that gains in the customer

experience and continuity of knowledge would justify the net increase in cost. The Department indicates that funding is for the implementation of a theory-informed practice.

R13 CONVERT CONTRACTS TO FTE						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Payment Reform						
FTE Costs	\$220,389	\$68,320	\$41,872	\$0	\$110,197	1.8
Contractor Cost Reductions	<u>(250,000)</u>	<u>(77,500)</u>	<u>(47,500)</u>	<u>0</u>	<u>(125,000)</u>	<u>0.0</u>
Subtotal - Payment Reform	(\$29,611)	(\$9,180)	(\$5,628)	\$0	(\$14,803)	1.8
SUD Benefit						
FTE Costs	195,235	60,522	37,093	0	97,620	1.8
Contractor Cost Reductions	<u>(250,000)</u>	<u>(77,500)</u>	<u>(47,500)</u>	<u>0</u>	<u>(125,000)</u>	<u>0.0</u>
Subtotal - SUD Benefit	(\$54,765)	(\$16,978)	(\$10,407)	\$0	(\$27,380)	1.8
Call Center						
FTE Costs	724,829	102,494	63,350	394,074	164,911	9.0
Contractor Cost Reductions	<u>(267,660)</u>	<u>(82,942)</u>	<u>(51,266)</u>	<u>0</u>	<u>(133,452)</u>	<u>0.0</u>
Subtotal - Call Center	\$457,169	\$19,552	\$12,084	\$394,074	\$31,459	9.0
TOTAL - HCPF	\$372,793	(\$6,606)	(\$3,951)	\$394,074	(\$10,724)	12.6
Other dept costs for Call Center						
Human Services	\$68,551	\$32,163	\$3	\$0	\$36,385	0.0
Public Health & Environment	1,609	0	0	0	1,609	0.0
Early Childhood	5,014	5,014	0	0	0	0.0
Office of the Governor (OIT)	<u>(586,560)</u>	<u>0</u>	<u>0</u>	<u>(586,560)</u>	<u>0</u>	<u>0.0</u>
Total - Other depts Call Center	(\$511,386)	\$37,177	\$3	(\$586,560)	\$37,994	0.0
TOTAL - All Departments	(\$138,593)	\$30,571	(\$3,948)	(\$192,486)	\$27,270	12.6

R14 CONTRACT TRUE UP: The Department requests \$2.0 million total funds, including \$90,668 General Fund, for inflation and population-related increases for two contracts. The contract for the centralized eligibility vendor pays for eligibility determinations and case maintenance for the buy-in program for people with disabilities, managing appeals, CHP+ enrollment and disenrollment, and a customer service center that processes over-the-phone requests including applications and renewals, address and income changes, and enrollment fee payments. The contract is based on a federal formula that takes into account actual allowable costs and a random moment time study of activities eligible for different federal reimbursement rates. The current vendor is Denver Health. The contract for host home inspections pays for biannual visits to ensure residential placements for people with developmental disabilities meet health and safety requirements. The original funding for the contract assumed 1,700 host homes and a cost per inspection of \$75. The Department projects 2,300 host homes and an inspection rate of \$120. The Department indicates that funding is for the implementation of a theory-informed practice.

R15 DENVER HEALTH [REQUIRES LEGISLATION]: The Department requests that the JBC sponsor legislation authorizing a one-time payment of \$5.0 million General Fund to Denver Health for uncompensated care costs.

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

PAYMENTS TO OIT: The Department has a relatively large increase in payments to the Office of Information Technology in the Governor's Office that includes both the Department's share of statewide information technology

services and the share for the Colorado Benefits Management System that provides eligibility determination and case management services for safety net programs across multiple agencies.

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

TRANSFERS TO OTHER DEPARTMENTS: The Department requests an increase of \$341,150 total funds, including \$170,575 General Fund, for transfers to programs administered by other departments.

INDIRECT COSTS: The Department requests an increase of \$266,194 total funds for statewide indirect cost assessments.

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

The largest increases are for:

- *FY 23-24 R7 Rate adjustment* that included mid-year rate increases and an annualization to account for services billed in FY 2023-24 that are not paid until FY 2024-25;
- *FY 23-24 R13 Case management redesign* for case management rate increases that were phased in over the course of FY 2023-24; and
- *FY 23-24 BA7 Community-based access to services* that attempted to shore up services for people with disabilities, including implementing Community First Choice, in response to a Department of Justice finding.

The largest decreases are for annualizations of the following:

- *FY 22-23 BA10 HCBS ARPA* for the expiration of some of the spending authority related to one-time federal HCBS Improvement funds;
- *FY 23-24 BA6 PHE Funding* for the expiration of one-time funds provided for eligibility redeterminations associated with the end of Medicaid continuous eligibility; and
- *FY 23-24 Primary Care Fund* for the expiration of a one-time appropriation, initiated by the JBC, for the primary care grant program that provides money to federally qualified health centers and other primary care providers where at least 50.0 percent of the patients served are uninsured or medically indigent. The Department proposes \$1.1 million on-going for the Primary Care Fund as part of the targeted provider rate increases in R6b described above.

ANNUALIZE PRIOR YEAR FUNDING						
ISSUE	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROP FUNDS	FEDERAL FUNDS	FTE
FY 23-24 R7 rate adjustment	\$34,488,064	\$28,039,035	(\$11,520,984)	\$0	\$17,970,013	0.0
FY 23-24 R13 Case management redesign	16,304,243	11,348,498	(3,504,028)	0	8,459,773	0.0
FY 23-24 BA7 Community-based access to services	10,722,858	7,835,809	(2,974,232)	0	5,861,281	13.0
HB 23-1228 Nursing rate setting	6,686,107	3,965,695	0	0	2,720,412	0.0
HB 22-1302 Health practice transformation	2,474,468	1,222,224	0	0	1,252,244	(7.0)
HB 23-1300 Continuous eligibility	1,920,576	326,681	0	0	1,593,895	4.1
FY 23-24 R9 Advancing birthing equity	970,921	488,260	0	0	482,661	0.0
FY 23-24 R6 Primary care value based payments	638,317	242,127	26,425	0	369,765	0.0
FY 22-23 BA13 Medicaid for Connect 4 Health	532,136	0	237,865	0	294,271	0.0
SB 21-038 Expansion Complementary & Alt Medicine	491,635	128,063	117,754	0	245,818	(1.0)

ANNUALIZE PRIOR YEAR FUNDING						
ISSUE	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROP FUNDS	FEDERAL FUNDS	FTE
SB 23-002 Medicaid reimbursement for cmty health service	459,773	69,887	0	0	389,886	0.6
FY 23-24 Remove adult dental cap	419,096	0	132,184	0	286,912	0.0
HB 22-1114 Trans services for Medicaid waiver	319,084	323,718	(19,833)	0	15,199	0.0
SB 21-039 Elimination of subminimum wage employment	259,725	129,862	0	0	129,863	0.0
FY 23-24 Early Intervention services	141,498	84,050	0	0	57,448	0.0
FY 23-24 R12 BH Eligibility and claims processing	130,666	130,666	0	0	0	2.0
HB 22-1068 Therapy using equines	123,220	61,610	0	0	61,610	0.0
HB 22-1290 Wheelchair repairs	40,482	20,242	0	0	20,240	0.0
HB 23-1130 Drug coverage for serious mental illness	26,427	13,213	0	0	13,214	0.2
SB 23-261 Direct care workforce stabilization board	22,272	11,136	0	0	11,136	0.4
HB 23-1226 Hospital transparency and reporting	14,005	0	7,002	0	7,003	0.3
SB 23-172 Protecting opportunities and workers rights	10,331	10,331	0	0	0	0.0
HB 23-1136 Prosthetic devices	9,092	1,687	1,496	0	5,909	0.0
FY 22-23 R13 Compliance FTE	4,900	2,450	0	0	2,450	0.0
FY 23-24 BA20 Clinical navigation services	4,655	2,327	0	0	2,328	0.2
SB 23-298 Allow public hospital collab agreements	4,153	0	2,076	0	2,077	0.2
FY 23-24 R10 Youth complex and co-occurring needs	1,678	885,554	(884,715)	0	839	0.4
FY23-24 R14 Convert contracts to FTE	732	242	124	0	366	0.3
FY 23-24 Speech therapy funding	0	6,695	0	0	(6,695)	0.0
FY 22-23 BA10 HCBS ARPA	(78,056,447)	0	(62,061,809)	0	(15,994,638)	(32.9)
FY 23-24 BA6 PHE Funding	(24,190,723)	(5,657,528)	(2,146,802)	0	(16,386,393)	0.0
FY 23-24 Primary Care Fund	(14,030,868)	(7,000,000)	0	0	(7,030,868)	0.0
FY 23-24 NP1 Housing vouchers	(9,001,786)	(4,549,261)	0	0	(4,452,525)	0.0
FY 23-24 BA8 ARPA HCBS adjustments	(6,700,098)	0	(830,612)	0	(5,869,486)	11.3
FY 23-24 R6 Value based payments	(4,829,661)	(978,233)	(27,305)	0	(3,824,123)	0.0
FY23-24 NPBA1 IT Accessibility	(2,933,182)	(1,145,158)	(297,857)	(5,431)	(1,484,736)	0.0
FY 22-23 NPBA4 Nursing facility transfers	(2,888,664)	(1,444,332)	0	0	(1,444,332)	0.0
HB 22-1289 Child and pregnant health benefits	(2,880,514)	(1,940,258)	7,519	0	(947,775)	1.3
FY 23-24 Denver Health payments	(1,000,000)	(1,000,000)	0	0	0	0.0
FY 23-24 Rural provider access	(1,000,000)	(1,000,000)	0	0	0	0.0
FY 23-24 R11 Compliance	(940,988)	(249,523)	6,021	0	(697,486)	0.6
SB 21-286 Distribution FF HCBS	(758,098)	0	(379,049)	0	(379,049)	(5.0)
FY 22-23 R9 OCL prog enhancements	(677,650)	(338,825)	0	0	(338,825)	0.0
FY 23-24 R8 Cost and quality indicators	(555,450)	35,223	6,481	0	(597,154)	0.0
FY 22-23 R14 MMIS Funding adj	(554,109)	55,461	16,936	0	(626,506)	0.0
SB 21-025 Family Planning Srv 4 Eligible Individuals	(551,269)	(227,925)	635	0	(323,979)	0.0
HB 23-1215 Limits on hospital facility fees	(516,950)	(535,613)	0	0	18,663	0.0
FY 23-24 Federal match trueup	(370,618)	279,314	2,266,103	4,500	(2,920,535)	0.0
FY 23-24 BA19 Alternative payment method	(361,492)	(96,598)	(20,672)	0	(244,222)	0.0
SB 18-145 Employment first recommendations	(331,200)	(331,200)	0	0	0	(0.5)
FY 22-23 BA9 eConsult program	(265,154)	(93,687)	(168,922)	0	(2,545)	0.0
FY 23-24 BA11 BH Crisis response funding	(203,040)	(203,040)	0	0	0	0.0
SB 22-196 Health for people in criminal justice	(129,422)	(64,711)	0	0	(64,711)	(1.0)
HB 22-1325 Primary care alternative payment	(127,125)	(127,125)	0	0	0	0.0
SB 23-288 Coverage for doula services	(100,000)	(100,000)	0	0	0	0.0
FY 22-23 R7 Utilization management	(97,300)	(27,924)	(5,966)	0	(63,410)	0.0
SB 22-106 Conflict interest behavioral health	(86,184)	(43,092)	0	0	(43,092)	(1.0)
HB 23-1197 Stakeholder process oversight host home	(75,000)	(37,500)	0	0	(37,500)	0.0
FY 19-20 R9 LTHH/PDN Clinical assessment tool	(50,000)	(25,000)	0	0	(25,000)	0.0
FY 23-24 Salary survey	(28,035)	(10,789)	(2,062)	(413)	(14,771)	0.0
FY 23-24 NPBA2 Promoting equity thru tech	(9,582)	38,275	20,121	1,789	(69,767)	0.5
HB 23-1295 Audits of HCPF pymts to providers	(257)	(129)	0	0	(128)	0.1
Total	(\$77,079,752)	\$28,530,884	(\$81,996,106)	\$445	(\$23,614,975)	(12.9)

SUPPLEMENTALS

SET ASIDE FOR SUPPLEMENTALS: The Governor's budget letter includes a set aside in FY 2023-24 of \$29.2 million General Fund for potential supplementals. The letter does not detail how the Governor arrived at this net amount. Although the Governor's official supplemental request is not due until January 2024, the budget request for the Department includes projected FY 2023-24 impacts associated with the following requests.

FY 2023-24 SUPPLEMENTALS					
	TOTAL FUNDS	General Funds	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
R1 Medical Services Premiums	(\$81,594,992)	(\$5,745,819)	\$38,058,450	\$1	(113,907,624)
R2 Behavioral Health	(53,162,938)	(6,608,720)	(1,370,302)	0	(45,183,916)
R3 Child Health Plan Plus	(6,859,998)	4,717,761	(6,307,621)	0	(5,270,138)
R4 Medicare Modernization Act	(5,315,525)	(5,315,525)	0	0	0
R5 Office of Community Living	(19,448,163)	(8,937,575)	2,400,269	0	(12,910,857)
R14 Contract increases	1,974,480	0	521,534	0	1,452,946
TOTAL	(\$164,407,136)	(\$21,889,878)	\$33,302,330	\$1	(175,819,589)

TRANSPORTATION PROVIDER CREDENTIALING AND REVIEWS: After the November 1 budget request, the Department submitted an interim supplemental request for \$1,313,618 total funds, including \$394,085 General Fund, and 0.6 FTE related to non-emergent medical transportation (NEMT). It is not clear if the request is from the \$29.2 million General Fund the Governor set aside statewide for supplemental adjustments, or if it is in addition to that amount. The requested funding would increase benefit oversight in response to a suspected fraud scheme, including hiring a vendor for a statewide credentialing process, contracting with a vendor for pre- and post-payment claims reviews and analysis of how to mitigate vulnerabilities, and employing temporary staff to help providers navigate new screening requirements, manage the high volume of payment reviews to minimize backlogs, and coordinate with law enforcement investigating the alleged fraud.

The Department has seen dramatic increases in NEMT providers and utilization and received troubling reports. An example includes a report of a provider bribing Medicaid members at a homeless shelter to enter a vehicle in excess of the vehicle's capacity limits and to provide their Medicaid identification number. Allegedly, this provider then drove the clients from Pueblo to Denver to a methadone clinic. The clients were active Medicaid members and transportation to a methadone clinic is an eligible service covered by Medicaid, but the described number of people transported and the distance traveled when there were closer options would not be legal. Some of the alleged bribes were paid in the form of drugs, according to this report. The Department is concerned that clients are at risk as well as payments.

At the same time the Department is implementing rigorous new oversight measures, there are clients that need access to services and legitimate providers that need to get paid in a timely manner. The requested additional administrative resources are intended to keep disruptions to clients and legitimate providers at a minimum.

The staff recommendation on the interim supplemental will be presented December 20, 2023.

SUMMARY OF ISSUES PRESENTED TO THE JOINT BUDGET COMMITTEE

FORECAST TRENDS: Requests R1 through R5 are based on the Department's most recent forecasts of enrollment and expenditures under current law and policy. Combined they drive a \$652.5 million increase in total funds, including a \$320.1 million increase in General Fund, in FY 2024-25. Of the new funds proposed for FY 2024-25, the forecast

requests represent 74.1 percent of the total funds increase and 72.7 percent of the General Fund increase. These requests explain what drives the budget, but they are non-discretionary, as they represent the expected obligations under current law and policy. It would take a change to current law or policy to change the trends.

PROVIDER RATES: The Department requests \$244.2 million total funds, including \$71.3 million General Fund, for provider rate increases. This includes an increase of \$82.7 million total funds, including \$29.5 million General Fund, for a 1.0 percent increase for eligible providers and \$161.5 million total funds, including \$41.8 million General Fund, for targeted rate increases, primarily for dental services and wages for Home- and Community-Based Services.

ONE-TIME FUNDS: During the 2020 special session, 2021, 2022, and 2023 legislative sessions, the General Assembly allocated significant one-time funding to the Department of \$597.6 million.

DENVER HEALTH: The Department asserts that Denver Health's financial structure is "unsustainable" and that immediate funding is needed. In R15 Denver Health the Department requests that the JBC sponsor legislation to authorize a one-time \$5.0 million General Fund payment to Denver Health.

BEHAVIORAL HEALTH REQUESTS: The Department request for Behavioral Health Community Programs includes a forecast adjustment (R2) and one prioritized request to increase resources across the behavioral health continuum (R7). The overall request includes a net decrease of \$18.7 million total funds, including an increase of \$8.1 million General Fund, for behavioral health programs.

CERTIFIED COMMUNITY BEHAVIORAL HEALTH CLINICS: A Certified Community Behavioral Health Clinic (CCBHC) model provides federal incentives for comprehensive behavioral health safety net providers. The Department indicates a commitment to apply for the next round of federal planning grants to pursue implementation of a CCBHC model, but also notes implementation challenges.

R5 OFFICE OF COMMUNITY LIVING CASELOAD: This issue focuses on the caseloads of the four Medicaid waivers administered by the Office of Community Living including: The Comprehensive (DD) Waiver, the Supported Living Services (SLS) Waiver, the Children's Extensive Support (CES) Waiver, and the Children's Residential (CHRP) Waiver. The issue brief also focuses on the Comprehensive (DD) Waiver waitlist, the history of the waitlist, and what is needed to reduce the waitlist based on previous years and forecasts for future years.

R9 ACCESS TO BENEFITS: ASD TREATMENT: This issue brief provides an overview of the Department's request to bring the Child Health Plan Plus (CHP+) program into parity with other health insurance policies by providing coverage for Autism Spectrum Disorder (ASD) treatments.

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DEPARTMENT OF HIGHER EDUCATION

The Department of Higher Education is responsible for higher education and technical training programs in the state. The Department's FY 2023-24 appropriation represents 14.1 percent of statewide operating appropriations and 10.3 percent of statewide General Fund appropriations.

FY 2023-24 APPROPRIATION AND FY 2024-25 REQUEST

DEPARTMENT OF HIGHER EDUCATION						
	TOTAL FUNDS	GENERAL FUND ¹	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2023-24 APPROPRIATION:						
SB 23-214 (Long Bill)	\$5,798,810,576	\$1,502,218,202	\$3,082,301,297	\$1,187,840,403	\$26,450,674	26,753.9
Other legislation	55,137,818	53,582,341	370,140	1,185,337	0	4.8
TOTAL	\$5,853,948,394	\$1,555,800,543	\$3,082,671,437	\$1,189,025,740	\$26,450,674	26,758.7
FY 2024-25 REQUESTED APPROPRIATION:						
FY 2023-24 Appropriation	\$5,853,948,394	\$1,555,800,543	\$3,082,671,437	\$1,189,025,740	\$26,450,674	26,758.7
R1 State funding increase for higher education	73,238,766	41,228,791	0	32,009,975	0	0.0
R2 Tuition spending authority	107,951,229	0	107,951,229	0	0	0.0
R3 Fort Lewis Native American tuition waiver	(480,011)	(480,011)	0	0	0	0.0
R4 Dept of HiEd salary adjustment	145,770	145,770	0	0	0	0.0
HC1 Collections care and storage lease	500,000	500,000	0	0	0	0.0
HC2 Historic property affordable housing	102,840	102,840	0	0	0	0.9
HC3 250-150 Commission outreach	500,000	500,000	0	0	0	0.0
HC4 Adobe maintenance manager	104,351	104,351	0	0	0	0.9
HC5 Cumbres Toltec fire mitigation	500,000	500,000	0	0	0	0.0
HC6 Community museums	150,000	0	150,000	0	0	0.0
HC7 COP sequestration	44,817	0	44,817	0	0	0.0
HC8 Strategic initiatives spending authority	846,082	0	846,082	0	0	0.0
HC9 Indian boarding school research	333,333	333,333	0	0	0	2.0
T1 AHEC spending authority	4,345,063	0	0	4,345,063	0	0.0
T2 Depreciation lease equivalent	1,565,337	1,565,337	0	0	0	0.0
T22 Colorado Geological Survey	135,765	37,471	98,294	0	0	0.0
Centrally appropriated line items	3,246,011	1,799,775	1,614,665	(550,737)	382,308	0.0
Annualize prior year legislation	(52,111,570)	(49,916,495)	(2,195,075)	0	0	(2.3)
Annualize prior year budget actions	(5,282,229)	(3,327,543)	(1,900,000)	0	(54,686)	(12.0)
TOTAL	\$5,989,897,119	\$1,548,968,083	\$3,189,320,699	\$1,224,830,041	\$26,778,296	26,748.2
INCREASE/(DECREASE)	\$135,948,725	(\$6,832,460)	\$106,649,262	\$35,804,301	\$327,622	(10.5)
Percentage Change	2.3%	(0.4%)	3.5%	3.0%	1.2%	(0.0%)

¹ Includes General Fund Exempt.

R1 STATE FUNDING INCREASE FOR HIGHER EDUCATION: The request includes an increase of \$41,228,791 General Fund for public higher education institutions and financial aid. This includes an increase of \$33,371,845 General Fund (2.9 percent) for the public institutions of higher education, including \$32,009,977 for stipends and fee-for-service contracts reappropriated to the ten state governing boards, and \$1,361,868 for grants to local district colleges and area technical colleges. Consistent with statutory requirements for aligned funding increases, it also includes a total of \$7,803,012 for financial aid, including \$3,803,012 General Fund for Need Based Grants and \$4,000,000 for the Colorado Opportunity Scholarship Initiative (COSI), as well as \$53,934 to increase stipends for students attending

private institutions. The request also proposes that \$1.5 million of the increase for Need Based Grants and COSI be redirected to fund a financial aid program for homeless youth, if the JBC is willing to sponsor such legislation.

Funding for the institutions is allocated using the new funding formula established by H.B. 20-1366 (Higher Education Funding Allocation Model). The request uses solely the Performance section of the model, which compares institutions' performance changes over time with the performance changes of other institutions in eight areas: resident FTE enrollment, credential production, Pell eligible enrollment, underrepresented minority enrollment, retention rate, graduation rate in 100.0 percent of time, graduation rate in 150.0 percent of time, and first generation enrollment. This portion of the request incorporates base funding for the state institutions plus 2.9 percent, and includes increases ranging from a low of 2.4 percent to a high of 4.0 percent by governing board from all components of the model. The local district colleges and the area technical colleges receive the average increase of 2.9 percent.

The request leaves the College Opportunity Fund (COF) stipend at the current \$116 per credit hour or \$3,480 per year for a full time, full year (30 credit hour) student. All increases would be to fee-for-service contracts with the institutions.

The request indicates that funding for the governing boards is theory informed (intended to result in participation and completion of postsecondary education). It identifies the Colorado Opportunity Scholarship Initiative as a proven practice, given studies that show significantly better outcomes for COSI scholars.

R2 TUITION SPENDING AUTHORITY: The request is to limit resident undergraduate tuition increases to 2.0 percent. The request also assumes a 6.5 percent increase in nonresident tuition, although this does not reflect a limit. Based on these assumptions, the request includes an increase of \$108.0 million in cash funds spending authority for tuition revenue. JBC Staff anticipates that, consistent with statute and past practice, amounts in the FY 2024-25 Long Bill will be based on additional information about FY 2023-24 tuition revenue and FY 2024-25 enrollment estimates, as well as the final assumptions the Committee adopts about tuition rates. Tuition rate assumptions will be identified in Long Bill footnotes.

R3 FORT LEWIS NATIVE AMERICAN TUITION WAIVER: The request includes a decrease of \$480,011 General Fund (10.2 percent) for the Fort Lewis College Native American tuition waiver. This will bring total waiver payments to \$21,784,847 General Fund. Waiver payments are mandated by Section 23-52-105 (1)(b)(I), C.R.S., which requires the General Assembly to fund 100.0 percent of the tuition obligations for qualifying Native American students attending Fort Lewis College. Funding for the tuition waiver is made one year in arrears and is calculated based on prior year enrollment estimates. Almost all funds support nonresident tuition payments for Native American students who are not Colorado residents; however, the majority of these students are from tribes with historical ties to the State. This figure is expected to be adjusted based on information received later in the fiscal year. JBC Staff notes that Fort Lewis College increased its nonresident tuition rate for FY 2024-25 by 5.5 percent, which is estimated to require \$1.1 million more in General Fund for the FY 2025-26 tuition waiver than would otherwise be required, since the waiver is paid in arrears.

R4 DEPARTMENT OF HIGHER EDUCATION SALARY ADJUSTMENT: The request includes \$145,770 General Fund ongoing for a departmental salary adjustment for existing staff. The Department has struggled with high turnover and vacancy rates in recent years, which it largely attributes to non-competitive salaries. In FY 2023-24, the Department received \$50,000 General Fund to increase the salary for the chief financial officer and chief research officer positions, and \$50,000 General Fund to increase other staff salaries to make progress towards increasing staff retention and hiring with the expectation that the Department would solicit support from the Department of Personnel to provide comparative analysis of its salaries. The Committee should note that the Department submitted a request for \$256,047

General Fund for FY 2023-24 to increase salaries. It is staff's understanding that the Committee denied the majority of the request at that time primarily because of a lack of data to support the request.

For the current request, the Department contracted with the Department of Personnel to analyze the reporting structure and five primary duties of each employee, identify the equivalent classified position for each, and utilize the FY 2024-25 pay plan to compare the salaries. Based on an assumption that the average tenure of an employee with the Department will be 6.2 years in FY 2024-25, it was determined that 55.3 percent, or 21 of 38 of the Department's General Funded permanent positions would be paid below the equivalent classified position absent the increases requested in R4. The Department's request amounts to the sum of the salary difference for each lower-paid position and its equivalent classified position salary.

HC1 COLLECTIONS CARE AND STORAGE LEASE: The request includes \$500,000 General Fund for History Colorado ongoing to lease a new facility to house the State's archival collection and also requests legislative authority to sell its current storage facility once a suitable location has been identified. History Colorado plans to share the facility with State Archives and possibly other state agencies, and aims to pursue a lease with a purchase option for the facility within 10 years if deemed beneficial to the state.

HC2 HISTORIC PROPERTY AFFORDABLE HOUSING: The request includes \$102,840 General Fund and 0.9 FTE in FY 2024-25, annualizing to \$105,064 General Fund and 1.0 FTE in FY 2025-26, for History Colorado to hire a position dedicated to providing technical assistance and consultation to property owners and community leaders on the use of vacant and underutilized historic properties for affordable and workforce housing. Currently, preservation programs staff maintain a list of historic properties and provide assistance in the evaluation of properties, programs, activities and actions to address property preservation. However, they do not currently provide consultation services specific to affordable housing.

HC3 250-150 COMMISSION OUTREACH: The request includes, on behalf of the America 250 – Colorado 150 Commission, a \$500,000 one-time General Fund appropriation in FY 2024-25 for the purpose of outreach (\$250,000), advertising (\$150,000), and fundraising activities (\$100,000) in support of the upcoming milestones in 2026: the 250th anniversary of the signing of the Declaration of Independence, and Colorado's 150th anniversary of statehood. The Commission also requests the creation of a term-limited and continuously appropriated cash fund for the General Fund appropriation as well as for donations and earned revenue received from the sale of commemorative items. Sales of merchandise and commemorative products would support community grants across the state to assist with local 250-150 commemorations. As proposed, the cash fund would repeal at the end of FY 2026-27.

The Commission consists of 15 members and was established in S.B. 22-011 (America 250 – Colorado 150 Commission) to develop and promote plans for the 250-150 commemoration between July 1, 2025, and December 31, 2026. The General Assembly provided \$151,503 General Fund annually to provide funding for an FTE, in-person community engagement, and limited operating expenses. The General Assembly provided an additional one-time appropriation of \$500,000 General Fund for this purpose as part of S.B. 23-297 (America 250 Colorado 150 Commission) for the current fiscal year, the majority of which will be applied to fundraising efforts.

HC4 ADOBE MAINTENANCE MANAGER COST BENDING FTE: The request includes \$104,351 General Fund and 0.9 FTE in FY 2024-25, annualizing to \$112,921 General Fund and 1.0 FTE in FY 2025-26 and ongoing, for History Colorado to hire an adobe maintenance manager to oversee maintenance for its nine adobe structures. History Colorado believes this position could address over \$150,000 worth of maintenance in-house within the first year and \$225,000 per year thereafter (with those cost estimates based on contracting for the work rather than doing it in-house). Absent this position, History Colorado anticipates that capital requests for adobe projects would require \$4.4 million over the next 5 years but asserts that this position could reduce that reliance by \$1.5 million over the 5 years.

HC5 CUMBRES TOLTEC FIRE MITIGATION: The request includes, on behalf of the Cumbres & Toltec Scenic Railroad, a \$500,000 one-time General Fund appropriation to support fire mitigation efforts for History Colorado. Funding would be utilized to clear vegetation adjacent to the railroad (\$445,000) and to replace and upgrade fire mitigation equipment (\$55,000) including the replacement of one highway brush truck and upgrades to rail mounted fire mitigation equipment. Both the highway brush truck and fire mitigation equipment are more than 30 years old. In June 2022, drought conditions forced a temporary closure to railroad operations due to wildfire concerns which resulted in the loss of \$750,000 in operating revenue for the railroad, setting it back on its goal of eventual self-sustainability.

HC6 COMMUNITY MUSEUMS: The request includes \$150,000 cash fund spending authority in FY 2024-25 and ongoing from the Community Museum Earned Revenue Cash Fund for History Colorado. Funding would be utilized to invest in marketing, engagement, and exhibits to increase attendance and, therefore, revenue. Currently, the largest share of Community Museum earned revenue (approx. 40.0 percent) flows through event rentals at the Grant Humphreys Mansion with the Ute Indian Museum generating the second highest earned revenue. This request represents a 15.0 percent increase in operating funds and is anticipated to boost revenue by 3.0 percent according to the request. The majority of increased revenue is anticipated to be derived from admissions, programming fees, and gift shop sales. According to the request, distribution of the additional funding would be as follows (sorted from largest to smallest percent increase):

HC6 COMMUNITY MUSEUM IMPACT			
MUSEUM	FY24 OPERATING BUDGET	REQUESTED INCREASE	PERCENTAGE INCREASE
Trinidad	\$30,100	\$14,900	49.5%
Colorado Center for Women's History	54,800	17,200	31.4%
El Pueblo	79,300	21,600	27.2%
Fort Garland	63,250	17,600	27.8%
Grant Humphreys Mansion	108,400	14,500	13.4%
Healy House	14,550	9,000	61.9%
Ute Indian Museum	148,800	21,000	14.1%
Community Museum Admin	514,950	34,200	6.6%
Total	\$1,014,150	\$150,000	14.8%

HC7 COP SEQUESTRATION: The request includes \$44,817 cash funds in FY 2024-25, annualizing to \$42,208 cash funds in FY 2025-26, to pay for the History Colorado Center annual sequestration interest payment as part of the S.B. 08-206 Certificate of Participation (COP) payment. Savings from construction of the Judicial Center and History Colorado were set aside to make sequestration interest payments; however, those funds have been exhausted.

HC8 STRATEGIC INITIATIVES SPENDING AUTHORITY: The request includes spending authority of \$846,082 cash funds from the remaining balance of the Historic Society Strategic Initiative Fund (HSSI Fund) which was created in S.B. 22-216 (Reallocation of Limited Gaming Revenues), for History Colorado. During the 2022 legislative session, S.B. 22-216 resulted in adjustments to the limited gaming revenue distribution formula and transferred \$3.0 million into the HSSI Fund for strategic initiatives to strengthen History Colorado's financial position through expanding statewide impacts and increasing earned revenue. The fund exists through FY 2026-27.

HC9 INDIAN BOARDING SCHOOL RESEARCH: The request includes \$333,333 General Fund, to be continued at the same level for two additional years, and 2.0, 3-year limited FTEs for History Colorado. The funding would support research, tribal consultation, and listening sessions with American Indian/Alaska Native (AI/AN) communities on the history and impact of Federal Indian Boarding Schools in Colorado. This request builds on recommendations made at the conclusions of research commissioned in H.B. 22-1327 (Native American Boarding School Research

Program Act). The final report was issued to the Colorado Commission of Indian Affairs on June 30, 2023, and made publicly available on October 3, 2023. The request identifies three main focuses of the continued funding:

- Answer outstanding archival and physical research questions about Federal Indian Boarding Schools in Colorado.
- Conduct oral history work to include the voice of impacted Native populations.
- Conduct additional tribal consultations with 33 Tribal Nations including listening sessions with AI/AN communities to address and plan for the care and memorialization at the sites, support impacted communities, and increase education for impacted communities as well as for Coloradans in general.

T1 AHEC SPENDING AUTHORITY: The request increases spending authority for the Auraria Higher Education Center by \$4.3 million reappropriated funds received from the institutions operating on the Auraria campus (University of Colorado – Denver, Metropolitan State University of Denver, and the Community College of Denver). A supplemental request may be submitted in January 2024 to address spending authority for the current fiscal year.

T2 DEPRECIATION LEASE EQUIVALENT: The request includes an increase of \$1,565,337 General Fund for the annual depreciation lease equivalent payment for higher education, bringing the total for higher education to \$12,550,234 General Fund. This mechanism for supporting capital construction is based on the depreciation of new construction and renovations funded by the General Assembly since FY 2015-16.

T22 COLORADO GEOLOGICAL SURVEY: The request includes an increase of \$135,765 total funds, including \$37,471 General Fund and \$98,284 cash funds from Severance Tax funds. This represents a 5.6 percent increase in the operating budget to address inflationary pressure.

NON-PRIORITIZED REQUESTS: The request includes adjustments to centrally appropriated line items related to the Central Services Omnibus Request made by the Department of Personnel as well as for CORE Operating Resources. Requests have been made separately for the Department of Higher Education and History Colorado.

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

ANNUALIZE PRIOR YEAR LEGISLATION: The request includes a net reduction of \$52.1 million total funds, including \$49.9 million General Fund, throughout the Department to reflect the FY 2024-25 impact of bills passed in previous legislation sessions, summarized in the following table. The request does not annualize the impact of S.B. 21-213 (Use of Increased Medicaid Match) for FY 2024-25. This JBC bill was designed to provide General Fund savings in the amount of the enhanced federal Medicaid match available during the pandemic. The calculation is in arrears. Staff’s preliminary analysis is that annualizing this bill, as originally anticipated, will require \$9,848,974 General Fund for FY 2024-25 and an additional \$2,009,995 for FY 2025-26 to replace General Fund that was reduced due to the enhanced federal Medicaid match during the pandemic. Governor’s Office staff has indicated that this omission was deliberate.

ANNUALIZE PRIOR YEAR LEGISLATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
SB 23-031 Health-care Access Older Coloradans	\$1,165,428	\$1,165,428	\$0	\$0	\$0	0.0
HB 23-1246 Support in-demand career workforce	(43,600,000)	(43,600,000)	0	0	0	0.0
HB 23-1060 State Forest Service Tree Nursery	(5,577,575)	(5,382,500)	(195,075)	0	0	(1.5)
HB 21-1317 Regulating Marijuana Concentrates	(2,000,000)	0	(2,000,000)	0	0	0.0
HB 23-1244 Regional health connector	(1,500,000)	(1,500,000)	0	0	0	(0.8)

ANNUALIZE PRIOR YEAR LEGISLATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
SB 23-005 Forestry and wildfire mitigation workforce	(414,232)	(414,232)	0	0	0	0.0
SB 23-149 Financial Aid for Youth Mentors	(100,000)	(100,000)	0	0	0	0.0
HB 23-1237 Inclusive Language in Emergencies	(77,009)	(77,009)	0	0	0	0.0
HB 23-1220 Study Republican River	(8,182)	(8,182)	0	0	0	0.0
TOTAL	(\$52,111,570)	(\$49,916,495)	(\$2,195,075)	\$0	\$0	(2.3)

ANNUALIZE PRIOR YEAR BUDGET ACTIONS The request includes a decrease of \$5.3 million to reflect the FY 2024-25 impact of prior year budget actions related to salary survey, IT accessibility adjustments for both the Department and History Colorado, and the removal of one-time funding related to decision items in FY 2023-24.

ANNUALIZE PRIOR YEAR BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 23-24 IT Accessibility adjustment	(\$2,316,355)	(\$1,916,355)	(\$400,000)	\$0	\$0	(12.0)
FY 23-24 HC R1 Strategic Initiatives	(1,500,000)	0	(1,500,000)	0	0	0.0
FY 23-24 IT Accessibility adjustment	(911,188)	(911,188)	0	0	0	0.0
FY 23-24 HC4 250/150 Commission	(500,000)	(500,000)	0	0	0	0.0
FY 23-24 salary survey	(54,686)	0	0	0	(54,686)	0.0
TOTAL	(\$5,282,229)	(\$3,327,543)	(\$1,900,000)	\$0	(\$54,686)	(12.0)

SUMMARY OF ISSUES PRESENTED TO THE JOINT BUDGET COMMITTEE

R1 STATE FUNDING INCREASE FOR HIGHER EDUCATION AND R2 TUITION SPENDING AUTHORITY: The FY 2024-25 higher education request includes a 2.9 percent increase in state support for the governing boards and aligned increases for financial aid at a cost of \$41.2 million General Fund. It also includes a proposed 2.0 percent cap on increases in resident undergraduate tuition.

UPDATE ON INCREASING AWARENESS ABOUT FINANCIAL AID AND DEVELOPING A COLORADO PROMISE PROGRAM: The actual cost of college is a barrier for many students, but the perceived cost of college is also a barrier that discourages potential students from applying, even when they would qualify for financial aid. The Department of Higher Education has begun work with higher education institutions to identify unified statewide facts and messaging about the cost of college for low-income students.

COLORADO FINANCIAL AID ALIGNMENT: Statute requires that annual appropriations for student financial assistance increase by at least the same percentage as the aggregate percentage increase of all General Fund appropriations to institutions of higher education. Appropriations for higher education institutions that are included in new legislation often receive one-off statutory exemptions.

HISTORY COLORADO BACKGROUND AND HC1 FACILITY LEASE: This issue brief gives an overview of History Colorado establishment, funding, and financial history as it pertains to its request for \$500,000 General Fund ongoing to lease a facility to replace its North Storage facility.

DEPARTMENT OF HIGHER EDUCATION DATA BREACH: This issue brief gives an update on the cybersecurity incident at the Colorado Department of Higher Education. On August 4, 2023, the Colorado Department provided notice of a cybersecurity incident potentially involving personal information of certain individuals. The Department

became aware of the ransomware incident on June 19, 2023, the full scope of which has not been made publicly available for security reasons.

ONE-TIME FUNDING AUTHORIZED IN RECENT LEGISLATIVE SESSIONS: During the 2021, 2022, and 2023 legislative sessions, the General Assembly allocated significant one-time funding to the Department of Higher Education that included \$95.3 million originating as state General Fund and \$180.2 million originating as federal Coronavirus State Fiscal Recovery funds (ARPA funds). Federal ARPA funds must be obligated by December 30, 2024 and expended by December 31, 2026.

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DEPARTMENT OF HUMAN SERVICES

The Department of Human Services is responsible for the administration and supervision of most non-medical public assistance and welfare programs in the state. The Department's FY 2023-24 appropriation represents approximately 5.7 percent of statewide operating appropriations and 6.7 percent of statewide General Fund appropriations.

FY 2023-24 APPROPRIATION AND FY 2024-25 REQUEST

DEPARTMENT OF HUMAN SERVICES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2023-24 APPROPRIATION:						
SB 23-214 (Long Bill)	\$2,349,420,362	\$998,710,391	\$557,393,208	\$219,355,902	\$573,960,861	5,320.3
Other legislation	17,589,768	12,586,038	4,698,436	224,702	80,592	23.4
SB 23B-002 (Summer EBT)	6,280,824	3,140,412	0	0	3,140,412	1.6
TOTAL	\$2,373,290,954	\$1,014,436,841	\$562,091,644	\$219,580,604	\$577,181,865	5,345.3
FY 2024-25 REQUESTED APPROPRIATION:						
FY 2023-24 Appropriation	\$2,373,290,954	\$1,014,436,841	\$562,091,644	\$219,580,604	\$577,181,865	5,345.3
R1 Reduce psychiatric beds waitlist	75,245,671	75,245,671	0	0	0	3.4
R2 Reducing youth crime and violence	2,652,554	0	2,652,554	0	0	1.0
R3 Human resources support	1,021,349	600,980	0	420,369	0	8.3
R4 Regional Centers Medicaid reduction	(2,200,000)	0	0	(2,200,000)	0	0.0
R5 Home Care Allowance reduction	(4,244,312)	(4,000,000)	(244,312)	0	0	0.0
R6 SAVE federal fee increase	84,175	14,019	0	52,038	18,118	0.0
R7 OCFMH line item cleanup	0	0	0	0	0	0.0
R8 Provider rate adjustment	18,258,147	10,802,585	3,795,892	309,749	3,349,921	0.0
BHA R1 Ombudsman staffing	94,418	94,418	0	0	0	1.0
Centrally appropriated line items	59,817,812	35,468,945	2,812,208	11,751,005	9,785,654	0.0
Annualize prior year legislation	34,105,496	35,574,923	(8,861,808)	91,774	7,300,607	104.1
Indirect cost assessments	3,290,369	0	394,887	1,401,811	1,493,671	0.0
Technical adjustments	2,786,738	4,214,350	(96,967)	761,098	(2,091,743)	0.0
Non-prioritized requests	1,004,270	1,104,459	(999,997)	863,423	36,385	0.0
Annualize prior year budget actions	(24,527,994)	121,092,358	(134,123,616)	(2,279,662)	(9,217,074)	8.9
TOTAL	\$2,540,679,647	\$1,294,649,549	\$427,420,485	\$230,752,209	\$587,857,404	5,472.0
INCREASE/(DECREASE)	\$167,388,693	\$280,212,708	(\$134,671,159)	\$11,171,605	\$10,675,539	126.7
Percentage Change	7.1%	27.6%	(24.0%)	5.1%	1.8%	2.4%

R1 REDUCE PSYCHIATRIC BEDS WAITLIST: The request includes an increase of \$75.2 million General Fund and 3.4 FTE in FY 2024-25 for the state mental health hospitals and private hospital contracts to sustain and increase statewide capacity for inpatient competency services. The request is also anticipated to include a supplemental increase of \$58.0 million General Fund in FY 2023-24, and increases to \$70.1 million General Fund in FY 2025-26.

R2 REDUCING YOUTH CRIME AND VIOLENCE: The request includes a net increase of \$2.6 million cash funds from the Marijuana Tax Cash Fund and 1.0 FTE in FY 2024-25 for the Tony Grampas Youth Services Program in the Office of Children, Youth, and Families. The request provides an increase of \$3.6 million for the program on a one-time basis and 1.0 FTE on an ongoing basis, partially off-set by one-time and ongoing decreases in the Office of Civic and Forensic Mental Health (OCFMH) and the Behavioral Health Administration (BHA). The impacts to the BHA are reflected separately from R2 as a non-prioritized request.

R3 HUMAN RESOURCES SUPPORT: The request includes an increase of \$1.0 million total funds, including \$600,980 General Fund, and 8.3 FTE for FY 2024-25 to support the Department in hiring skilled and competent employees, and to bring staff levels closer to the benchmark for large, complex, unionized, government organizations. Additionally, a portion of the requested funding will be used to implement a comprehensive leadership development program to cultivate more effective leaders. The request adjusts to \$1.0 million total funds, including \$590,291 General Fund, and 9.0 FTE in FY 2025-26 and ongoing.

R4 REGIONAL CENTERS MEDICAID REDUCTION: The request includes a decrease of \$2.2 million reappropriated funds in FY 2024-25 and ongoing due to census decreases and vacancy savings. The reappropriated funds originate as Medicaid appropriations, split evenly between General Fund and federal Title XIX funds, from the Department of Health Care Policy and Financing (HCPF). A reduction in census indicates that the Regional Centers are functioning as intended because individuals are able to move to a less restrictive setting and integrate back into their community. The Department indicates this request is theory informed.

R5 HOME CARE ALLOWANCE REDUCTION: The request includes a decrease of \$4.2 million total funds, including \$4.0 million General Fund, to address declining caseloads that are driven by the application of 2022 rule changes that make Home Care Allowance (HCA) a program of last resort for disabled Coloradans seeking home care services. Nearly all of the cases are transitioning to the Medicaid Home and Community Based Services program through HCPF. The HCA caseload is not expected to rebound. The request anticipates a reduction of \$6.4 million total funds, including \$6.0 million General Fund, in FY 2025-26 and ongoing. The Department indicates this request is theory informed.

R6 SAVE FEDERAL FEE INCREASE: The request includes an increase of \$84,175 total funds, including \$14,019 General Fund, to accommodate the increasing federal fee for Systemic Alien Verification for Entities (SAVE) database searches, as mandated for federal assistance programs, along with estimated caseload increases. The U.S. Citizen and Immigration Services notified the Department that the federal fee will increase 520.0 percent, from \$0.50 per transaction in federal fiscal year (FFY) 2023 to \$3.10 per transaction in FFY 2028. The request increases to \$142,046 total funds, including \$23,278 General Fund, in FY 2025-26, with further incremental increases through FY 2028-29.

R7 OCFMH LINE ITEM CLEAN UP: The request includes net zero adjustments to line items in OCFMH to correct an appropriation made in H.B. 22-1061 (Modifications to Not Guilty by Reason of Insanity).

R8 PROVIDER RATE ADJUSTMENT: The request includes an increase of \$18.3 million total funds, including \$10.8 million General Fund, in FY 2024-25 and ongoing for a 2.0 percent provider rate increase. This request affects the Office of Children, Youth, and Families, the Office of Economic Security, the Office of Civic and Forensic Mental Health, and the Office of Adults, Aging, and Disability Services.

BHA R1 OMBUDSMAN STAFFING: The request includes an increase of \$94,418 General Fund and 1.0 FTE in FY 2024-25 and \$87,418 General Fund and 1.0 FTE in FY 2025-26 and ongoing for additional staffing in the Behavioral Health Ombudsman Office. The Office is located within the Executive Director's Office and operates as an independent entity. The Office supports consumers and providers in navigating the behavioral health system, filing complaints, and collects and reports data. The request replaces term-limited ARPA funds with ongoing General Fund. The FY 2023-24 Long Bill indicates 1.5 FTE for the Behavioral Health Ombudsman, compared to 12.0 FTE in the Child Protection Ombudsman within the Judicial Department.

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

CENTRALLY APPROPRIATED LINE ITEMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Salary survey	\$31,077,783	\$21,550,125	\$2,011,714	\$3,301,992	\$4,213,952	0.0
PERA Direct Distribution	6,705,131	5,342,001	0	1,363,130	0	0.0
Payments to OIT	6,551,256	2,696,349	47,962	3,258,169	548,776	0.0
Health, life, and dental	3,719,403	(910,471)	145,830	1,174,955	3,309,089	0.0
Shift differential	2,704,567	1,976,427	143,037	401,689	183,414	0.0
AED	2,296,801	1,042,808	190,340	440,294	623,359	0.0
SAED	2,296,801	1,042,808	190,340	440,294	623,359	0.0
Workers' compensation	2,261,045	1,401,848	0	859,197	0	0.0
Paid Family and Medical Leave Insurance	1,629,440	1,051,306	82,985	211,444	283,705	0.0
Capitol Complex leased space	421,531	172,828	0	248,703	0	0.0
Risk management & property	291,037	253,202	0	37,835	0	0.0
ALJ services	226,048	83,638	0	142,410	0	0.0
Vehicle lease payments	69,095	33,857	0	35,238	0	0.0
Legal services	18,007	13,127	0	4,880	0	0.0
Digital trunk radio	7,607	2,891	0	4,716	0	0.0
CORE	(457,740)	(283,799)	0	(173,941)	0	0.0
TOTAL	\$59,817,812	\$35,468,945	\$2,812,208	\$11,751,005	\$9,785,654	0.0

ANNUALIZE PRIOR YEAR LEGISLATION: The request includes a net increase of \$34.1 million total funds, including an increase of \$35.6 million General Fund, to reflect the FY 2024-25 impact of bills passed in previous sessions, summarized in the following table.

ANNUALIZE PRIOR YEAR LEGISLATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
HB 22-1303 Residential beds	\$25,410,843	\$18,255,265	\$0	\$0	\$7,155,578	85.3
HB 22-1283 Youth BH	12,122,515	12,122,515	0	0	0	0.0
HB 22-1259 Mods to CO Works	7,278,348	12,619,363	(8,671,808)	0	3,330,793	0.0
HB 23-1003 School mental health	2,322,406	2,322,406	0	0	0	1.0
HB 22-1256 Involuntary commit	947,741	947,741	0	0	0	0.4
SB 22-196 Justice health needs	457,076	457,076	0	0	0	6.0
HB 23-1138 Adult competency	325,429	325,429	0	0	0	2.7
HB 22-1281 Continuum grant	322,320	322,320	0	0	0	4.0
SB 22-181 Behav health workforce	277,353	277,353	0	0	0	3.0
SB 22-177 Care coordination	275,333	275,333	0	0	0	3.0
HB 23-1067 Family intervener	91,774	0	0	91,774	0	0.1
SB 23-172 Protecting workers rights	60,571	60,571	0	0	0	0.0
SB 23-039 Parent child separation	2,008	2,601	0	0	(593)	0.0
SB 23B-002 Summer EBT	(6,280,824)	(3,140,412)	0	0	(3,140,412)	(1.6)
HB 22-1243 School security and BH	(6,000,000)	(6,000,000)	0	0	0	(1.0)
HB 23-1249 Reduce youth justice-involve	(2,073,274)	(2,073,274)	0	0	0	1.0
HB 23-1158 CO Commodity Supp Food	(1,000,000)	(1,000,000)	0	0	0	0.0
HB 23-1153 BH Pathways	(300,000)	(160,000)	(140,000)	0	0	0.0
HB 22-1326 Fentanyl	(50,000)	0	(50,000)	0	0	0.0
HB 23-1307 Juvenile detention services	(28,079)	0	0	0	(28,079)	0.0
HB 23-1027 Family time	(21,352)	(13,879)	0	0	(7,473)	0.0
HB 23-1024 Relative kin placement	(21,352)	(13,879)	0	0	(7,473)	0.0
SB 23-082 Fostering success	(13,340)	(11,606)	0	0	(1,734)	0.2
TOTAL	\$34,105,496	\$35,574,923	(\$8,861,808)	\$91,774	\$7,300,607	104.1

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

TECHNICAL ADJUSTMENTS: The request includes an increase of \$2.8 million total funds, including \$4.2 million General Fund for technical adjustments, such as adjustments for last year's leap year and annual depreciation-lease equivalent payments.

TECHNICAL ADJUSTMENTS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Annual depreciation lease equiv pay	\$3,548,833	\$3,548,833	\$0	\$0	\$0	0.0
Correctional Treatment Cash Fund	1,806,682	0	0	1,806,682	0	0.0
CBMS emergency process unit	30,000	0	0	0	30,000	0.0
Payments to OIT RF to GF refi	0	1,032,578	0	(1,032,578)	0	0.0
Employ Opp with Wages prgm removal	(1,998,286)	0	0	0	(1,998,286)	0.0
Leap year adjustment	(600,491)	(367,061)	(96,967)	(13,006)	(123,457)	0.0
TOTAL	\$2,786,738	\$4,214,350	(\$96,967)	\$761,098	(\$2,091,743)	0.0

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

NON-PRIORITIZED REQUESTS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
NP1 Central services omnibus request	\$3,896,534	\$3,048,001	\$0	\$848,533	\$0	0.0
NP4 HCPF convert contractor resources to FTE	68,551	32,163	3	0	36,385	0.0
NP3 CORE operating resources	39,185	24,295	0	14,890	0	0.0
NP6 DPA Disability navigator program reduction	(2,000,000)	(2,000,000)	0	0	0	0.0
NP5 DHS R2 Reducing youth crime	(1,000,000)	0	(1,000,000)	0	0	0.0
TOTAL	\$1,004,270	\$1,104,459	(\$999,997)	\$863,423	\$36,385	0.0

ANNUALIZE PRIOR YEAR BUDGET ACTIONS: The request includes a net decrease of \$24.5 million total funds, including an increase of \$121.1 million General Fund, for prior year budget actions, summarized in the following table.

ANNUALIZE PRIOR YEAR BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 23-24 R17 Hotline decrease	\$535,787	\$535,787	\$0	\$0	\$0	0.0
FY 23-24 BHA R1 Admin	395,257	395,257	0	0	0	6.3
FY 23-24 R4 Child welfare Medicaid	249,220	133,357	0	44,055	71,808	0.3
FY 23-24 R1 Hospital quality	109,402	109,402	0	0	0	0.0
FY 19-20 R21 Salesforce Shield	6,420	746	0	5,674	0	0.0
FY 23-24 BHA R3 LMS	1,512	1,512	0	0	0	0.1
FY 23-24 BA1 Statewide ARPA	0	130,129,154	(130,129,154)	0	0	0.0
FY 22-23 Supplemental	(16,674,104)	(5,002,231)	(3,334,821)	0	(8,337,052)	0.0
FY 23-24 Salary survey	(4,609,159)	(2,553,443)	(562,110)	(984,791)	(508,815)	0.0
FY 23-24 BA2 Utilities expenses	(2,021,118)	(1,368,950)	0	(652,168)	0	0.0
FY 23-24 NPBA02 IT Accessibility	(1,139,338)	(416,770)	0	(722,568)	0	(2.8)
FY 23-24 BA4 CBMS upgrades	(888,994)	(428,814)	(42,229)	30,136	(448,087)	0.2
FY 23-24 R6 DYS Security	(403,600)	(403,600)	0	0	0	0.0
FY 23-24 R9 Older CO CF	(55,302)	0	(55,302)	0	0	0.0
FY 23-24 BA3 DYS Education	(20,002)	(20,002)	0	0	0	1.6
FY 23-24 R8 Forensic capacity	(9,312)	(9,312)	0	0	0	2.3
FY 23-24 R14 OCFMH Data	(3,396)	(3,396)	0	0	0	0.3
FY 23-24 R2 Youth homelessness	(1,007)	(6,079)	0	0	5,072	0.5
FY 23-24 R3 County APS	(260)	(260)	0	0	0	0.1
TOTAL	(\$24,527,994)	\$121,092,358	(\$134,123,616)	(\$2,279,662)	(\$9,217,074)	8.9

SUMMARY OF ISSUES PRESENTED TO THE JOINT BUDGET COMMITTEE

R1 INPATIENT PSYCHIATRIC BEDS AND COMPETENCY SERVICES: The Department request includes an increase of \$75.2 million General Fund and 3.4 FTE to maintain and increase capacity for competency restoration services through private hospital contracts and opening units at the state mental health hospitals.

BHA IMPLEMENTATION: The BHA is in the process of implementing a new contracting structure for safety net providers as required by the legislation that established the agency. The Department has not submitted a budget request related to the implementation of this structure as the final funding and cost structure has not yet been determined and will not be implemented until FY 2025-26.

CHILD WELFARE FUNDING LEGISLATION: Legislation sponsored by the Joint Budget Committee and passed by the General Assembly in 2021 required the development and implementation of a county staff workload study, funding model, and provider rate actuarial analysis for FY 2024-25. The Executive Branch requests do not reflect any increases related to the implementation of these statutory requirements, but do include a significant placeholder for legislation related to high acuity youth recommended by Colorado's Child Welfare System Interim Study Committee.

YOUTH DETENTION PROCESS: This briefing issue provides background information about youth detention, with particular attention to the screening tools, placement levels, and legislative parameters that guide this process. Additionally, this briefing issue highlights examples of preventative programs and different juvenile justice approaches in other states.

LEGISLATIVE AND STATUTORY ANALYSIS OF RECENT FOOD ASSISTANCE PROGRAMS: This briefing issue examines the statute authorizing the Food Pantry Assistance Grant Program and the Food Bank Assistance Grant Program, as well as suggesting technical changes to those parts of statute to strengthen legislative oversight and efficiency.

FUNDING FOR AREA AGENCIES ON AGING SERVICES FOR OLDER COLORADANS: This issue brief provides a summary of the funding provided to the State's Area Agencies on Aging (AAAs) that provide services to older Coloradans to encourage the practice of aging in one's community through the engagement of and service to the older population.

ONE-TIME FUNDING AUTHORIZED IN RECENT LEGISLATIVE SESSIONS: During the 2020B, 2021, 2022, and 2023 legislative sessions, the General Assembly allocated significant one-time funding to the Department of Human Services that included \$46.0 million originating as state General Fund and \$612.9 million originating as federal Coronavirus State Fiscal Recovery funds (ARPA funds).

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JUDICIAL DEPARTMENT

The Judicial Department: consists of the Supreme Court, the Court of Appeals, district courts, the Denver probate and juvenile courts, and all county courts except the Denver county court; supervises juvenile and adult offenders who are sentenced to probation; and includes 11 independent agencies: the *Office of the State Public Defender* (OSPD); the *Office of the Alternate Defense Counsel* (OADC); the *Office of the Child's Representative* (OCR); the *Office of the Respondent Parents' Counsel* (ORPC); the *Office of the Child Protection Ombudsman* (OCPO); the *Independent Ethics Commission* (IEC); the *Office of Public Guardianship* (OPG); the *Commission on Judicial Discipline* (CJD); *Bridges of Colorado*, aka the *Statewide Behavioral Health Court Liaison*, (BRI); the *Office of Administrative Services for Independent Agencies* (ASIA); and the *Office of Judicial Ombudsman* (OJO). The Department's FY 2023-24 appropriation represents approximately 2.4 percent of statewide operating appropriations and 5.0 percent of statewide General Fund appropriations.

FY 2023-24 APPROPRIATION AND FY 2024-25 REQUEST

JUDICIAL DEPARTMENT – COURTS AND PROBATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2023-24 APPROPRIATION:						
SB 23-214 (Long Bill)	\$710,696,774	\$467,548,115	\$189,918,894	\$48,804,765	\$4,425,000	4,095.1
Other legislation	(124,708)	(483,508)	358,800	0	0	(1.6)
TOTAL	\$710,572,066	\$467,064,607	\$190,277,694	\$48,804,765	\$4,425,000	4,093.5
FY 2024-25 REQUESTED APPROPRIATION:						
FY 2023-24 Appropriation	\$710,572,066	\$467,064,607	\$190,277,694	\$48,804,765	\$4,425,000	4,093.5
C&P R2 Judicial case management system – IT Capital	10,560,000	6,560,000	4,000,000	0	0	0.0
C&P R2 Judicial case management system – operating	1,242,235	1,242,235	0	0	0	9.0
Subtotal – C&P R2	11,802,235	7,802,235	4,000,000	0	0	9.0
C&P R3 Judicial district administrative staff	1,716,351	1,716,351	0	0	0	17.8
C&P R4 Probation resources	788,572	788,572	0	0	0	7.0
C&P R5 Court resources	2,754,768	2,754,768	0	0	0	28.0
C&P R6 Courthouse and probation security	2,000,000	2,000,000	0	0	0	0.0
C&P R7 Ralph L. Carr Judicial Center	5,756,717	8,009,497	(964,242)	(1,288,538)	0	0.0
C&P R8 Digital accessibility (HB21-1110 compliance)	2,062,719	812,719	1,250,000	0	0	6.0
C&P R9 SCAO staffing	1,347,622	1,347,622	0	0	0	11.0
C&P R10 Office of Judicial Performance Evaluation	167,383	0	167,383	0	0	1.0
C&P R11 IT Services infrastructure and maintenance	1,811,547	486,547	1,325,000	0	0	5.0
C&P R12 Leadership development	500,000	500,000	0	0	0	0.0
C&P R13 County courthouse infrastructure	145,000	145,000	0	0	0	0.0
C&P R14 Technical and operational adjustments	580,148	230,148	350,000	0	0	0.0
C&P R15 Pass-through requests	4,354,033	294,651	8,000	4,051,382	0	0.0
C&P R16 Informational appropriation adjustment	653,157	0	653,157	0	0	0.0
C&P NP3 DPA Central services omnibus request	1,763,854	1,763,854	0	0	0	0.0
Centrally appropriated line items	37,013,391	33,567,404	3,534,227	(88,240)	0	0.0
Annualize prior year actions	(1,546,373)	572,931	(2,241,481)	122,177	0	13.7
TOTAL	\$784,243,190	\$529,856,906	\$198,359,738	\$51,601,546	\$4,425,000	4,192.0
INCREASE/(DECREASE)	\$73,671,124	\$62,792,299	\$8,082,044	\$2,796,781	\$0	98.5
Percentage Change	10.4%	13.4%	4.2%	5.7%	0.0%	2.4%

REQUEST OVERVIEW: The Courts and Probation request includes an increase of \$62.8 million General Fund representing a 13.4 percent increase. However, Centrally Appropriated Line Items – common policies determined by

the Governor's Request – including the NP3 DPA Central Services Omnibus Request, represent 7.6 percent of the 13.4 percent increase. Additionally, the IT Capital portion of the R2 request represents 1.4 percent of the 13.4 percent identified increase. **The Courts and Probation discretionary budget requests represent a 5.8 percent increase over the FY 2023-24 appropriation. Excluding the IT Capital portion of the R2 request, operating budget requests represent a 4.4 percent increase over the FY 2023-24 appropriation.**

C&P R1 COMPENSATION RENOVATION AND STEP PLAN (COMP PLAN MAINTENANCE): This item is not reflected in the table above as the fiscal impact is included in the compensation common policy portion of the request (within centrally appropriated line items). The R1 narrative describes the Courts and Probation compensation request that includes the 3.0 percent across-the-board salary increase, pay band adjustment for all Courts and Probation employees, and updates to the compensation plan. Updates are based on: (1) an evaluation and, if necessary, modification to position descriptions for approximately 80 percent of job classes; (2) an evaluation of pay ranges for all job classes not previously evaluated; (3) an evaluation of pay grades in comparison to market; and (4) the implementation of a step plan system.

The Courts and Probation step plan system generates an adjustment equal to a 4.3 percent increase on total salary base and a 4.2 percent increase on General Fund salary base. This compares to the executive branch statewide step plan system that generates an adjustment equal to a 4.9 percent increase on total salary base and a 5.2 percent increase on General Fund salary base.

C&P R2 JUDICIAL CASE MANAGEMENT SYSTEM: The request includes an increase of \$11.8 million total funds, including \$7.8 million General Fund and \$4.0 million cash funds from the Judicial IT Cash Fund, and 9.0 FTE for the development of a new state courts and probation case management system (CMS). The request annualizes to \$26.7 million total funds, including \$21.5 million General Fund and \$5.2 million cash funds, and 9.0 FTE for FY 2025-26. This request includes an IT capital component totaling \$10.6 million, including \$6.6 million General Fund and \$4.0 million cash funds, for FY 2024-25 and \$20.2 million General Fund for FY 2025-26, for which three-year spending authority is requested. The operating component totals \$1.2 million General Fund and 9.0 FTE for FY 2024-25 and totals \$1.3 million General Fund and 9.0 FTE for FY 2025-26 and ongoing. Additionally, annual CMS maintenance totals \$5.2 million cash funds from the Judicial IT Cash Fund for FY 2025-26 and ongoing.

C&P R3 JUDICIAL DISTRICT ADMINISTRATIVE STAFF: The request includes an increase of \$1.7 million General Fund and 17.8 FTE for judicial district staff including 11.8 FTE for probation administrative staff positions and 6.0 FTE for district court administrative staff positions.

C&P R4 PROBATION RESOURCES: The request includes an increase of \$789,000 General Fund and 7.0 FTE for probation program staff, including 3.0 FTE for statewide training staff for the Probation Development Unit and 4.0 probation officer FTE for two understaffed judicial district probation offices.

C&P R5 COURT RESOURCES: The request includes an increase of \$2.8 million General Fund and 28.0 FTE for staff positions that include: (1) 3.0 FTE family court facilitators and 2.0 FTE self-represented litigant coordinators to be allocated for the 23 judicial district trial courts statewide; (2) 3.0 FTE staff attorneys and 1.0 FTE deputy chief staff attorney for the Court of Appeals to achieve more timely resolution of child welfare dependency and neglect cases; (3) 14.0 FTE judicial district peer training specialists for statewide trial court clerk training due to recent high turnover of court staff; (4) 4.0 FTE for the office of language access, including 3.0 FTE court interpreters to be allocated for trial courts statewide and 1.0 FTE court program analyst to support judicial districts identify, recruit, and contract "languages other than Spanish" (LOTS) and rare language interpreters; and (5) 1.0 FTE staff assistant for the Courts Services Division at the State Court Administrator's Office (SCAO) which currently includes 1.0 FTE staff assistant

supporting 60 team members in four units – Criminal Justice Programs, Judicial Access and Inclusion, Family Programs, and Court Operations, Research, and Education.

C&P R6 COURTHOUSE AND PROBATION SECURITY: The request includes an increase of \$2.0 million General Fund to increase the number of grant awards made to counties for the purpose of ensuring security at courthouses and satellite probation offices.

C&P R7 RALPH L CARR JUDICIAL CENTER: The request includes a FY 2023-24 supplemental adjustment, a FY 2024-25 budget year adjustment, and a FY 2025-26 and ongoing annualization adjustment, for budget structure and funding structure adjustments for more sustainable support of the operations, controlled maintenance, and financing payments for the Ralph L Carr Judicial Center building.

- For FY 2023-24, the supplemental request includes a one-year increase of \$1.2 million total funds, including an increase of \$4.8 million General Fund and decreases of \$3.2 million cash funds from the Justice Center Cash Fund and \$400,000 reappropriated funds, also from the Justice Center Cash Fund.
- For FY 2024-25, the budget year request includes an increase from the current FY 2023-24 appropriation of \$5.8 million total funds, including an increase of \$8.0 million General Fund and decreases of \$1.0 million cash funds and \$1.3 million reappropriated funds from the Justice Center Cash Fund.
- For FY 2025-26, the out-year and ongoing annualization includes an additional increase of \$2.1 million total funds, including an additional increase of \$4.0 million General Fund and an additional decrease of \$1.9 million cash funds.

The Courts and Probation also request JBC legislation to repeal the Justice Center Maintenance Fund (JCMF) and its intended mechanism for building a cash fund reserve for controlled maintenance. Instead of the JCMF structure and mechanism, the Courts and Probation request direct appropriations to a new line item for controlled maintenance called, Justice Center Controlled Maintenance and Capital Renewal, and the elimination of the Justice Center Maintenance Fund Expenditures line item. A JCMF-related line item, Appropriation to the Justice Center Maintenance Fund, has not been used since its first and only appropriation in FY 2019-20.

C&P R8 DIGITAL ACCESSIBILITY (HB21-1110 COMPLIANCE): The request includes an increase of \$2.1 million total funds, including \$813,000 General Fund and \$1.3 million cash funds from the Judicial IT Cash Fund, and 6.0 FTE to implement an ongoing, sustainable digital accessibility program for compliance with H.B. 21-1110 (Colorado Laws for Persons with Disabilities). This request annualizes to \$1.1 million total funds, including \$841,000 General Fund and \$250,000 cash funds.

C&P R9 SCAO STAFFING: The request includes an increase of \$1.3 million General Fund and 11.0 FTE for State Court Administrator's Office staffing, including 3.0 FTE for the Division of Administrative Services (DAS), 3.0 FTE for the Division of Human Resources (DHR), and 5.0 FTE for the Division of Financial Services (DFS). The DAS (formerly the Executive Division led directly by the State Court Administrator) consists of Governmental Outreach, Communications, Facility Services, Judicial Security, and Judicial Officer Training and Development. The DAS positions requested include a Chief Communications Officer, a Legislative Policy Analyst, and an Administrative Assistant. The DHR consists of Employee Services, Career Services, Payroll, Compensation, and Workplace Culture. The DHR positions requested include a Benefits Analyst and two Payroll Analysts; current payroll staff includes one Payroll Supervisor and three Payroll Analysts for an agency with over 4,000 FTE. The DFS consists of Audit, Accounting, Budget, Collections and Restitution Services, Contracts Management, and Procurement. The DFS positions requested include three Accountants and two Purchasing Agent positions for Procurement.

C&P R10 OFFICE OF JUDICIAL PERFORMANCE EVALUATION: The request includes an increase of \$167,000 cash funds from the State Commission on Judicial Performance Cash Fund and 1.0 FTE for a Staff Development

Administrator. The Courts also request that the JBC sponsor legislation to designate the Office of Judicial Performance (OJP) an independent agency and move administrative support functions to the Office of Administrative Services for Independent Agencies (ASIA) for FY 2024-25. The OJP currently includes a staff of 2.0 FTE, including an Executive Director and an Administrative Specialist. The OJP is governed by a state commission which appoints the Executive Director. The OJP serves 241 Judicial Performance Commissioners statewide in the 23 judicial districts. The cash fund earns revenue from statutorily-defined docket fees; for FY 2022-23 revenue totaled \$489,000 and cash-funded program expenses totaled \$365,000. For FY 2023-24, the OJP is appropriated \$863,422 total funds, including \$214,500 General Fund and \$648,933 cash funds.

C&P R11 IT SERVICES INFRASTRUCTURE AND MAINTENANCE: The request includes an increase of \$1.8 million total funds, including \$487,000 General Fund and \$1.3 million cash funds from the Judicial IT Cash Fund, and 5.0 FTE for the Information Technology Services (ITS) Division that supports the 23 judicial districts statewide and the SCAO. The ITS currently includes 132.5 FTE; the new requested positions include a Web Administrator, a Customer Support Technician, and 3.0 FTE of IT Support Technicians to be allocated statewide for regional and judicial district support, including one that will be assigned to the new 23rd Judicial District.

C&P R12 LEADERSHIP DEVELOPMENT: The request includes an increase of \$500,000 General Fund for FY 2024-25 and \$700,000 General Fund ongoing to implement an updated leadership development program, including internal costs for implementation and estimated costs for a contracted vendor to deliver the training.

C&P R13 COUNTY COURTHOUSE INFRASTRUCTURE: This annual, one-time funding, capital project-related request includes an increase of \$145,000 General Fund for one project: a new county courtroom in the 3rd Judicial District in Las Animas County. This request includes continuation of two-year spending authority for this line item appropriation.

C&P R14 TECHNICAL AND OPERATIONAL ADJUSTMENTS: The request includes an increase of \$580,000 total funds, including \$230,000 General Fund and \$350,000 cash funds for four items: (1) \$214,000 General Fund to pay for employee professional license and certificate renewal fees that include judicial officers, attorneys, interpreters, security, IT professionals, and building engineers; (2) \$16,700 General Fund for four additional fleet vehicles which is anticipated to offset and reduce the cost of paying employees mileage for the use of their personal vehicles; (3) an increase of \$350,000 cash funds spending authority for the federal funds and other grants line item; and (4) a budget-neutral restructure for the Judicial Security Office line item that moves the appropriation from the Administration and Technology subdivision to the Centrally Administered Programs subdivision.

C&P R15 PASS-THROUGH REQUESTS: The request includes an increase of \$4.4 million total funds, including an increase of \$295,000 General Fund. The General Fund portion includes \$110,000 for District Attorney Mandated Costs and \$185,000 for modifications to the ACTION (case management system) and Statewide eDiscovery Sharing System. The reappropriated and cash funds increases totaling \$4,059,000, from the Correctional Treatment Cash Fund, reflect the annual budget request from the Correctional Treatment Board.

C&P R16 INFORMATIONAL APPROPRIATIONS ADJUSTMENT: The request includes an informational appropriation increase of \$653,000 cash funds from attorney registration fees for the Office of Attorney Regulation Counsel. The Supreme Court has constitutional responsibility and authority for attorney regulation, therefore this appropriation is included for informational purposes only.

C&P NP3 DPA CENTRAL SERVICES OMNIBUS REQUEST: This item is a request from the Department of Personnel related to a significant expansion of direct billing for statewide operating common policies. Due to the scale of this

non-prioritized (budget impact from another agency) item, staff has chosen to reflect this item independently of centrally appropriated line items, where it will end up being reflected if approved.

CENTRALLY APPROPRIATED LINE ITEMS: The request includes a net increase of \$37.0 million total funds, including \$33.6 million General Fund, for centrally appropriated items, summarized in the following table.

CENTRALLY APPROPRIATED LINE ITEMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Salary survey	\$26,454,538	\$24,044,214	\$2,410,324	\$0	\$0	0.0
PERA Direct Distribution	5,951,959	5,360,250	591,709	0	0	0.0
Health, life, and dental	3,011,012	2,742,322	268,690	0	0	0.0
AED/SAED	1,997,634	1,688,254	309,380	0	0	0.0
Paid Family & Medical Leave Insurance	1,508,095	1,390,820	117,275	0	0	0.0
Legal services	402,645	402,645	0	0	0	0.0
CORE operating resources	76,840	76,840	0	0	0	0.0
Short-term disability	36,270	31,533	4,737	0	0	0.0
Vehicle lease payments	6,217	6,217	0	0	0	0.0
CORE	(948,207)	(948,207)	0	0	0	0.0
Payments to OIT	(831,499)	(831,499)	0	0	0	0.0
Risk management & property	(381,903)	(381,903)	0	0	0	0.0
Indirect cost assessment	(167,888)	88,240	(167,888)	(88,240)	0	0.0
Workers' compensation	(90,346)	(90,346)	0	0	0	0.0
DPS Digital trunk radio	(11,976)	(11,976)	0	0	0	0.0
TOTAL	\$37,013,391	\$33,567,404	\$3,534,227	(\$88,240)	\$0	0.0

ANNUALIZE PRIOR YEAR ACTIONS: The request includes a net decrease of \$1.5 million total funds, including a net increase of \$573,000 General Fund, to reflect the FY 2024-25 impact of prior year bills and budget actions. Adjustments are summarized in the following table.

ANNUALIZE PRIOR YEAR ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
SB 23-230 County Assist 23rd Jud Dist	\$3,331,400	\$3,331,400	\$0	\$0	\$0	0.0
HB 20-1026 Create 23rd Jud Dist	857,562	857,562	0	0	0	12.1
C&P FY24 R7 Data Analyst Staff	260,028	11,638	248,390	0	0	0.0
C&P Carr Building Lease Adjust	186,284	64,107	0	122,177	0	0.0
SB 23-173 CO Child Support Comm Recs	163,635	163,635	0	0	0	1.0
SB 23-075 Delete Child Name Crim Just Records	62,126	62,126	0	0	0	1.8
C&P FY24 JUD CB1 Court Reprtr Page Rate Increase	29,449	29,449	0	0	0	0.0
HB 23-1293 Felony Sentence Comm Recs	27,257	27,257	0	0	0	0.4
C&P FY24 R2 HR Staff	25,846	25,846	0	0	0	0.0
C&P FY24 R5 Contract Mgt and Purchasing Staff	24,117	455,780	(431,663)	0	0	0.0
C&P FY24 R4 Jud Security and Grant Restoration	16,837	16,837	0	0	0	0.0
HB 23-1135 Penalty Indecent Expos Minors	15,969	15,969	0	0	0	0.3
C&P FY24 R6 Court Services Training Staff	15,416	15,416	0	0	0	0.0
SB 23-172 Protect Opps Workers Rights Act	14,788	14,788	0	0	0	(0.5)
SB 23-039 Reduce Child Incarc Parent Separation	10,396	10,396	0	0	0	0.2
C&P FY24 R11/BA5 County Courthouse Op Infrastruct	(2,270,024)	(2,270,024)	0	0	0	0.0
C&P FY23 R3 IT Infrastructure	(1,442,271)	0	(1,442,271)	0	0	0.0
SB 22-099 Sealing Crim Records	(932,779)	(932,779)	0	0	0	(2.5)
HB 21-1214 Record Sealing Collateral Consequence	(345,453)	(345,453)	0	0	0	0.0
HB 23-1186 Remote Particip Res Evictions	(326,788)	32,012	(358,800)	0	0	0.7
C&P FY24 BA1 Workplace Culture	(325,000)	(325,000)	0	0	0	0.0
C&P FY24 BA3 ADA IT Compliance (HB21-1110)	(250,000)	0	(250,000)	0	0	0.0
SB 23-054 Missing Murdered Indig Relatives Off	(170,601)	(170,601)	0	0	0	0.0
HB 23-1132 Court Data-share Task Force	(115,440)	(115,440)	0	0	0	0.0
HB 23-1205 Office of Judicial Ombudsman	(100,453)	(100,453)	0	0	0	0.0

ANNUALIZE PRIOR YEAR ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
SB 23-228 ASIA Office	(100,453)	(100,453)	0	0	0	0.0
SB 23-229 SW Beh Health Court Liaison	(100,453)	(100,453)	0	0	0	0.0
HB 23-1120 Eviction Protect Resid Tenants	(77,469)	(77,469)	0	0	0	0.1
SB 23-170 Extreme Risk Protect Order Petitions	(20,205)	(20,205)	0	0	0	0.1
C&P FY24 R8 Jud Education Staff	(7,137)	0	(7,137)	0	0	0.0
SB 23-164 Sunset Process Sex Offend Mgt Board	(2,957)	(2,957)	0	0	0	0.0
TOTAL	(\$1,546,373)	\$572,931	(\$2,241,481)	\$122,177	\$0	13.7

JUDICIAL DEPARTMENT – INDEPENDENT AGENCIES

JUDICIAL DEPARTMENT – INDEPENDENT AGENCIES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2023-24 APPROPRIATION:						
SB 23-214 (Long Bill)	\$293,930,324	\$283,583,306	\$1,988,895	\$8,358,123	\$0	1,227.5
Other legislation	6,440,842	6,440,842	0	0	0	36.5
TOTAL	\$300,371,166	\$290,024,148	\$1,988,895	\$8,358,123	\$0	1,264.0
FY 2024-25 REQUESTED APPROPRIATION:						
FY 2023-24 Appropriation	\$300,371,166	\$290,024,148	\$1,988,895	\$8,358,123	\$0	1,264.0
OSPD R1 Attorney FTE	14,688,342	14,688,342	0	0	0	128.0
OSPD R2 Social workers and client advocates	2,945,761	2,945,761	0	0	0	27.6
OSPD R3 Digital discovery	294,569	294,569	0	0	0	1.0
Subtotal - OSPD	\$17,928,672	\$17,928,672	\$0	\$0	\$0	156.6
OADC R1 Non-attorney contractor rate increase	549,708	549,708	0	0	0	0.0
OADC R2 Contractor process coordinator	141,986	141,986	0	0	0	0.9
OADC R3 Operating and training increases	162,000	162,000	0	0	0	0.0
OADC R4 Comp plan maintenance	622,304	622,304	0	0	0	0.0
OADC R5 Fellowship salary range alignments	0	0	0	0	0	0.0
OADC R6 Attorney fellows	0	0	0	0	0	1.8
Subtotal - OADC	\$1,475,998	\$1,475,998	\$0	\$0	\$0	2.7
OCR R1 Caseload adjustment	913,269	913,269	0	0	0	0.0
OCR R2 Training assistant	124,812	0	0	124,812	0	1.0
OCR R3 Comp plan maintenance	532,042	422,148	0	109,894	0	0.0
OCR R4 Non-attorney contractor rate increase	134,370	121,626	0	12,744	0	0.0
Subtotal - OCR	\$1,704,493	\$1,457,043	\$0	\$247,450	\$0	1.0
ORPC R1 Agency staffing	0	0	0	0	0	3.0
ORPC R2 Comp plan maintenance	510,803	473,206	0	37,597	0	0.0
ORPC R3 Title IV-E legal representation staff	0	0	0	0	0	3.0
ORPC R4 Non-attorney contractor rate increase	214,793	211,034	0	3,759	0	0.0
Subtotal - ORPC	\$725,596	\$684,240	\$0	\$41,356	\$0	6.0
ASIA No Requests	0	0	0	0	0	0.0
OCPO R1 Data analyst	118,880	118,880	0	0	0	1.0
OCPO R2 Senior client services analyst	118,685	118,685	0	0	0	1.0
OCPO R3 Admin office specialist	100,181	100,181	0	0	0	1.0
OCPO R4 IT upgrades and support	31,300	31,300	0	0	0	0.0
OCPO R5 Staff development and training	50,000	50,000	0	0	0	0.0
OCPO R6 Communications	15,000	15,000	0	0	0	0.0
Subtotal - OCPO	\$434,046	\$434,046	\$0	\$0	\$0	3.0
IEC R1 HB21-1110 ADA compliance	\$50,000	\$50,000	\$0	\$0	\$0	0.0

JUDICIAL DEPARTMENT – INDEPENDENT AGENCIES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
OPG R1 Workforce dev mgr and emp wellness prog	152,104	0	152,104	0	0	1.0
OPG R2 Staff attorney	155,485	0	155,485	0	0	1.0
Subtotal – OPG	\$307,589	\$0	\$307,589	\$0	\$0	2.0
CJD No Requests	0	0	0	0	0	0.0
BRI No Requests	0	0	0	0	0	0.0
OJO No Requests	0	0	0	0	0	0.0
Subtotal – Centrally appropriated line items	13,986,931	13,924,515	42,258	20,158	0	0.0
Subtotal – Annualize prior year actions	12,393,470	12,382,481	0	10,989	0	72.8
TOTAL	\$349,377,961	\$338,361,143	\$2,338,742	\$8,678,076	\$0	1,508.1
INCREASE/(DECREASE)	\$49,006,795	\$48,336,995	\$349,847	\$319,953	\$0	244.1
Percentage Change	16.3%	16.7%	17.6%	3.8%	n/a	19.3%

OSPD – Office of State Public Defender; OADC – Office of Alternate Defense Counsel; OCR – Office of the Child's Representative; ORPC – Office of the Respondent Parents' Counsel; ASIA – Office of Administrative Services for Independent Agencies; OCPO – Office of the Child Protection Ombudsman; IEC – Independent Ethics Commission; OPG – Office of Public Guardianship; CJD – Commission on Judicial Discipline; BRI – Bridges of Colorado (Office of the Statewide Behavioral Health Court Liaison); OJO – Office of Judicial Ombudsman.

The Judicial Independent Agencies submit independent budget requests that are neither reviewed nor approved by the Chief Justice or Office of State Planning and Budgeting.

REQUEST OVERVIEW: The Independent Agencies' total requests include an increase of \$49.0 million total funds, including \$48.3 million General Fund representing a 16.7 percent General Fund increase.

The following three items account for 14.2 percent of the 16.7 percent General Fund increase:

- As identified above for the Courts, Centrally Appropriated Line Items – common policies determined by the Governor's Request – represents a 4.8 percent increase over the FY 2023-24 General Fund appropriation.
- Similarly, Annualize Prior Year Actions – annualizations of bills and budget actions – represents a 4.3 percent increase over the FY 2023-24 General Fund appropriation.
- Additionally, the OSPD R1 Attorney FTE request represents a 5.1 percent increase over the FY 2023-24 General Fund appropriation.

All other Independent Agency adjustments and requests represent a 2.5 percent increase over the FY 2023-24 General Fund appropriation.

OSPD R1 ATTORNEY FTE: The request includes an increase of \$14.7 million General Fund and 128.0 FTE, including 70.0 Attorney I FTE, 23.3 Investigator I FTE, 11.7 Paralegal I FTE, 17.5 Administrative Assistant I FTE, and 5.5 Centralized Administrative Staff FTE. The OSPD identifies four categories of challenges and associated attorney needs for this request:

- (1) Discovery: The exponential increase in the amount and complexity of discovery to receive, organize, and review; the OSPD identifies a need for 180 attorneys, requests 40, and anticipates a future request for 50.
- (2) Additional courtrooms and specialty dockets: The number of courtrooms and specialty dockets where public defenders are required to appear; the OSPD identifies a need for 20 attorneys, requests 10, and anticipates a future request for 10.

- (3) Mental illness and competency crisis: The increase in clients experiencing mental illness and the delay for clients involved in the competency evaluation and restoration process; the OSPD identifies a need for 20 attorneys and requests 15.
- (4) Children charged as adults: increasing caseload and the increased workload involved in representing children charged as adults; the OSPD identifies a need for 10 attorneys, requests 5, and anticipates a future request for 5.

OSPD R2 SOCIAL WORKERS AND CLIENT ADVOCATES: The request includes an increase of \$2.9 million General Fund and 27.6 FTE for FY 2024-25 for additional social workers and client advocates to mitigate the circumstances of a client's criminal justice system involvement and provide community support services for clients living with mental illness and substance abuse disorders or who have committed poverty-related crimes. The request annualizes to \$3.3 million General Fund and 37.6 FTE for FY 2025-26 and ongoing. The request funds 11.0 FTE Licensed Social Workers, 5.0 FTE Client Advocates, and 1.6 FTE centralized support staff for FY 2024-25, and an additional 20.0 FTE Client Advocates beginning January 1, 2025 (six months).

OSPD R3 DIGITAL DISCOVERY: The request includes an increase of \$295,000 General Fund and 1.0 FTE for additional resource needs related to the FY 2022-23 Public Defense in the Digital Age IT system and changing digital discovery requirements.

OADC R1 NON-ATTORNEY CONTRACTOR RATE INCREASE: The request includes an increase of \$550,000 General Fund for a 5.0 percent hourly rate increase for non-attorney contractors that include paralegals, investigators, and social workers. Although each is submitted separately by agency, this request is functionally a joint request with the OCR and the ORPC. A similar item requested in FY 2023-24 and not approved was submitted for an 18.0 percent hourly rate increase.

OADC R2 CONTRACTOR PROCESS COORDINATOR: The request includes an increase of \$142,000 General Fund and 0.9 FTE for a Contractor Process Coordinator. The request states that the position's intended responsibilities are currently handled by other staff members, although it does not specify which positions currently handle the tasks and responsibilities that would otherwise be assigned to this position.

OADC R3 OPERATING AND TRAINING INCREASES: The request includes an increase of \$162,000 General Fund, including \$82,000 for internal staff operating expenses that would provide \$2,000 per year per staff member for staff development opportunities and \$80,000 for the training line item that funds contractor training opportunities. The current training appropriation totals \$100,000, including \$20,000 General Fund and \$80,000 cash funds. Currently, attorney contractors pay the OADC for training opportunities, which reflects the cash funds appropriation for this line item. The OADC states that this adjustment is requested to enable the OADC to offer increased zero-cost training opportunities to contractors as a way to reduce contractor cost and improve contractor retention. The OADC adds that this request might also be funded through a budget-neutral transfer from the conflict-of-interest contract line item.

OADC R4 COMP PLAN MAINTENANCE: The request includes an increase of \$622,000 General Fund identified as a placeholder request for a forthcoming budget amendment for compensation plan maintenance adjustments. The OADC, the OCR, and the ORPC jointly contracted with compensation consultant, Logic Compensation Group (LCG), to update all job classifications with a market analysis. The forthcoming plan is equivalent to compensation consultant plan adjustments included by the Courts and Probation over the last two years and the OSPD last year that similarly coincide with the collective bargaining agreement implemented in the Executive Branch for job class salary range adjustments last year. It is anticipated that the OADC, the OCR, and the ORPC along with the smaller independent agencies will adopt a step plan system in the next budget cycle consistent with either the Courts, the OSPD, or the executive branch systems. The budget impact of this request item will appear as an adjustment within

the centrally appropriated line items for compensation adjustments (salary survey) in future staff documents and budget summary documents. The total identified compensation adjustments for this request and for the 3.0 percent across-the-board salary survey request reflect a 1.3 percent increase over FY 2023-24 General Fund appropriations for the OADC.

OADC R5 FELLOWSHIP SALARY RANGE ALIGNMENTS: The request includes a budget-neutral transfer of \$168,000 General Fund from the conflict-of-interest contracts line item to personal services for salary range adjustments for the OADC's post-conviction unit request from FY 2023-24. The OADC states that salary ranges were adjusted for the OSPD for FY 2023-24 for staff attorneys which were not equivalently included in the OADC's request from last year.

It is JBC staff's initial consideration that JBC staff did make adjustments consistently for equivalent salary appropriations in calculating recommendations in last year's figure setting that the OADC should have included in their annualizations but did not. It is JBC staff's initial consideration that this request is likely not necessary if the OADC were to accurately annualize the JBC staff recommendations from FY 2023-24 figure setting. JBC staff will clarify the OADC's need for this item at figure setting.

OADC R6 ATTORNEY FELLOWS: The request includes a budget-neutral adjustment from the conflict-of-interest contracts line item totaling \$268,000, and adding 1.8 FTE, to establish two additional attorney fellows for the Greater Colorado Fellowship program that identifies new and young attorneys in rural Colorado to serve as an OADC attorney with the intention of keeping these attorneys as contractors in rural areas of the state once the two-year fellowship is concluded.

OCR R1 CASELOAD ADJUSTMENT: The request includes an increase of \$913,000 General Fund for a caseload adjustment for the court-appointed counsel and mandated costs line items. For FY 2023-24, the OCR requested and was approved for a caseload adjustment decrease of \$634,000 General Fund.

OCR R2 TRAINING ASSISTANT: The request includes an increase of \$125,000 reappropriated funds, originating from federal Title IV-E funds transferred from the Department of Human Services, and 1.0 FTE for a Training Assistant position to provide administrative support for the Training Director.

OCR R3 COMP PLAN MAINTENANCE: The request includes an increase of \$532,000 total funds, including \$422,000 General Fund, identified as a placeholder request for a forthcoming budget amendment for compensation plan maintenance adjustments. The OADC, the OCR, and the ORPC jointly contracted with compensation consultant, Logic Compensation Group (LCG), to update all job classifications with a market analysis. The forthcoming plan is equivalent to compensation consultant plan adjustments included by the Courts and Probation over the last two years and the OSPD last year that similarly coincide with the collective bargaining agreement implemented in the executive branch for job class salary range adjustments last year. It is anticipated that the OADC, the OCR, and the ORPC along with the smaller independent agencies will adopt a step plan system in the next budget cycle consistent with either the Courts, the OSPD, or the executive branch systems. The budget impact of this request item will appear as an adjustment within the centrally appropriated line items for compensation adjustments (salary survey) in future staff documents and budget summary documents. The total identified compensation adjustments for this request and for the 3.0 percent across-the-board salary survey request reflect a 1.5 percent increase over FY 2023-24 General Fund appropriations for the OCR.

OCR R4 NON-ATTORNEY CONTRACTOR RATE INCREASE: The request includes an increase of \$134,000 total funds, including \$122,000 General Fund, for a 5.0 percent hourly rate increase for non-attorney contractors that include paralegals, investigators, and social workers. Although each is submitted separately by agency, this request is

functionally a joint request with the OADC and the ORPC. A similar item requested in FY 2023-24 and not approved was submitted for an 18.0 percent hourly rate increase.

ORPC R1 AGENCY STAFFING: The request includes a budget-neutral transfer of \$463,000 reappropriated funds, originating from federal Title IV-E funds transferred from the Department of Human Services, and appropriated in the Title IV-E Legal Representation line item to personal services and operating line items and an additional 3.0 FTE for agency staff positions. Those positions include a Chief Operating Officer (COO), an additional Accountant, and a Compliance Analyst. The ORPC currently includes a Chief Financial Officer (CFO) responsible for generally all internal agency operations oversight; a COO would lead administrative and human resources management, allowing the CFO to focus on fiscal management. The Compliance Analyst would be assigned primary responsibility for coordination and oversight of the contracting process that is currently distributed across many staff and enhance the contractor billing and payment review process.

ORPC R2 COMP PLAN MAINTENANCE: The request includes an increase of \$511,000 total funds, including \$473,000 General Fund, identified as a placeholder request for a forthcoming budget amendment for compensation plan maintenance adjustments. The OADC, the OCR, and the ORPC jointly contracted with compensation consultant, Logic Compensation Group (LCG), to update all job classifications with a market analysis. The forthcoming plan is equivalent to compensation consultant plan adjustments included by the Courts and Probation over the last two years and the OSPD last year that similarly coincide with the collective bargaining agreement implemented in the executive branch for job class salary range adjustments last year. It is anticipated that the OADC, the OCR, and the ORPC along with the smaller independent agencies will adopt a step plan system in the next budget cycle consistent with either the Courts, the OSPD, or the executive branch systems. The budget impact of this request item will appear as an adjustment within the centrally appropriated line items for compensation adjustments (salary survey) in future staff documents and budget summary documents. The total identified compensation adjustments for this request and for the 3.0 percent across-the-board salary survey request reflect a 2.1 percent increase over FY 2023-24 General Fund appropriations for the ORPC.

ORPC R3 TITLE IV-E LEGAL REPRESENTATION STAFF: The request includes a budget-neutral transfer of \$1.3 million reappropriated funds, originating from federal Title IV-E funds transferred from the Department of Human Services (DHS), and appropriated in the Title IV-E Legal Representation line item to personal services and operating line items and an additional 3.0 FTE for three items: (1) \$100,000 for annual operating and maintenance for the ORPC's new contractor billing system; (2) \$377,000 and 2.0 FTE for a Preventive and Civil Legal Services Manager and a Program Coordinator for the ORPC's Preventive Legal Services (PLS) program; and (3) \$229,000 and 1.0 FTE for a Collaborative Partnerships Director and the creation of a parent panel comprised of parents with lived experience in the child welfare system. The PLS provides interdisciplinary legal support to parents at risk of entering a dependency and neglect proceeding before a dependency and neglect petition is filed or their children are removed from their home, for unresolved legal problems such as evictions, guardianships, and protection orders. The ORPC piloted its first PLS program in Jefferson County beginning in March 2022; however, the ORPC states that additional program management staff is necessary to generate the results intended for the program.

Title IV-E Funding: Title IV-E of the Social Security Act is the primary source of federal funding for foster care. A 2019 policy change made Title IV-E funding available for independent legal representation for parents of children at risk of entering foster care to reduce entry into foster care. Federally approved reimbursement funds are placed in a DHS cash fund, the Title IV-E Administrative Cash Fund, created in Section 26-2-102.5 (3)(b)(I), C.R.S., as codified in S.B. 19-258 (Child Welfare Prevention and Intervention Funding). Section 26-2-102.5 (3)(b)(V), C.R.S., states that "Federal reimbursements related to administrative costs of independent legal representation incurred by" OCR and ORPC "must be disbursed from the fund to the agencies as incurred and pursuant to" the memorandum of understanding between DHS and the agencies.

ORPC R4 NON-ATTORNEY CONTRACTOR RATE INCREASE: The request includes an increase of \$215,000 total funds, including \$211,000 General Fund, for a 5.0 percent hourly rate increase for non-attorney contractors that include paralegals, investigators, and social workers. Although each is submitted separately by agency, this request is functionally a joint request with the OCR and the OADC. A similar item requested in FY 2023-24 and not approved was submitted for an 18.0 percent hourly rate increase.

ASIA NO REQUESTS: Administrative Services for Independent Agencies did not submit a budget request item.

OCPO R1 DATA ANALYST: The request includes an increase of \$119,000 General Fund and 1.0 FTE for a Data Analyst position to develop, build, and implement an external reporting system using the OCPO's case management system database built on a Salesforce platform selected for its robust reporting capabilities. The OCPO requires a data analyst skill set for this expertise.

OCPO R2 SENIOR CLIENT SERVICES ANALYST: The request includes an increase of \$119,000 General Fund and 1.0 FTE for an additional Senior Client Services Analyst position. The Client Services Team, the primary operational unit for the program, is charged with reviewing and responding to concerns and questions brought to the agency by citizens and currently consists of five analysts. The current team consists of a Client Services Director, a Senior Client Services Analyst, and five Client Service Analysts (CSAs). The Director currently carries a caseload and supervises the Senior CSA and three CSAs; the Senior CSA carries a caseload and supervises two CSAs. The organizational plan for the OCPO is to relieve the caseload and assign supervision of the two Senior CSAs to the Director and distribute supervision of the five CSAs across the two Senior CSAs. CSAs and Senior CSAs are modeled on Probation Analyst I and II positions.

OCPO R3 ADMIN OFFICE SPECIALIST: The request includes an increase of \$100,000 General Fund and 1.0 FTE for an Administrative Office Specialist. The OCPO currently includes a Director of Administrative Services but includes no administrative support staff positions.

OCPO R4 IT UPGRADES AND SUPPORT: The request includes an increase of \$31,000 General Fund for two IT upgrades: (1) a one-time cost of \$14,000 to replace the OCPO server; and (2) ongoing costs totaling \$17,300 for security upgrades and data storage (\$3,300), an increase for the contract with the OCPO's IT support vendor (\$6,000), staff and office equipment replacement (\$6,000), and database upgrades (\$2,000).

OCPO R5 STAFF DEVELOPMENT AND TRAINING: The request includes an increase of \$50,000 General Fund for staff development and training, including \$24,000 for staff training and \$26,000 for ongoing equity, diversity, and inclusion (EDI) assessment and development.

OCPO R6 COMMUNICATIONS: The request includes an increase of \$15,000 General Fund to support outreach and education initiatives through social media ad campaigns and in-person outreach events.

IEC R1 HB21-1110 ADA COMPLIANCE: The request includes a one-time increase of \$50,000 General Fund for a website upgrade in compliance with H.B. 21-1110 (CO Laws for Persons with Disabilities). A similar request was approved for FY 2023-24; additional necessary funding was identified by the vendor.

OPG R1 WORKFORCE DEVELOPMENT MANAGER AND EMPLOYEE WELLNESS PROGRAM: The request includes an increase of \$152,000 cash funds from the OPG Cash Fund and 1.0 FTE for a Workforce Development Manager and an Employee Wellness Program. The Legislative Council Staff (LCS) Fiscal Note for S.B. 23-064 (Continue Office of Public Guardianship) includes a General Fund appropriation for this item for FY 2025-26. This request accelerates

funding for that item by one year and requests the use of cash funds for this acceleration. The program expansion identified in the fiscal note includes additional staff positions. The acceleration of funding for this position is sought to better plan for that staff expansion.

OPG R2 STAFF ATTORNEY: The request includes an increase of \$155,000 cash funds from the OPG Cash Fund and 1.0 FTE for a staff attorney. Consistent with R1, the fiscal note identifies a General Fund appropriation for this item for FY 2025-26. This request accelerates funding for that item by one year and requests the use of cash funds for this acceleration. Currently the OPG does not have a staff attorney dedicated to client support.

CJD NO REQUESTS: The Commission on Judicial Discipline did not submit a budget request item.

BRI NO REQUESTS: Bridges of Colorado did not submit a budget request item.

OJO NO REQUESTS: The Office of Judicial Ombudsman did not submit a budget request item.

CENTRALLY APPROPRIATED LINE ITEMS: The request includes a net increase of \$14.0 million total funds, including \$13.9 million General Fund, for centrally appropriated items summarized in the following table.

CENTRALLY APPROPRIATED LINE ITEMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Salary survey	\$8,012,939	\$7,956,734	\$29,169	\$27,036	\$0	0.0
Health, life, and dental	1,808,054	1,818,749	8,949	(19,644)	0	0.0
PERA Direct Distribution	1,596,769	1,596,769	0	0	0	0.0
AED/SAED	1,369,554	1,379,600	(19,704)	9,658	0	0.0
Paid Family & Medical Leave Insurance	579,536	572,681	3,988	2,867	0	0.0
Leased space	572,108	572,108	0	0	0	0.0
Indirect cost assessment	18,527	0	18,527	0	0	0.0
Vehicle lease payments	17,560	17,560	0	0	0	0.0
Short-term disability	11,884	10,314	1,329	241	0	0.0
TOTAL	\$13,986,931	\$13,924,515	\$42,258	\$20,158	\$0	0.0

ANNUALIZE PRIOR YEAR ACTIONS: The request includes a net increase of \$12.4 million General Fund and 72.8 FTE, to reflect the FY 2024-25 impact of prior year bills and budget actions summarized in the following table.

ANNUALIZE PRIOR YEAR ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
SB 23-229 SW Behavioral Health Court Liaison	\$7,051,780	\$7,051,780	\$0	\$0	\$0	65.3
SB 23-227 Contract Attorney Hourly Rate	3,863,975	3,852,986	0	10,989	0	0.0
OSPD FY24 R1/BA1 Comp Plan Maintenance	1,517,839	1,517,839	0	0	0	0.0
HB 23-1205 Office of Judicial Ombudsman	343,479	343,479	0	0	0	1.8
ORPC FY24 JUD CB1 Court Reporter Page Rate Increase	70,272	70,272	0	0	0	0.0
OADC FY24 JUD CB1 Court Reporter Page Rate Increase	54,000	54,000	0	0	0	0.0
SB 23-228 ASIA Office	34,292	34,292	0	0	0	0.0
HB 23-1012 Juvenile Competency to Proceed	19,200	19,200	0	0	0	0.0
OCR FY24 R3 Staff Attorney	11,986	11,986	0	0	0	0.0
ORPC FY24 R2 Staff Attorney	11,986	11,986	0	0	0	0.0
OADC FY24 R2 Holistic Defense Coordinator	8,707	8,707	0	0	0	0.1
OSPD FY24 R3 Central Support Staff	7,988	7,988	0	0	0	0.4
OCPO FY24 R2 Client Services Analyst	5,666	5,666	0	0	0	0.0
OADC FY24 R1 EDI/HR Coordinator	4,664	4,664	0	0	0	0.1
ORPC FY24 R3 Paralegal	3,163	3,163	0	0	0	0.0
OSPD FY23 R1 Pub Def in Digital Age	1,711	1,711	0	0	0	0.2
OCR FY24 JUD CB1 Court Reporter Page Rate Increase	800	800	0	0	0	0.0

ANNUALIZE PRIOR YEAR ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
HB 23-1027 Parent Child Family Time	(142,000)	(142,000)	0	0	0	0.0
OCPO FY24 R1 HR Support	(94,240)	(94,240)	0	0	0	0.0
HB 22-1375 Child Res Treatment Runaway Youth	(70,042)	(70,042)	0	0	0	0.0
OADC FY24 R3 Post Conviction Unit	(66,702)	(66,702)	0	0	0	1.0
OSPD FY23 R2 Paralegal Staff	(62,843)	(62,843)	0	0	0	3.2
IEC FY24 R1 HB21-1110 Compliance	(50,000)	(50,000)	0	0	0	0.0
OCPO FY24 R3 Community Engage Outreach	(33,299)	(33,299)	0	0	0	0.0
HB 23-1019 Jud Disc Process Reporting	(27,488)	(27,488)	0	0	0	0.2
IEC FY24 R2 Rule Rev Consult	(25,000)	(25,000)	0	0	0	0.0
HB 22-1240 Mandatory Reporters	(19,000)	(19,000)	0	0	0	0.0
OADC FY24 R6 Social Worker Fellowship	(13,342)	(13,342)	0	0	0	0.2
OADC FY24 JUD CB3 Attorney Fellowships	(13,340)	(13,340)	0	0	0	0.2
OADC FY24 R4 Appointment Specialist	(742)	(742)	0	0	0	0.1
TOTAL	\$12,393,470	\$12,382,481	\$0	\$10,989	\$0	72.8

SUMMARY OF ISSUES PRESENTED TO THE JOINT BUDGET COMMITTEE

A RECONSIDERATION OF THE COMPETENCY CRISIS – JUDICIAL PROCESS RECOMMENDATIONS: The "competency crisis" in the state courts that drives the current high cost behavioral health systems approach to build forensic mental health system capacity and infrastructure, should be more precisely stated and considered, reframed within the context of the courts, public safety, and community stability, and solutions reconsidered from that reframe. Specifically, pursuing policies that encourage "diversion from competency" may deliver competency crisis relief at a lower cost than capacity and infrastructure buildout, while also providing a more sustainable, permanent, and holistic approach to addressing behavioral health issues for individuals at risk of entering the competency process.

COURTS AND PROBATION R2 CASE MANAGEMENT SYSTEM: The Courts and Probation seek state and department cash funding for the development of a case management system (CMS or system) to replace the 27-year-old legacy system. The CMS is intended to streamline and automate all aspects of courts and probation processes to improve efficiency, transparency, services, accessibility, security, and data reporting and analysis. The CMS is used by judges, court staff, clerks, attorneys, probation officers, and other stakeholders involved in the Colorado judicial and legal system.

STATE PUBLIC DEFENDER R1 ATTORNEY FTE: The Office of the State Public Defender's (OSPD) R1 Attorney FTE requests 70 additional staff attorneys and 58 related support staff. The OSPD identifies four categories of need: (1) the increased workload related to the continued increase in law enforcement electronic discovery; (2) increased staffing needs due to the use of specialty courts and dockets and magistrates; (3) the significant workload increase related to client needs and system delays due to the "competency crisis"; and (4) significant workload and attorney staffing standards associated with juveniles charged as adults.

COURTS AND PROBATION R7 RALPH L. CARR JUDICIAL CENTER: The Courts and Probation request funding and legislation for urgent and critical support of the Ralph L. Carr Judicial Center (Judicial Center). Through FY 2019-20, more than \$4.5 million General Fund was provided to support Judicial Center funding; a \$3.6 million General Fund cut was taken in FY 2020-21 and never restored. Structurally, current cash fund support from the Judicial Center Cash Fund (JCCF), with revenue generated from statutory court filing fees can no longer independently support the financing and operations of the Judicial Center. Additionally, the Judicial Center, completed in December 2010, has entered its initial period for the need to support annual controlled maintenance for the replacement of building

systems at the end of their economic or physical life. Statutory change is also requested to repeal the current and unused controlled maintenance funding mechanism and dedicated cash fund.

UPDATE ON ADMINISTRATIVE SERVICES FOR INDEPENDENT AGENCIES: Senate Bill 23-228, Office of Administrative Services for Independent Agencies, created the office known as ASIA to provide central administrative and fiscal services support for the small, independent agencies added in the Judicial Department budget over recent years. This issue brief provides an update on implementation.

ONE-TIME FUNDING AUTHORIZED IN RECENT LEGISLATIVE SESSIONS: During the 2020B, 2021, 2022 and 2023 legislative sessions, the General Assembly allocated significant one-time funding to the Judicial Department that included \$1.0 million originating as state General Fund and \$45.9 million originating as federal Coronavirus State Fiscal Recovery funds (ARPA funds).

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DEPARTMENT OF LABOR AND EMPLOYMENT

The Department of Labor and Employment is responsible for administering unemployment insurance programs, supporting the state's system of one-stop workforce centers and workforce development programs, enforcing the state's labor laws, regulating workers' compensation insurance, administering vocational rehabilitation programs, and inspecting a variety of industries from retail fuel locations to amusement park rides. The Department's FY 2023-24 appropriation represents approximately 1.0 percent of statewide operating appropriations and 0.2 percent of statewide General Fund appropriations.

FY 2023-24 APPROPRIATION AND FY 2024-25 REQUEST

DEPARTMENT OF LABOR AND EMPLOYMENT						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2023-24 APPROPRIATION:						
SB 23-214 (Long Bill)	\$404,053,995	\$31,852,323	\$152,198,025	\$24,238,463	\$195,765,184	1,705.2
Other legislation	4,231,661	3,237,364	744,297	0	250,000	19.2
TOTAL	\$408,285,656	\$35,089,687	\$152,942,322	\$24,238,463	\$196,015,184	1,724.4
FY 2024-25 REQUESTED APPROPRIATION:						
FY 2023-24 Appropriation	\$408,285,656	\$35,089,687	\$152,942,322	\$24,238,463	\$196,015,184	1,724.4
R1 ONA expansion	150,425	150,425	0	0	0	1.5
R2 OFW operations	96,547	0	96,547	0	0	0.7
R3 DLSS SWEEP project	203,132	0	203,132	0	0	1.8
R4 Disability program navigator	500,000	0	500,000	0	0	1.0
R5 Blind and low vision services	164,643	35,069	0	0	129,574	1.8
R6 OJT Funding and date alignment	0	0	0	0	0	0.0
R7 Flex use of SSA reimbursement	0	0	0	0	0	0.0
R8 DVR adjustment to EFI appropriation	0	0	0	0	0	0.0
R9 ILC Common policy provider rate adjustment	132,085	132,085	0	0	0	0.0
Centrally appropriated line items	14,881,176	462,323	6,260,050	25,024	8,133,779	(1.0)
Annualize prior year legislation	4,869,569	(1,356,073)	77,842	0	6,147,800	5.1
Non-prioritized decision items	1,308,193	169,359	596,019	16,625	526,190	0.0
Indirect cost assessment	17,258	0	(139,487)	(3,062)	159,807	0.0
Annualize prior year budget actions	(476,698)	23,301	(499,999)	0	0	0.2
TOTAL	\$430,131,986	\$34,706,176	\$160,036,426	\$24,277,050	\$211,112,334	1,735.5
INCREASE/(DECREASE)	\$21,846,330	(\$383,511)	\$7,094,104	\$38,587	\$15,097,150	11.1
Percentage Change	5.4%	(1.1%)	4.6%	0.2%	7.7%	0.6%

R1 ONA EXPANSION: The request includes an increase of \$150,425 General Fund for FY 2024-25 and \$144,298 in FY 2025-26 and ongoing to support 1.5 FTE in FY 2024-25, annualizing to 1.6 FTE in FY 2025-26, in the Office of New Americans (ONA). This funding would cover 1.0 FTE for an Administrator to manage ONA grants, coordinate with other entities, and identify opportunities for new migrant career pathway enhancement. The other 0.6 FTE would go towards an existing 0.4 FTE to create a full-time Program Assistant to support the ONA Director. This request is further discussed in the briefing issue on the Offices of New Americans and Future Work. The Department identified this request as theory-informed.

R2 OFW OPERATIONS: The request includes an increase of \$96,547 in cash fund spending authority in FY 2024-25 and \$127,923 in FY 2025-26 from the Employment Support Fund to support 0.7 FTE in FY 2024-25, annualizing to 1.0 FTE in FY 2025-26, for a Policy Research Manager to facilitate current and future studies on emerging work trends as well as coordinate the Thought Leader working group. This request is further discussed in the briefing issue on the Offices of New Americans and Future Work.

R3 DLSS SWEEP PROJECT: The request includes an increase of \$203,132 in cash fund spending authority for FY 2024-25 and \$205,451 in FY 2025-26 and ongoing from the Wage Theft Enforcement Fund to support 1.8 FTE in FY 2024-25, annualizing to 2.0 FTE in FY 2025-26. This funding would allow for permanent implementation of the Strategic Wage Education with Employers Program (SWEEP). SWEEP is a pilot program the Division implemented beginning in FY 2022-23, to find inadvertent labor law violations and engage in outreach and compliance assistance to help employers remedy violations and avoid investigations or lawsuits. The Department reports the pilot program has been successful, and is requesting funding to create a permanent voluntary compliance unit, which will support employers in fixing violations to avoid fines and investigations. The Department identified this request as theory-informed.

R4 DISABILITY PROGRAM NAVIGATOR: The request includes an increase of \$500,000 in cash fund spending authority from the Employment Support Fund in FY 2024-25 and ongoing to support 1.0 FTE. In partnership with the Division of Vocational Rehabilitation (DVR), this funding would allow reallocation of resources within DVR to allow the Division to draw down an additional \$1.8 million in federal funds through the federal match rate. This request would sustain the work of the Disability Program Navigator (DPN) Initiative, which places disability navigators in workforce centers to increase access to services and employment. This initiative is currently being funded through a mix of state and Federal Workforce Innovation and Opportunity Act (WIOA) funds. However, current and expected decreases in WIOA funding will impact the ability of the Department to continue the program. The Department believes this request would allow them to continue the DPN initiative as well as better leverage the DVR federal match rate to increase resources to support the employment of people with disabilities. The Department identified this request as theory-informed.

R5 BLIND AND LOW VISION SERVICES: The request includes an increase of \$164,643 total funds, including \$35,069 General Fund and 1.8 FTE for FY 2024-25, and \$34,877 General Fund for FY 2025-26 and ongoing to support an Administrative Assistant and Rehabilitation Counselor. The Administrative Assistant would support the administrative duties within the unit and increase outreach to the blind and low vision community, and the Rehabilitation Counselor would serve as an Orientation and Mobility/Vision Rehabilitation Therapy Specialist within the Blind and Low Vision Services' (BLVS) Personal Adjustment Training (PAT) unit. The PAT unit provides specialized training to assist people who are blind or visually impaired to become independent at home, in the community, and in employment. The Division is finding that BLVS cases are requiring increasing amounts of time and management as well as seeing increased demand for services overall, leading to longer standby lists. It is requesting additional FTE to help address the standby list. The Department identified this request as theory-informed.

R6 OJT FUNDING AND DATE ALIGNMENT [REQUIRES LEGISLATION]: The request includes that the JBC sponsor legislation to align expenditure deadlines for the Office of Just Transition. The General Assembly provided the Office with \$30.0 million dollars over the last few sessions, with half for action plan implementation and community support and the other half to directly support workers. There have been a number of bills increasing or adjusting funding for the Office, with differing expenditure deadlines that begin to expire after FY 2023-24. However, coal plants are not expected to start closing until 2025, and the Office has only been able to expend \$2.4 million so far. The Department is requesting language be added to statute requiring the funding to be expended or encumbered by FY 2026-27, as well as making other adjustments to the language in statute to clarify the purposes of the funding which have been reflected somewhat differently in different bills.

R7 FLEX USE OF SSA REIMBURSEMENT: The request includes a net zero realignment of Federal Social Security Reimbursement (SSA) funds, which would decrease federal SSA funding by \$0.8 million and increase:

- Older Blind Grants (OIB) by \$0.1 million in order to increase contracts for the provision of services across Colorado; and
- Independent Living Services (ILS) by \$0.7 million to restore a 9.3 percent cut in General Fund from FY 2020-21. Currently, the Department's Long Bill restricts the spending authority of the ILS and OIB programs to the General Fund and each program's respective Federal Grant awards, limiting DVR's ability to transfer available Social Security reimbursements. However, under federal law DVR has the authority to allocate this funding between these programs. Providing DVR more flexibility will allow them to increase funding to programs as needed and allow DVR to draw down more Federal VR grant dollars. The SSA funds received a significant annual cost of living adjustment, which is why the Division believes it has the capacity to redistribute funding without issue. The Department identified this request as theory-informed.

R8 DVR ADJUSTMENT TO EFI APPROPRIATION: The request includes a net-zero reallocation of FTE within DVR to provide clarification on federal match funding in the Long Bill. The request is to move 4.0 FTE in the Employment First Initiative line item to the Personal Services line item. This is because all other FTE in the Employment First line item are eligible for the federal match rate in their funding, and this line has an (M) notation. These 4.0 FTE are programmatic and were added through budget decisions, and the funding that supports them is ineligible for the federal DVR match. This is a technical change to ensure DVR is reporting accurate funding amounts eligible for the federal match, and may need to also be amended in the FY 2023-24 Long Bill.

R9 ILC COMMON POLICY PROVIDE RATE ADJUSTMENT: The request includes an ongoing increase of \$132,085 General Fund for a provider rate increase of 2.0 percent for the Independent Living Centers in FY 2024-25 and ongoing. If the Committee approves R7, this request would not be impacted because the provider rate adjustment is only applied to the General Fund in the line. This decision item is linked to actions the Committee takes on the Community Provider Rate common policy.

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

CENTRALLY APPROPRIATED LINE ITEMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Salary survey	\$12,736,941	\$870,877	\$4,710,395	\$44,042	\$7,111,627	0.0
PERA direct distribution	2,004,645	180,588	884,982	9,840	929,235	0.0
ALJ services	1,295,866	3,571	1,282,711	0	9,584	0.0
Health, life, and dental	1,162,658	111,108	594,057	13,816	443,677	0.0
Leased space	866,791	86,657	476,622	0	303,512	0.0
Paid family and medical leave insurance	624,126	54,492	277,810	3,121	288,703	0.0
AED	516,804	148,842	79,494	(569)	289,037	0.0
SAED	516,804	148,842	79,494	(569)	289,037	0.0
Workers' compensation	59,321	2,466	17,482	172	39,201	0.0
Capitol Complex leased space	38,501	4,676	26,102	0	7,723	0.0
Short-term disability	16,776	4,629	2,795	(60)	9,412	0.0
Risk management & property	13,606	542	3,829	65	9,170	0.0
IT Accessibility	(3,481,855)	(850,617)	(1,541,765)	(30,989)	(1,058,484)	(1.0)
Payments to OIT	(1,258,804)	(298,668)	(566,936)	(13,612)	(379,588)	0.0
CORE	(212,389)	(1,285)	(59,726)	(233)	(151,145)	0.0
Legal services	(18,615)	(4,397)	(7,296)	0	(6,922)	0.0
TOTAL	\$14,881,176	\$462,323	\$6,260,050	\$25,024	\$8,133,779	(1.0)

ANNUALIZE PRIOR YEAR LEGISLATION: The request includes a net increase of \$4.9 million total funds to reflect the FY 2024-25 impact of bills passed in previous sessions, summarized in the table below.

ANNUALIZE PRIOR YEAR LEGISLATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
HB 23-1283 Transfer refugee services to ONA	\$6,147,800	\$0	\$0	\$0	\$6,147,800	1.6
SB 23-105 Equal pay for equal work	350,750	350,750	0	0	0	4.1
SB 23-111 Public employees workplace protection	103,139	103,139	0	0	0	1.0
SB 23-058 Job application fairness act	79,307	79,307	0	0	0	1.0
HB 23-1076 Workers comp	74,453	0	74,453	0	0	1.6
HB 23-1212 Promotion of apprenticeships	14,599	14,599	0	0	0	0.7
HB 23-1198 Teacher externship program	12,585	12,585	0	0	0	0.3
SB 23-231 Overdue wage claims	3,389	0	3,389	0	0	0.0
SB 23-172 Workers rights act	0	0	0	0	0	0.0
HB 23-1246 Support in-demand workforce	(1,218,206)	(1,218,206)	0	0	0	0.1
SB 22-140 Experiential learning	(357,307)	(357,307)	0	0	0	(5.5)
HB 23-1074 Study workforce transitions	(294,228)	(294,228)	0	0	0	0.1
SB 23-292 Labor requirements energy construction	(27,182)	(27,182)	0	0	0	0.0
SB 23-017 Additional uses paid sick leave	(17,203)	(17,203)	0	0	0	0.0
SB 23-261 Direct care workforce stabilization board	(2,327)	(2,327)	0	0	0	0.1
TOTAL	\$4,869,569	(\$1,356,073)	\$77,842	\$0	\$6,147,800	5.1

NON-PRIORITIZED DECISION ITEMS: The request includes an increase of \$1.3 million total funds for non-prioritized decision items including \$169,359 General Fund, summarized in the table below.

NON-PRIORITIZED DECISION ITEMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
NP Central services omnibus request	\$1,297,106	\$169,697	\$594,439	\$16,627	\$516,343	0.0
CORE operating resources	16,660	101	4,685	18	11,856	0.0
NP1 Annual fleet vehicle request	(5,573)	(439)	(3,105)	(20)	(2,009)	0.0
TOTAL	\$1,308,193	\$169,359	\$596,019	\$16,625	\$526,190	0.0

INDIRECT COST ASSESSMENT: The request includes a net increase of \$17,258 total funds for the Department's indirect cost assessment.

ANNUALIZE PRIOR YEAR BUDGET ACTIONS: The request includes a net decrease of \$476,698 total funds to reflect the FY 2024-25 impact of budget decisions made during previous sessions, summarized in the table below.

ANNUALIZE PRIOR YEAR BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 23-24 BA1 Rides and devices program staffing	\$22,107	\$22,107	\$0	\$0	\$0	0.0
FY 23-24 BA2 Disability employment first	1,195	1,195	0	0	0	0.2
FY 23-24 Salary survey	0	(1)	1	0	0	0.0
FY 23-24 R2 UI fraud prevention	0	0	0	0	0	0.0
FY 21-22 Veterans service to career	(500,000)	0	(500,000)	0	0	0.0
TOTAL	(\$476,698)	\$23,301	(\$499,999)	\$0	\$0	0.2

SUMMARY OF ISSUES PRESENTED TO THE JOINT BUDGET COMMITTEE

ONE-TIME FUNDING AUTHORIZED IN RECENT LEGISLATIVE SESSIONS: During the 2021, 2022, and 2023 legislative sessions, the General Assembly allocated significant one-time funding to the Department of Labor and Employment that included \$42.4 million originating as state General Fund and \$682.0 million originating as federal Coronavirus State Fiscal Recovery funds (ARPA funds).

UNEMPLOYMENT INSURANCE UPDATE: This issue provides background information on recent changes to and the current status of the State Unemployment Insurance program, as well as discusses the Governor's proposed budget balancing mechanism utilizing the Employment Support Fund.

OFFICES IN CDLE – NEW AMERICANS AND FUTURE OF WORK: This issue provides background information on the Offices of New Americans and Future of Work, discusses request items related to the offices, and lays out a potential restructure with these two offices carved out as separate subdivisions.

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DEPARTMENT OF LAW

The Attorney General is one of five independently elected constitutional officers of the State. As the chief executive officer of the Department of Law, the Attorney General represents and defends the legal interests of the people of the State of Colorado and serves as the legal counsel and advisor to state agencies. The Department's FY 2023-24 appropriation represents approximately 0.3 percent of statewide operating appropriations and 0.2 percent of statewide General Fund appropriations.

FY 2023-24 APPROPRIATION AND FY 2024-25 REQUEST

DEPARTMENT OF LAW						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2023-24 APPROPRIATION:						
SB 23-214 (Long Bill)	\$130,052,173	\$24,252,594	\$23,658,114	\$78,347,293	\$3,794,172	616.1
Other Legislation	2,937,515	17,708	37,500	2,882,307	0	14.2
TOTAL	\$132,989,688	\$24,270,302	\$23,695,614	\$81,229,600	\$3,794,172	630.3
FY 2024-25 REQUESTED APPROPRIATION:						
FY 2023-24 Appropriation	\$132,989,688	\$24,270,302	\$23,695,614	\$81,229,600	\$3,794,172	630.3
Statewide R1 Pros. Fed. gun crimes	599,368	599,368	0	0	0	3.7
R1 Special prosecution rural support	593,966	593,966	0	0	0	2.3
R2 Increase agency admin support	662,356	0	0	662,356	0	3.6
R3 Fed Interstate Water Unit	295,795	295,795	0	0	0	1.8
R4 Long bill reorganization	0	0	0	0	0	0.0
Centrally appropriated line items	8,516,091	2,107,773	1,654,959	4,740,794	12,565	0.0
Indirect cost adjustment	1,011,889	0	273,377	703,092	35,420	0.0
Prior year legislation	666,629	65,086	(30,799)	632,342	0	1.9
Non-prioritized request	294,083	86,406	38,733	168,944	0	0.0
Prior year budget action	(1,420,072)	(363,630)	(1,417,371)	362,210	(1,281)	1.6
Technical adjustments	642,826	5,008	881,420	(243,864)	262	7.4
TOTAL	\$144,852,619	\$27,660,074	\$25,095,933	\$88,255,474	\$3,841,138	652.6
INCREASE/(DECREASE)	\$11,862,931	\$3,389,772	\$1,400,319	\$7,025,874	\$46,966	22.3
Percentage Change	8.9%	14.0%	5.9%	8.6%	1.2%	3.5%

STATEWIDE R1 EXPAND PROSECUTION OF FEDERAL GUN CRIMES: The request includes an increase of \$599,368 General Fund and 3.7 FTE to allow the Attorney General to enter an agreement with the U.S. Attorney's Office Colorado District to increase the number of attorneys prosecuting gun crimes in federal court. This request originates from the Governor's Office and is submitted with the support of the Attorney General. No agreement is currently in place, however, the City and County of Denver and City of Aurora currently have similar ones with the U.S. Attorney's Office. While these positions would be authorized to work with the U.S. Attorney's Office, the Attorney General directs the attorney's work and intends to limit their scope to federal gun crimes that are going unprosecuted due to lack of resources.

R1 SPECIAL PROSECUTION RURAL SUPPORT: The request includes \$593,966 General Fund and 2.3 FTE in FY 2024-25, increasing to \$624,566 General Fund and 2.5 FTE in FY 2025-26, to establish a specialized team for prosecution support in rural cases across the state. Funding is intended to allow the AG to respond efficiently to executive orders, district attorney resignations, and provide resources and expertise to address cases pending in rural jurisdictions.

R2 INCREASE AGENCY ADMIN SUPPORT: The request includes \$622,356 reappropriated funds and 3.6 FTE in FY 2024-25, increasing to \$693,444 reappropriated funds and 4.0 FTE in FY 2025-26 to increase administrative support at the agency. This request continues the Department of Law’s efforts to slowly “right-size” its support staff, building on budget actions taken by the Joint Budget Committee during the prior two budget cycles, to address the Department’s recent growth, driven primarily by legislation, and costs of administering new regulatory and legislative requirements.

R3 FEDERAL INTERSTATE WATER UNIT: The request includes \$295,795 General Fund and 1.8 FTE in FY 2024-25, increasing to \$306,480 General Fund and 2.0 FTE in FY 2025-26, to increase the Department’s capacity to respond to federal and interstate water conflicts that arise related to the waters of Colorado. The complexity, sensitivity, and magnitude of state water issues have increased the policy and litigation workloads for the Interstate Water Unit, as well as the intensity of communications, and requires a uniform and coordinated response from across state government.

R4 LONG BILL REORGANIZATION: The request includes a budget neutral reorganization of the Department’s Long Bill, including renaming the Consumer Protection and Antitrust line item “Consumer Protection, Antitrust, and Civil Rights” and moving programs such as Patterns and Practices investigations in and Medicaid Fraud Control Unit into the Consumer Protection and Antitrust Long Bill section. The reorganization reflects the current operations of the Attorney General’s Office.

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

CENTRALLY APPROPRIATED LINE ITEMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Salary survey	\$5,512,997	\$1,305,210	\$712,964	\$3,411,255	\$83,568	0.0
PERA Direct Distribution	1,211,122	323,511	185,646	701,965	0	0.0
AED	507,261	125,978	186,125	197,137	(1,979)	0.0
SAED	507,261	125,978	186,125	197,137	(1,979)	0.0
Health, life, and dental	405,825	156,800	339,774	(26,939)	(63,810)	0.0
Paid Family and Medical Leave Insurance	338,797	83,244	50,424	197,549	7,580	0.0
Leased space	72,587	31	10,173	67,519	(5,136)	0.0
Workers’ compensation	67,127	16,548	8,871	39,854	1,854	0.0
Short-term disability	15,623	3,921	5,396	6,359	(53)	0.0
Vehicle lease payments	11,926	6,201	500	4,925	300	0.0
DPS Digital trunk radio	4,989	7,783	(5,151)	2,357	0	0.0
Risk management & property	(95,656)	(26,969)	(12,532)	(52,157)	(3,998)	0.0
CORE	(22,042)	(5,943)	(2,897)	(12,390)	(812)	0.0
Legal services	(15,310)	(6,159)	(9,151)	0	0	0.0
Payments to OIT	(5,849)	(8,361)	(741)	6,223	(2,970)	0.0
ALJ services	(567)	0	(567)	0	0	0.0
TOTAL	\$8,516,091	\$2,107,773	\$1,654,959	\$4,740,794	\$12,565	0.0

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

PRIOR YEAR LEGISLATION: The request includes adjustments related to out-year impact of prior year legislation.

PRIOR YEAR LEGISLATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
HB 23-1174 Underinsured Homeowners	\$598,697	\$0	\$0	\$598,697	\$0	1.7
HB 23-172 Protect Worker Opp & Rights	269,956	(11,258)	0	281,214	0	1.3

PRIOR YEAR LEGISLATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
HB 23-1252 Thermal Energy	190,333	0	0	190,333	0	1.0
HB 23-1257 Mobile Park Water Quality	152,266	0	0	152,266	0	0.8
SB 23-251 AG Revoke MV license repeals	111,027	0	0	111,027	0	0.5
SB 23-166 Wildfire Code Board	95,166	0	0	95,166	0	0.5
HB 20-1026 23rd Judicial District	63,971	63,971	0	0	0	0.0
SB 23-105 Equal Pay Equal Work	52,870	0	0	52,870	0	0.3
SB 18-200 PERA unfunded liability	51,186	12,373	6,701	32,112	0	0.0
SB 23-167 Midwives Reg. by Nurse Board	42,296	0	0	42,296	0	0.3
SB 22-179 MV Emissions Tampering	19,714	0	0	19,714	0	0.1
HB 23-1008 Food Accessibility	0	0	0	0	0	0.2
SB 23-291 Utility Regulation	(285,498)	0	0	(285,498)	0	(1.6)
SB 23-228 Admin Svcs for Ind Agencies	(100,453)	0	0	(100,453)	0	(0.5)
SB 23-229 Beh Health Court Liaison	(100,453)	0	0	(100,453)	0	(0.5)
SB 23-290 Natural Med Regulation	(90,576)	0	0	(90,576)	0	(0.4)
SB 23-271 Intox. Hemp and Marijuana	(57,100)	0	0	(57,100)	0	(0.3)
HB 23-1205 Office of Jud. Ombudsmen	(56,042)	0	0	(56,042)	0	(0.3)
SB 23-001 P3 for Housing	(47,583)	0	0	(47,583)	0	(0.3)
HB 23-1161 Appliance Enviro Standards	(43,882)	0	0	(43,882)	0	(0.2)
HB 23-1042 Admissibility Stds	(37,500)	0	(37,500)	0	0	0.0
SB 23-285 Energy and Carbon Mgmt	(33,838)	0	0	(33,838)	0	(0.1)
SB 23-087 Teacher Apprenticeship	(26,435)	0	0	(26,435)	0	(0.1)
SB 23-189 Reproductive Health Access	(23,263)	0	0	(23,263)	0	(0.1)
SB 23-016 Greenhouse Gas Reductions	(21,148)	0	0	(21,148)	0	(0.1)
SB 23-003 Adult High School Program	(21,148)	0	0	(21,148)	0	(0.1)
SB 23-275 Wild Horse Project	(21,148)	0	0	(21,148)	0	(0.1)
SB 23-221 Healthy School Meals All	(14,786)	0	0	(14,786)	0	(0.1)
TOTAL	\$666,629	\$65,086	(\$30,799)	\$632,342	\$0	1.9

NON-PRIORITIZED REQUEST: The request includes one decision item originating in the Department of Personnel, the Central Services Omnibus Request that impacts the Department of Law.

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

PRIOR YEAR BUDGET ACTION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 23-24 Prosecute Retail Crime	\$57,613	\$57,613	\$0	\$0	\$0	0.8
Info. Funds adjustment for grant award	49,137	18,234	0	30,903	0	0.4
FY 23-24 Refinance Safe2Tell with GF	16,194	16,194	0	0	0	0.2
FY 23-24 Patterns and Practices FTE	12,916	12,916	0	0	0	0.2
FY 23-24 IT Asset Maintenance	0	(7,126)	231	9,743	(2,848)	0.0
FY 23-24 Special Litigation Support	(1,475,700)	0	(1,475,700)	0	0	0.0
FY 23-24 Salary survey	(46,882)	(461,461)	58,098	354,914	1,567	0.0
FY 22-23 Admin Support	(20,010)	0	0	(20,010)	0	0.0
FY 23-24 Admin Support of Agency	(13,340)	0	0	(13,340)	0	0.0
TOTAL	(\$1,420,072)	(\$363,630)	(\$1,417,371)	\$362,210	(\$1,281)	1.6

TECHNICAL CHANGES: The request includes several technical adjustments that result in a net increase of \$642,826, including \$5,008 General Fund. Adjustments include the allocation of Attorney General Custodial Funds based on anticipated needs, costs for attorney registration fees based on attorney FTE, and an adjustment that corrects differences in how JBC staff and agency staff recorded appropriations in the Legal Services to State Agencies division.

SUMMARY OF ISSUES PRESENTED TO THE JOINT BUDGET COMMITTEE

SUMMARY OF DEPARTMENT REQUEST: This issue provides more depth on three of the Department of Law's current year budget requests. The discussion includes information about the Statewide R1 Expand Prosecution of Federal gun crimes, R1 Special Prosecution Rural Support, and R3 Fed Interstate Water Unit. Combined, these requests total just below \$1.5 million General Fund and 7.8 FTE in FY 2024-25.

MAJOR LITIGATION PENDING AGAINST THE STATE: The Department of Law submits an annual report to the State Controller discussing pending litigation that could have a significant financial or budgetary impact for cases where the Attorney General represents the state. The most recent report was submitted September 14, 2023. This issue provides a discussion of litigation included in the report that have a potential liability exceeding \$5.0 million, and which are not covered by the state's risk management and property program.

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DEPARTMENT OF LOCAL AFFAIRS

The Department of Local Affairs is responsible for building community and local government capacity by providing training, technical, and financial assistance to localities. The Department's FY 2023-24 appropriation represents approximately 0.9 percent of statewide operating appropriations and 0.4 percent of statewide General Fund appropriations.

FY 2023-24 APPROPRIATION AND FY 2024-25 REQUEST

DEPARTMENT OF LOCAL AFFAIRS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2023-24 APPROPRIATION:						
SB 23-214 (Long Bill)	\$377,813,556	\$52,892,283	\$184,795,741	\$15,109,746	\$125,015,786	233.2
Other legislation	4,948,635	1,948,635	0	3,000,000	0	0.8
SB 23B-001 (Property Tax Relief)	34,659	34,659	0	0	0	0.5
TOTAL	\$382,796,850	\$54,875,577	\$184,795,741	\$18,109,746	\$125,015,786	234.5
FY 2024-25 REQUESTED APPROPRIATION:						
FY 2023-24 Appropriation	\$382,796,850	\$54,875,577	\$184,795,741	\$18,109,746	\$125,015,786	234.5
R1 Continuation of HB 19-1009 voucher program	999,479	0	999,479	0	0	1.0
R2 EDO IT business project manager	97,247	0	0	97,247	0	0.9
R3 SDO statistical analyst	113,935	113,935	0	0	0	0.9
R4 Defense counsel on first appearance grant program reduction	(500,000)	(500,000)	0	0	0	0.0
Non-prioritized decision items	854,830	171,046	269,123	330,506	84,155	0.0
Technical adjustment	(4,435,156)	0	(4,435,156)	0	0	1.2
Annualize prior year budget actions	5,892,047	6,547,642	(536,081)	(9,176)	(110,338)	2.0
Centrally appropriated line items	2,644,094	959,956	1,819,022	(33,634)	(101,250)	0.0
Indirect cost assessment	71,932	0	158,361	(58,208)	(28,221)	0.0
Annualizing prior year legislation	(1,338,549)	(339,070)	(999,479)	0	0	(2.2)
TOTAL	\$387,196,709	\$61,829,086	\$182,071,010	\$18,436,481	\$124,860,132	238.3
INCREASE/(DECREASE)	\$4,399,859	\$6,953,509	(\$2,724,731)	\$326,735	(\$155,654)	3.8
Percentage Change	1.1%	12.7%	(1.5%)	1.8%	(0.1%)	1.6%

R1 CONTINUATION OF H.B. 19-1009 VOUCHER PROGRAM: The request includes \$999,479 cash funds from the Marijuana Tax Cash Fund for a permanent continuation to maintain the substance use disorders program established by H.B. 19-1009 (Substance Use Disorders Recovery). These funds would also support 1.0 FTE, a Community and Economic Development Specialist III, who currently manages the program and was a part of the original funding and its associated funding. The request does not propose an increase to the level of program funding.

R2 EXECUTIVE DIRECTOR'S OFFICE (EDO) IT BUSINESS PRODUCT MANAGER: The request includes \$97,247 reappropriated funds and 0.9 FTE in FY 2024-25 and \$98,117 and 1.0 FTE in FY 2025-26 and ongoing for a Business Product Manager. This position is requested in order to address increasing departmental administrative workload resulting from the development of new IT systems for new programs as well as the planning and administration for the ongoing replacement of existing programs' legacy systems that are becoming or have become obsolete. The Office of Information Technology refers to this as "technical debt." There are currently 17 technical debt applications in progress or projected for development or replacement over the next three to five years.

R3 STATE DEMOGRAPHY OFFICE (SDO) STATISTICAL ANALYST: The request includes \$113,935 General Fund and 0.9 FTE in FY 2024-25 and \$120,623 and 1.0 FTE in FY 2025-26 and ongoing to develop a position for long-term housing and income forecasts for state-wide use. The Department requests one full-time, ongoing Statistical Analyst III to increase the capacity of the State Demography Office (SDO) to create, display, and release additional housing and household data.

R4 DEFENSE COUNSEL ON FIRST APPEARANCE (DCFA) GRANT PROGRAM REDUCTION: The request includes a decrease of \$500,000 General Fund in FY 2024-25 and ongoing. This program reimburses local governments for the costs of providing public defense counsel to defendants on their first appearance in municipal court if they are facing incarceration. This program was created by H.B. 18-1353 (Defense Counsel in Municipal Court Grant Program) and extended by H.B. 23-072 (Sunset Defense Counsel First Appearance Program).

SUMMARY OF ISSUES PRESENTED TO THE JOINT BUDGET COMMITTEE

ONE-TIME FUNDING AUTHORIZED IN RECENT LEGISLATIVE SESSIONS: During the 2020B, 2021, 2022, and 2023 legislative sessions, the General Assembly allocated significant one-time funding to the Department of Local Affairs. This included \$408 million in general fund and \$446.1 million originating as federal Coronavirus State Fiscal Recovery funds (ARPA funds) for new and existing initiatives within the Department.

R1 CONTINUATION OF H.B. 19-1009 VOUCHER PROGRAM: This issue discusses the Department's request for a permanent continuation to maintain the substance use disorders program established by H.B. 19-1009 ("Substance Use Disorders Recovery").

R4 DEFENSE COUNSEL ON FIRST APPEARANCE (DCFA) GRANT PROGRAM REDUCTION: This issue discusses the Department's request for a decrease in a grant program that provides reimbursement to municipalities for first appearances on jailable offenses.

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DEPARTMENT OF MILITARY AND VETERANS AFFAIRS

The Department of Military and Veterans Affairs is responsible for training and maintaining Colorado's Army and Air National Guard to protect the safety and health of Colorado's residents and serve as a reserve force for the U.S. Armed Forces. The Department also administers state programs that assist U.S. military veterans. The Department's FY 2023-24 appropriation represents approximately 0.4 percent of statewide operating appropriations and 0.1 percent of statewide General Fund appropriations.

FY 2023-24 APPROPRIATION AND FY 2024-25 REQUEST

DEPARTMENT OF MILITARY AND VETERANS AFFAIRS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2023-24 APPROPRIATION:						
SB 23-214 (Long Bill)	\$148,582,765	\$14,553,944	\$1,961,125	\$65,557	\$132,002,139	2,490.0
Other legislation	692,645	642,645	50,000	0	0	1.6
TOTAL	\$149,275,410	\$15,196,589	\$2,011,125	\$65,557	\$132,002,139	2,491.6
FY 2024-25 REQUESTED APPROPRIATION:						
FY 2023-24 Appropriation	\$149,275,410	\$15,196,589	\$2,011,125	\$65,557	\$132,002,139	2,491.6
R1 CONG recruiting & retention	500,000	500,000	0	0	0	0.0
R2 Construction and facilities operating	195,000	195,000	0	0	0	0.0
R3 EDO training specialist	73,098	73,098	0	0	0	0.9
R4 VTF expanded spending authority	250,000	0	250,000	0	0	0.0
R5 Civil Air Patrol / JROTC program	193,400	193,400	0	0	0	0.9
Centrally appropriated line items	2,596,097	1,734,351	1,919	0	859,827	0.0
Non-prioritized requests	244,230	244,230	0	0	0	0.0
Annualize prior year budget actions	114,896	114,896	0	0	0	0.9
Annualize prior year legislation	17,498	17,498	0	0	0	0.4
Indirect cost assessment	(994)	0	7,523	(14,386)	5,869	0.0
TOTAL	\$153,458,635	\$18,269,062	\$2,270,567	\$51,171	\$132,867,835	2,494.7
INCREASE/(DECREASE)	\$4,183,225	\$3,072,473	\$259,442	(\$14,386)	\$865,696	3.1
Percentage Change	2.8%	20.2%	12.9%	(21.9%)	0.7%	0.1%

R1 CONG RECRUITING & RETENTION: The request includes a \$500,000 General Fund increase beginning in FY 2024-25 and ongoing to support recruiting and retention efforts for the Colorado National Guard (CONG). The CONG is currently facing recruiting and retention setbacks, with a current end strength below its target. Reduced end strength affects the state's ability to utilize the National Guard as an asset, as the lack of personnel can inhibit CONG's ability to respond effectively. Additionally, federal force structure investments to the State are based on end strength numbers. This request aims to address this shortfall by offering recruiting and retention incentives to CONG service members.

R2 CONSTRUCTION AND FACILITIES OPERATING: The request includes an increase of \$195,000 General Fund to the Army National Guard Cooperative Agreement in FY 2024-25 and ongoing. This request intends to cover the increased costs associated with repairs and maintenance at Colorado National Guard facilities. The average age of Colorado Air National Guard (COARNG) facilities is thirty-two years, and seven facilities are over sixty years old.

This request would allow the Department to invest in repairing, maintaining, and modernizing its facilities and assist in meeting rising utility and maintenance costs.

R3 EDO TRAINING SPECIALIST: The request includes \$73,098 General Fund and 0.9 FTE within the Executive Director's Office (EDO) in FY 2024-25 for a dedicated training specialist. The FY 2025-26 impact of this request is \$73,360 General Fund and 1.0 FTE. This request aims to address comprehensive training requirements for the DMVA, which according to the Department have historically been inadequate.

R4 VTF EXPANDED SPENDING AUTHORITY: The request is for a \$250,000 increase in cash fund spending authority from the Veterans Trust Fund (VTF) in FY 2024-25 and ongoing. The VTF currently has a fund balance in excess of \$4.0 million. The increased spending authority would allow the Department to utilize these funds to support Colorado Veterans through various initiatives, including funding for veteran community living centers, state veteran cemeteries, veteran programs operated by nonprofit veteran organizations, mental health services, family counseling services, job training, employment, and housing for veterans experiencing homelessness.

R5 CIVIL AIR PATROL / JROTC PROGRAM: The request includes an increase of \$193,400 General Fund and 0.9 FTE in FY 2024-25 for operational support to coordinate statewide efforts for the Civil Air Patrol (CAP) and Junior Reserve Officer Training Corps (JROTC). According to the Department, the FY 2025-26 impact of the request would be \$193,400 General Fund and 1.0 FTE.

This request aims to increase awareness and drive additional participation in CAP and JROTC programs through direct engagement with K-12 schools across Colorado. The Department aims to achieve this through:

- Increasing the scope of responsibility and funding for the existing CAP Administrator;
- Creating a new FTE to serve as the State JROTC coordinator, which will provide education and workforce resources to students in marginalized communities who currently do not have access to these opportunities; and
- Increasing the operational funds to perform outreach across the State of Colorado.

CENTRALLY APPROPRIATED LINE ITEMS: The request includes an increase of \$2.6 million total funds for centrally appropriated line items, summarized in the table below.

CENTRALLY APPROPRIATED LINE ITEMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Salary survey	\$980,683	\$382,997	\$8,379	\$0	\$589,307	0.0
Risk management & property adjustment	414,028	414,028	0	0	0	0.0
Health, life, and dental	396,972	257,033	(15,673)	0	155,612	0.0
Payments to OIT	268,902	268,902	0	0	0	0.0
PERA Direct Distribution	220,574	216,705	3,869	0	0	0.0
AED	83,452	58,494	2,142	0	22,816	0.0
SAED	83,452	58,494	2,142	0	22,816	0.0
Paid Family and Medical Leave Insurance	58,019	26,603	985	0	30,431	0.0
Common policy provider rate	40,211	40,211	0	0	0	0.0
Workers' compensation	35,965	14,386	0	0	21,579	0.0
Legal services	17,528	17,528	0	0	0	0.0
Shift differential	16,085	0	0	0	16,085	0.0
Capitol Complex leased space	11,181	11,181	0	0	0	0.0
Short-term disability	3,328	2,072	75	0	1,181	0.0
CORE	(34,283)	(34,283)	0	0	0	0.0
TOTAL	\$2,596,097	\$1,734,351	\$1,919	\$0	\$859,827	0.0

NON-PRIORITIZED REQUESTS: The request includes four non-prioritized requests summarized in the table below, aggregating to an increase of \$244,230 General Fund for FY 2024-25.

NON-PRIORITIZED REQUESTS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Central services omnibus request	\$239,755	\$239,755	\$0	\$0	\$0	0.0
Core operating resources	2,933	2,933	0	0	0	0.0
Vehicle lease payments	879	879	0	0	0	0.0
DPS Digital trunk radio	663	663	0	0	0	0.0
TOTAL	\$244,230	\$244,230	\$0	\$0	\$0	0.0

ANNUALIZE PRIOR YEAR BUDGET ACTIONS: The request includes an increase of \$114,896 total funds to reflect the impact of prior year budget actions in FY 2024-25.

ANNUALIZE PRIOR YEAR BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 23-24 R3 Senior executive staff additions	\$55,671	\$55,671	\$0	\$0	\$0	0.2
FY 23-24 BA1 Performance audit resources	32,018	32,018	0	0	0	0.5
FY 23-24 R2 Veterans cemetery staff	27,207	27,207	0	0	0	0.2
TOTAL	\$114,896	\$114,896	\$0	\$0	\$0	0.9

ANNUALIZE PRIOR YEAR LEGISLATION: The request includes an increase of \$17,498 General Fund to reflect the impact of H.B. 23-1088 (Veterans Mental Health Session Reimbursement Program) in FY 2024-25.

INDIRECT COST ASSESSMENT: The request includes a net decrease of \$994 total funds for indirect cost assessments.

SUMMARY OF ISSUE PRESENTED TO THE JOINT BUDGET COMMITTEE

R1 COLORADO NATIONAL GUARD RECRUITING & RETENTION: The issue discusses the Department's request for \$500,000 General Fund in FY 2024-25 and ongoing to support recruiting and retention efforts for the Colorado National Guard. Background information regarding the Colorado National Guard's end strength numbers, the challenges it currently faces in meeting its recruiting and retention goals, and the incentive plan it proposes to aid in meeting its objectives are examined in the issue brief.

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DEPARTMENT OF NATURAL RESOURCES

The Department of Natural Resources is responsible for developing, protecting, and enhancing Colorado's natural resources for the use and enjoyment of present and future residents and visitors. The FY 2023-24 appropriations to the Department of Natural Resources represents 1.2 percent of total statewide General Fund and 0.3 percent of total appropriations.

FY 2023-24 APPROPRIATION AND FY 2024-25 REQUEST

DEPARTMENT OF NATURAL RESOURCES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2023-24 APPROPRIATION:						
SB 23-214 (Long Bill)	\$407,921,389	\$42,466,523	\$319,830,780	\$8,351,203	\$37,272,883	1,650.9
Other legislation	101,896,000	(98,724)	101,987,693	7,031	0	21.5
TOTAL	\$509,817,389	\$42,367,799	\$421,818,473	\$8,358,234	\$37,272,883	1,672.4
FY 2024-25 REQUESTED APPROPRIATION:						
FY 2023-24 Appropriation	\$509,817,389	\$42,367,799	\$421,818,473	\$8,358,234	\$37,272,883	1,672.4
R1 State Land Board biodiversity program	479,629	0	479,629	0	0	3.7
R2 CPW biodiversity and habitat	1,097,145	0	1,097,145	0	0	8.3
R3 Reverse wildlife cash and lottery transfers	(199,068)	0	(199,068)	0	0	0.0
R4 Park manager career progression	493,796	0	493,796	0	0	0.0
R5 River operations coordinators	394,025	394,025	0	0	0	2.8
R6 Create CWCB grants section	154,574	0	154,574	0	0	0.9
R7 IT infrastructure and support	101,693	0	0	101,693	0	0.9
R8 Wildlife dam safety staffing	140,071	0	140,071	0	0	0.9
R9 Wildlife management staffing	1,320,746	0	1,320,746	0	0	15.6
R10 Aquatics staffing and hatchery ops	1,014,939	0	1,014,939	0	0	3.7
R11 Staff for demand at state parks	578,158	0	578,158	0	0	6.4
R12 CPW information and education	290,730	0	290,730	0	0	3.6
R13 State Land Board outdoor recreation leasing	77,743	0	77,743	0	0	0.9
R14 CPW administrative support	393,511	0	393,511	0	0	5.5
R15 Energy and Carbon Management website	22,210	0	22,210	0	0	0.0
Centrally appropriated line items	21,569,277	2,846,066	17,701,156	810,434	211,621	0.0
Non-prioritized decision items	1,720,883	223,884	1,442,608	53,830	561	0.0
Technical adjustments	1,697,089	0	(1,302,911)	0	3,000,000	0.0
Indirect cost assessment	897,016	77,962	841,427	(77,962)	55,589	0.0
Annualize prior year legislation	(97,310,911)	155,585	(97,466,496)	0	0	1.6
Annualize prior year budget actions	(2,466,724)	(124,111)	(2,125,924)	(122,746)	(93,943)	(2.4)
TOTAL	\$442,283,921	\$45,941,210	\$346,772,517	\$9,123,483	\$40,446,711	1,724.8
INCREASE/(DECREASE)	(\$67,533,468)	\$3,573,411	(\$75,045,956)	\$765,249	\$3,173,828	52.4
Percentage Change	(13.2%)	8.4%	(17.8%)	9.2%	8.5%	3.1%

R1 STATE LAND BOARD BIODIVERSITY PROGRAM: The Department requests an increase of \$400,172 cash funds from the State Land Board Trust Administration Fund and 3.7 FTE in FY 2024-25 for the establishment of a formal Biodiversity Program in the Department. The Department is requesting an additional \$79,457 cash funds for employee benefits for a total requested amount of \$479,629 cash funds. The Department has identified this request as theory-informed.

In the request for this funding, the Department states that the biodiversity program “will protect and enhance species and ecosystem biodiversity on state trust lands through the implementation of proven land, habitat, and species management practices and ecosystem services leasing opportunities.”

R2 CPW BIODIVERSITY AND HABITAT: The Department requests an increase of \$1,097,145 cash funds from the Wildlife Cash Fund and 8.3 FTE starting in FY 2024-25. This would increase to \$1,166,199 cash funds and 9.0 FTE in FY 2025-26.

The request aims to support biodiversity coordination activities and is part of a larger effort that includes R1 State Land Board Biodiversity Program. Per the request, it is also related to “the work and forthcoming roadmap of the Governor’s Office of Climate Preparedness.”

The requested staff would work on: species conservation efforts, especially those related to amphibians and pollinating insects; data management related to species conservation; aquatic population genetics and habitat projects; terrestrial biology in southwest Colorado; resource stewardship; habitat protection; and private land conservation.

R3 REVERSE WILDLIFE CASH AND LOTTERY TRANSFERS [LEGISLATION REQUIRED]: The Department requests that the JBC sponsor legislation to transfer about \$1.5 million from the Capitol Complex Renovation Fund to the Wildlife Cash Fund (\$1.2 million) and the Parks & Wildlife Lottery Fund (\$0.273 million). This legislation would also stop future transfers from the Wildlife Cash Fund and CPW Lottery Fund to the Capitol Complex Renovation Fund and eliminate CPW’s *Annual Depreciation-lease Equivalent Payment* line item in the Long Bill, which is supported by the Wildlife Cash Fund.

The request asserts that previous transfers from these CPW cash funds, as required by S.B. 22-239 (Buildings in the Capitol Complex), were made erroneously. Specifically, federal and state law prohibit the diversion of wildlife cash funds for non-wildlife purposes as condition of eligibility for about \$45.0 million federal funds related to excise taxes on hunting, shooting, and fishing equipment. The request also asserts that transfers from CPW’s Lottery Fund conflict with the State Constitution.

R4 PARK MANAGER CAREER PROGRESSION: The Department requests \$493,796 cash funds from the Parks Cash Fund in FY 2024-25 and \$530,777 in FY 2025-26 to implement an equitable career progression plan for the Park Manager job classes. This progression matches the progression plan for employees in the Wildlife Manager job classes.

In short, Wildlife Managers currently progress automatically from level II to level III after one year of successful performance; Park Managers do not. Park Managers must apply for a promotion from level II to level III. Per the request, this arrangement has contributed to a 75.0 percent turnover rate among Park Manager II staff (July 2018 to June 2023).

The requested funds would allow Park Managers to progress automatically from level II to level III after one year of successful work. It would also allow all current Park Manager III staff to move up to Park Manager IV and move Park Manager IV staff supervising an entire state park to Park Manager V.

R5 RIVER OPERATIONS COORDINATORS: The Department requests an increase of \$394,025 General Fund and 2.8 FTE within the Division of Water Resources (DWR) in FY 2024-25. The request increases to \$420,158 General Fund and 3.0 FTE in FY 2025-26.

River operations coordinators manage water moving across multiple water districts within the DWR’s seven water divisions. The request would allow DWR to hire two coordinators in the South Platte River Basin and one coordinator

in the Rio Grande Basin. In the South Platte Basin, the two new coordinators would help two existing coordinators deal with increasing workload stemming from increasing population growth and water administration complexity. There is not currently a river operations coordinator in the Rio Grande Basin. Per the request, the new coordinator for the Rio Grande Basin would “ensure the correct determination and delivery of replacement water to streams” and help manage groundwater allocations.

R6 CREATE CWCB GRANTS SECTION: The Department requests an increase of \$154,574 from the Water Plan Implementation Cash Fund and 0.9 FTE starting in FY 2024-25 for the Colorado Water Conservation Board (CWCBC). This would increase to \$159,354 and 1.0 FTE in FY 2025-26. The request aims to consolidate the administration of the Water Plan Grant Program and the Water Supply Reserve Fund Grant Program into one Grants Section. The purpose of doing this is to increase the efficiency of both grant programs and to improve the ratio of staff to management. The additional FTE would oversee this new Grants Section.

R7 IT INFRASTRUCTURE AND SUPPORT: The Department requests an increase of \$101,693 reappropriated funds and 0.9 FTE in FY 2024-25. This would increase to \$102,510 reappropriated funds and 1.0 FTE in FY 2025-26. The request would allow the Department to hire an Infrastructure and Network Product Manager to manage the Department’s network technology assets and prevent serious network outages.

R8 WILDLIFE DAM SAFETY STAFFING: The Department requests an increase of \$140,071 cash funds from the Wildlife Cash Fund and 0.9 FTE in FY 2023-24. This would increase to \$150,215 and 1.0 FTE in FY 2025-26. The request would allow CPW to hire an additional dam safety engineer. CPW is responsible for over 115 dams throughout Colorado, including 22 classified as “high-hazard.” The request asserts that the “current staff level of three dam safety engineers is insufficient to design, construct, and inspect these assets.” The request also notes recent turnover in these positions, with departing engineers citing the unmanageable level of work they faced “on a daily basis.”

R9 WILDLIFE MANAGEMENT STAFFING: The Department requests an increase of \$1,320,746 from the Wildlife Cash Fund and 15.6 FTE in FY 2024-25. This would increase to \$1,416,464 cash funds and 17.0 FTE in FY 2025-26.

The request aims to support wildlife management activities and the demand for those activities stemming from population growth, human development, and federal and state regulations. Specifically, the requested funds would allow the Department to hire:

- 2.0 FTE Assistant Area Wildlife Managers in the Gunnison and Monte Vista regions;
- 3.0 FTE District Wildlife Managers in the Fort Collins, Grand Junction, and Colorado Springs regions;
- 2.0 FTE Property Technicians in the Glenwood Springs area and the greater Denver metro area (to support the newly acquired Mt. Tom property);
- 1.0 FTE Commercial Parks and License Manager responsible for dealing with commercial wildlife parks, which includes monitoring and enforcement related facility upkeep and prohibited species; and
- 3.0 FTE Deer and Elk Monitoring Technicians in the northwest, northeast, and southwest regions of the State.

The request also includes a technical adjustment to FTE numbers related to the existing General Fund appropriation that CPW uses for wolf reintroduction. The request would increase the number of FTE in CPW’s *Wildlife Operations* line item by 6.0 FTE to reflect the actual use of the \$2.2 million General Fund appropriation that already exists. These FTE include 1.0 FTE for a Wolf Conflict Program Manager and 5.0 FTE for Wolf and Wildlife Depredation and Conflict Specialists. Lastly, the request includes \$250,000 cash funds to cover changes to CPW’s online sales system.

R10 AQUATICS STAFFING AND HATCHERY OPS: The Department requests an increase of \$1,014,939 from the Wildlife Cash Fund and 3.7 FTE in FY 2023-24. This would increase to \$1,042,970 and 4.0 FTE in FY 2025-26. The request aims “to support the conservation, restoration, and enhancement of fisheries for future generations.” The

requested FTE (\$425,111) includes two aquatic engineers, a hatchery technician, and a water resources coordinator. The request also includes \$589,828 for fish hatchery operating costs for CPW's 19 hatcheries.

R11 STAFF FOR DEMAND AT STATE PARKS: The Department requests an increase of \$578,158 from the Parks Cash Fund and 6.4 FTE in FY 2024-25. This would increase to \$621,335 and 7.0 FTE in FY 2025-26. The request focuses mainly on Park Resource Technicians who would help manage park infrastructure projects and general maintenance at the Arkansas Headwaters Recreation Area, North Sterling, and Lake Pueblo. The request also includes funding for administrative support at Staunton State Park, a marina program coordinator at Jackson Lake, and temporary staff at Sweitzer Lake and Ridgway.

R12 CPW INFORMATION AND EDUCATION: The Department requests an increase of \$290,730 cash funds and 3.6 FTE for FY 2024-25, which consists of \$112,651 from the Parks Cash Fund and \$178,079 from the Wildlife Cash Fund. This would annualize to \$295,867 cash funds and 4.0 FTE in FY 2025-26. The request aims to add staff to CPW's Information and Education Section "...to address workload growth associated with increased participation in outdoor recreation and customer demand for education and outreach programs." These new staff include an Angler Education Program Assistant, a Graphic Designer, an Interpretive Sign Project Manager, and a Videographer.

R13 STATE LAND BOARD OUTDOOR RECREATION LEASING: The Department requests an increase of \$60,099 cash funds from the State Land Board Trust Administration Fund and 0.9 FTE for FY 2024-25 to fund a Recreation Program Administrator for the State Land Board Recreation Leasing Program. The Department is requesting an additional \$17,644 cash funds for employee benefits for a total requested amount of \$77,743 cash funds. This request is made in response to workload growth that has occurred since the program was established in 2010.

R14 CPW ADMINISTRATIVE SUPPORT: The Department requests an increase of \$393,511 cash funds from the Wildlife Cash Fund and 5.5 FTE in FY 2024-25. This would become \$388,489 cash funds and 6.0 FTE in FY 2025-26. The request aims to reduce administrative burdens currently borne by field and program staff. CPW would use these funds to hire four program assistants to help with habitat conservation efforts, CPW's aircraft operations program, law enforcement record keeping, and the Colorado Wildlife Council. The requested funds also include a workforce development coordinator and an administrative assistant for CPW's License, Reservation, and Customer Operations section.

R15 ENERGY AND CARBON MANAGEMENT WEBSITE: The Department requests an increase of \$22,210 cash funds from the Energy and Carbon Management Cash Fund for FY 2024-25 to fund ongoing maintenance of the Energy and Carbon Management Commission's upgraded website.

CENTRALLY APPROPRIATED LINE ITEMS: The request includes an increase of \$21.6 million total funds for centrally appropriated line items.

CENTRALLY APPROPRIATED LINE ITEMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Salary survey	\$9,696,154	\$1,218,807	\$8,051,445	\$297,513	\$128,389	0.0
Health, life, and dental	3,143,837	125,179	2,712,524	296,593	9,541	0.0
PERA Direct Distribution	2,735,714	444,778	2,194,703	96,233	0	0.0
Payments to OIT	1,037,099	67,373	928,472	29,681	11,573	0.0
Risk management & property	975,797	2,116	973,943	467	(729)	0.0
AED	781,581	100,586	650,677	16,653	13,665	0.0
SAED	781,581	100,586	650,677	16,653	13,665	0.0
Paid family and medical leave insurance	710,814	100,637	569,401	25,133	15,643	0.0
Legal services	598,358	587,849	(806)	10,372	943	0.0
Vehicle lease payments	492,545	18,648	458,955	(7,078)	22,020	0.0

CENTRALLY APPROPRIATED LINE ITEMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Workers' compensation	375,358	4,326	390,544	(778)	(18,734)	0.0
Shift differential	309,166	0	308,562	604	0	0.0
Capitol Complex leased space	230,976	73,263	100,036	34,812	22,865	0.0
Short-term disability	48,124	3,419	43,020	1,021	664	0.0
CORE	(339,218)	(25,020)	(298,236)	(7,776)	(8,186)	0.0
Leased space	(8,609)	23,519	(32,761)	331	302	0.0
TOTAL	\$21,569,277	\$2,846,066	\$17,701,156	\$810,434	\$211,621	0.0

NON-PRIORITIZED DECISION ITEMS: The request includes an increase of \$1,720,883 total funds for non-prioritized decision items driven by other agencies.

NON-PRIORITIZED DECISION ITEMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
NP Central services omnibus request	\$1,611,854	\$221,800	\$1,336,902	\$53,152	\$0	0.0
DPS Digital trunk radio	82,339	0	82,339	0	0	0.0
CORE operating resources	26,690	2,084	23,367	678	561	0.0
TOTAL	\$1,720,883	\$223,884	\$1,442,608	\$53,830	\$561	0.0

TECHNICAL ADJUSTMENTS: The request includes a net increase of \$1.7 million total funds to reflect informational-only adjustments to non-appropriated sources like Great Outdoors Colorado grants, lottery funding, and federal funds.

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

ANNUALIZE PRIOR YEAR LEGISLATION: The request includes a net decrease of \$97.3 million total funds to reflect the FY 2024-25 impact of prior year legislation.

ANNUALIZE PRIOR YEAR LEGISLATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
SB 23-255 Wolf depredation comp.	\$525,000	\$175,000	\$350,000	\$0	\$0	0.0
HB 21-1318 Outdoor equity	198,192	0	198,192	0	0	0.0
SB 23-016 GHG emission reduction	177,813	0	177,813	0	0	1.4
SB 23-1265 Born wild license plate	137,000	0	137,000	0	0	0.0
SB 23-172 Workers rights	11,923	11,923	0	0	0	0.0
SB 23-177 CWCB projects	(97,030,000)	0	(97,030,000)	0	0	0.0
SB 23-186 Oil and gas study methane	(558,500)	0	(558,500)	0	0	0.0
SB 23-285 Energy and carbon mgmt	(343,766)	0	(343,766)	0	0	0.5
SB 23-059 State parks local access	(274,000)	0	(274,000)	0	0	0.0
HB 23-1242 Water conservation	(64,435)	0	(64,435)	0	0	0.0
HB 23-1294 Pollution protection	(40,200)	0	(40,200)	0	0	0.0
SB 23-199 Native pollinating insects	(31,338)	(31,338)	0	0	0	(0.3)
HB 23-1384 Chemicals in oil and gas	(18,600)	0	(18,600)	0	0	0.0
TOTAL	(\$97,310,911)	\$155,585	(\$97,466,496)	\$0	\$0	1.6

ANNUALIZE PRIOR YEAR BUDGET ACTIONS: The request includes a net decrease of \$2.5 million total funds to reflect the FY 2024-25 impact of prior year budget actions.

ANNUALIZE PRIOR YEAR BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 23-24 R9 Wildlife staffing support	\$118,732	\$0	\$118,732	\$0	\$0	0.0
FY 23-24 R8 State parks support	86,882	0	86,882	0	0	0.0
FY 23-24 R15 Vehicles for water admin	54,268	54,268	0	0	0	0.0
FY 22-23 R10 Records access system	8,844	0	8,844	0	0	0.0
FY 23-24 R5 Performance software	5,378	0	5,378	0	0	0.0
FY 23-24 NPBA1 IT accessibility	(2,109,274)	(149,337)	(1,829,892)	(107,839)	(22,206)	(3.0)
FY 23-24 Salary survey	(201,155)	(41,522)	(84,995)	(2,901)	(71,737)	0.0
FY 22-23 BA2 Big game policy	(150,000)	0	(150,000)	0	0	0.0
FY 23-24 R7 Support for winter recreation	(108,612)	0	(108,612)	0	0	0.0
FY 23-24 R1 OGCC mission change	(53,915)	0	(53,915)	0	0	0.0
FY 23-24 R2 CO River support team	(41,410)	12,480	(53,890)	0	0	0.6
FY 23-24 R10 Business tech staff	(35,000)	0	(35,000)	0	0	0.0
FY 23-24 R13 CO water plan mapping spec.	(17,640)	0	(17,640)	0	0	0.0
FY 23-24 R12 Financial admin support	(12,006)	0	0	(12,006)	0	0.0
FY 23-24 R11 Water and research projects	(8,361)	0	(8,361)	0	0	0.0
FY 23-24 R14 SLB field operator	(3,455)	0	(3,455)	0	0	0.0
TOTAL	(\$2,466,724)	(\$124,111)	(\$2,125,924)	(\$122,746)	(\$93,943)	(2.4)

SUMMARY OF ISSUES PRESENTED TO THE JOINT BUDGET COMMITTEE

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

SEVERANCE TAX OPERATIONAL FUND UPDATE: This issue brief summarizes the current Severance Tax Operational Fund revenue and distribution amounts based on the September 2023 economic forecast from Legislative Council Staff. The brief also reviews the severance tax revenue transfers proposed in the Governor's budget request.

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DEPARTMENT OF PERSONNEL

The Department of Personnel is responsible for administering the state personnel system, which includes approximately 28,000 full time equivalent (FTE) staff, excluding the Department of Higher Education. In addition, the Department provides general support services for state agencies. The Department's FY 2023-24 appropriation represents approximately 0.7 percent of statewide operating appropriations and 0.3 percent of statewide General Fund appropriations.

FY 2023-24 APPROPRIATION AND FY 2024-25 REQUEST

DEPARTMENT OF PERSONNEL						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2023-24 APPROPRIATION:						
SB 23-214 (Long Bill)	\$270,682,213	\$43,215,517	\$17,518,235	\$209,948,461	\$0	521.5
Other legislation	779,243	658,938	0	120,305	0	2.2
HB 23B-1002 (EITC)	516	0	0	516	0	0.0
TOTAL	\$271,461,972	\$43,874,455	\$17,518,235	\$210,069,282	\$0	523.7
FY 2024-25 REQUESTED APPROPRIATION:						
FY 2023-24 Appropriation	\$271,461,972	\$43,874,455	\$17,518,235	\$210,069,282	\$0	523.7
R1 Central services common policies	1,461,169	(25,154,325)	(1,865,394)	28,480,888	0	9.2
R2 Central payroll staffing	1,147,961	1,147,961	0	0	0	8.0
R3 Skills-based hiring and training	325,514	325,514	0	0	0	3.0
R4 Centralized sustainability office	1,572,239	1,572,239	0	0	0	0.3
R5 CORE operating resources	425,000	0	0	425,000	0	0.0
R6 CDFC grant increases	14,100,000	0	14,100,000	0	0	1.3
R7 Annual fleet vehicle replacements	1,999,374	0	0	1,999,374	0	0.0
R8 SPEP help desk	114,824	114,824	0	0	0	0.0
Centrally appropriated line items	11,567,778	6,048,568	178,902	5,340,308	0	0.0
Risk management base adjustment	8,839,762	0	0	8,839,762	0	0.0
Technical adjustments	2,003,992	1,264,845	269,194	469,953	0	0.0
Non-prioritized requests	939,172	61,717	508,750	368,705	0	0.0
CORE operations base adjustment	292,519	0	1,907,639	(1,615,120)	0	0.0
Annualize prior year legislation	18,511	(88,571)	82,000	25,082	0	2.1
Procurement card rebate refinance	0	(376,394)	376,394	0	0	0.0
Annualize prior year budget actions	(19,411,693)	(11,894,534)	(410,897)	(7,106,262)	0	(25.1)
Indirect cost assessment	(310,091)	(35,057)	127,029	(402,063)	0	0.0
Capital Complex leased space base adjustment	(11,097)	0	(2,177,521)	2,166,424	0	0.0
TOTAL	\$296,536,906	\$16,861,242	\$30,614,331	\$249,061,333	\$0	522.5
INCREASE/(DECREASE)	\$25,074,934	(\$27,013,213)	\$13,096,096	\$38,992,051	\$0	(1.2)
Percentage Change	9.2%	(61.6%)	74.8%	18.6%	n/a	(0.2%)

R1 CENTRAL SERVICES COMMON POLICES [REQUIRES LEGISLATION]: The request includes a department-specific increase of \$1.5 million total funds, including a decrease of \$25.2 million General Fund, a decrease of \$1.9 million cash funds, and an increase of \$28.5 million reappropriated funds, and 9.2 FTE in FY 2024-25 to:

- 1 create seven (7) new operating common policies for various services provided by the Department to other state agencies,
- 2 approve an automatic appropriations scaling for the new common policies and the Employee Benefits Unit in the Division of Human Resources, and
- 3 increase central services staffing for the Department.

The department-specific out-year impact of this request is \$1.5 million total funds, including a decrease of \$23.1 million General Fund, a decrease of \$1.9 million cash funds, and an increase of \$26.5 million reappropriated funds, and 10.0 FTE in FY 2025-26 and ongoing.

The statewide budgetary impact of the creation of the requested seven (7) new common policies, as their costs are allocated across the various state agencies, would be an increase of \$1.5 million total funds, including a decrease of \$12.0 million General Fund, an increase of \$8.4 million cash funds, an increase of \$2.7 million reappropriated funds, and an increase of \$2.3 million federal funds, and 9.2 FTE in FY 2024-25. The General Fund decrease reported in the statewide impact accounts for (1) the General Fund reductions in the Department of Personnel because the funding source of the affected programs are shifted to reappropriated funds and (2) the General Fund required by other state agencies to pay for the common policies, as shown in the table below.

STATEWIDE COST ALLOCATIONS AND GENERAL FUND REQUIREMENTS OF NEW OPERATING COMMON POLICIES				
NEW POLICY	FY 2024-25		FY 2025-26	
	ALLOCATED COST	GENERAL FUND	ALLOCATED COST	GENERAL FUND
Financial Operations and Reporting	\$6,537,996	\$2,314,186	\$6,556,677	\$2,320,798
Labor Relations	6,234,798	2,155,841	4,058,988	1,403,500
State Agency Services	4,688,935	1,694,581	4,649,340	1,680,272
EDO Administration	3,868,056	1,436,626	3,877,280	1,440,051
State Purchasing and Contracts Office	3,316,575	1,144,132	3,331,813	1,149,388
Office of the State Architect	2,889,378	1,128,457	2,889,378	1,128,457
Statewide Training	945,154	341,579	1,104,072	399,012
Total	\$28,480,892	\$10,215,402	\$26,467,548	\$9,521,478

R2 CENTRAL PAYROLL STAFFING: The request includes an increase of \$1.1 million General Fund and 8.0 FTE in FY 2024-25 and ongoing to increase central payroll staffing to respond to increased workload from state employee remote work, implementation of a new time and leave solution, and the Partnership Agreement. The central payroll staff is responsible for setting each employee's calculated payroll tax withholding and direct payment. With the increased number of state employees working remotely across various localities, the workload of the central payroll staff has increased. The Department anticipates submitting a related supplemental request for FY 2023-24 in January 2024.

R3 SKILLS-BASED HIRING AND TRAINING: The request includes an increase in \$325,514 General Fund and 3.0 FTE in FY 2024-25 to support statewide recruitment and work-based learning programs for skills-based hiring, apprenticeships, internships, and training current human resource state teams. The request would transition previously term-limited state employees to permanent employees across two programs:

- the Skills-Based Hiring Initiative, which is a partnership between the Department of Personnel and the Department of Labor and Employment; and
- the Health of HR Program within the Department of Personnel.

The request increases to \$484,432 General Fund and 4.5 FTE in FY 2025-26 and ongoing.

R4 CENTRALIZED SUSTAINABILITY OFFICE: The request includes an increase of \$1.6 million General Fund and 0.3 FTE in FY 2024-25 to support the newly created State Government Office of Sustainability, which is currently funded exclusively by a federal grant from the U.S. Environmental Protection Agency. The requested General Fund would be used to transition state operations to the use of clean vehicles, electric lawn and garden equipment, and energy efficient heating and cooling. The Department also requests that \$1.4 million of the funding be provided roll-forward

spending authority through FY 2026-27. The request decreases to \$156,155 General Fund and 1.0 FTE from FY 2025-26 through FY 2027-28.

R5 COLORADO OPERATIONS RESOURCE ENGINE (CORE) OPERATING RESOURCES: The request includes an increase of \$425,000 reappropriated funds in FY 2024-25 and ongoing to support CORE upgrades authorized in through an FY 2022-23 IT Capital Construction request. The funding increase will be used for professional services for the stabilization of the CORE Upgrade post-implementation, enabling new functionality in CORE, addressing emergent agency needs, and assisting with transition to quarterly software releases.

R6 COLORADO DISABILITY FUNDING COMMITTEE (CDFC) GRANT INCREASES: The request includes an increase of \$14.1 million cash funds, primarily from the Disability Support Fund created in Section 24-30-2205.5 (1), C.R.S., and 1.3 FTE in FY 2024-25 to increase the number and dollar amount of grants awarded by the Colorado Disability Funding Committee. The CDFC is tasked with the implementation of the Laura Hershey Disability Support Act, which provides education, direct assistance, and advocacy for people with disabilities eligible for Social Security Disability Insurance, Supplemental Security Income, and Long-term Medicaid. The request adjusts to \$7.1 million cash funds and 1.4 FTE in FY 2025-26 and ongoing.

R7 ANNUAL FLEET VEHICLE REPLACEMENTS: The request includes an increase of \$2.0 million reappropriated funds to replace 725 vehicles in the State's fleet. Of the vehicles to be replaced, the Department has identified 534 as potential alternative fuel vehicles (AFV), of which 358 are electric vehicles. For individual state agencies, this request will require an increase of \$488,648 in total funds for the respective Vehicle Lease Payments line item appropriations, with an estimated \$303,197 increase in General Fund in FY 2024-25. The request also includes an adjustment to the Long Bill footnote attached to the Department's Vehicle Replacement Lease/Purchase line item which authorizes the Department enter into lease-purchase agreements for fleet vehicles up to a maximum amount. The request also includes non-prioritized request affecting multiple departments statewide.

R8 STATE PROCUREMENT EQUITY PROGRAM (SPEP) HELP DESK: The request includes an increase of \$114,824 General Fund in FY 2024-25 for the implementation of the State Procurement Equity Program help desk, as authorized by S.B. 22-163 (Establish State Procurement Equity Program). The request decreases to \$38,275 General Fund in FY 2025-26 and ongoing.

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

CENTRALLY APPROPRIATED LINE ITEMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Payments to OIT	\$4,610,780	\$2,519,016	\$154,195	\$1,937,569	\$0	0.0
Salary survey	2,457,840	905,824	67,574	1,484,442	0	0.0
Capitol Complex leased space	1,708,790	1,617,183	(945)	92,552	0	0.0
Risk management & property	1,000,217	469,251	31,236	499,730	0	0.0
Health, life, and dental	612,053	436,541	(19,672)	195,184	0	0.0
PERA Direct Distribution	592,375	275,056	20,632	296,687	0	0.0
Legal services	245,909	(224,546)	(100,286)	570,741	0	0.0
Paid Family and Medical Leave Insurance	168,853	78,094	5,825	84,934	0	0.0
Workers' compensation	126,434	69,232	4,078	53,124	0	0.0
AED	60,394	(26,880)	10,002	77,272	0	0.0
SAED	60,394	(26,880)	10,002	77,272	0	0.0
Shift differential	39,185	0	0	39,185	0	0.0
Vehicle lease payments	34,050	0	304	33,746	0	0.0
Short-term disability	1,671	(1,091)	303	2,459	0	0.0
CORE	(151,167)	(42,232)	(4,346)	(104,589)	0	0.0
TOTAL	\$11,567,778	\$6,048,568	\$178,902	\$5,340,308	\$0	0.0

RISK MANAGEMENT BASE ADJUSTMENT: The request includes an increase of \$8.8 million reappropriated funds for adjustments to the Risk Management program for anticipated payments to be required by the liability, property, and workers' compensation components of the common policies. This increase is driven primarily by increases in property deductibles and payouts and liability legal services.

TECHNICAL ADJUSTMENTS: The request includes a net increase of \$2.0 million total funds, including \$1.3 million General Fund, for technical adjustments summarized in the following table.

TECHNICAL ADJUSTMENTS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Annual depreciation lease equiv. pay	\$1,946,997	\$1,677,803	\$269,194	\$0	\$0	0.0
CO State Archive digital storage	56,995	56,995	0	0	0	0.0
SWCAP GF/RF refinance	0	(469,953)	0	469,953	0	0.0
TOTAL	\$2,003,992	\$1,264,845	\$269,194	\$469,953	\$0	0.0

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

NON-PRIORITIZED REQUESTS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
NP Central services omnibus request	\$565,385	\$56,998	\$508,387	\$0	\$0	0.0
NP17 DPS EDO right-sizing	115,116	0	0	115,116	0	0.0
NP13 DPC CO team aware	65,568	0	0	65,568	0	0.0
NP8 DNR CPW wildlife mgmt	50,020	0	0	50,020	0	0.0
NP14 DPS Using forensics	27,108	0	0	27,108	0	0.0
NP18 CDA Ag emergency mgmt	23,636	0	0	23,636	0	0.0
NP19 CDA workforce	15,758	0	0	15,758	0	0.0
NP5 DNR CPW biodiversity	14,727	0	0	14,727	0	0.0
NP10 DNR CPW State Parks	14,327	0	0	14,327	0	0.0
NP CORE Operating Resources	12,028	4,719	363	6,946	0	0.0
NP6 DNR DWR	8,099	0	0	8,099	0	0.0
NP4 DNR SLB biodiversity	7,887	0	0	7,887	0	0.0
NP9 DNR CPW aquatics	5,326	0	0	5,326	0	0.0
NP16 Hist CO Adobe maint	4,387	0	0	4,387	0	0.0
NP15 Hist CO afford housing	3,678	0	0	3,678	0	0.0
NP12 DNR CPW admin	2,629	0	0	2,629	0	0.0
NP11 DNR CPW info and edu	1,847	0	0	1,847	0	0.0
NP7 DNR CPW dam safety	1,646	0	0	1,646	0	0.0
TOTAL	\$939,172	\$61,717	\$508,750	\$368,705	\$0	0.0

CORE OPERATIONS BASE ADJUSTMENT: The request includes an increase \$292,519 total funds, including an increase of \$1.9 million cash funds and a decrease of \$1.6 million reappropriated funds, for CORE operations base adjustments.

ANNUALIZE PRIOR YEAR LEGISLATION: The request includes a net increase of \$18,511 total funds to reflect the FY 2024-25 impact of bills passed in previous sessions, summarized in the following table.

ANNUALIZE PRIOR YEAR LEGISLATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
HB 22-1337 Comp report	\$300,000	\$300,000	\$0	\$0	\$0	0.0
SB 23-105 Equal pay	118,953	118,953	0	0	0	1.8

ANNUALIZE PRIOR YEAR LEGISLATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
SB 13-276 Disability support fund	82,000	0	82,000	0	0	0.0
SB 21-250 Elections and voting	50,000	0	0	50,000	0	0.0
SB 23-172 Protect workers	26,992	(51,324)	0	78,316	0	0.3
HB 23-1189 Home purchase tax credit	13,610	0	0	13,610	0	0.0
SB 23-016 GHG reduction	12,453	0	0	12,453	0	0.0
HB 23-1309 Film incent tax credit	1,927	0	0	1,927	0	0.0
HB 23-1112 EITC	762	0	0	762	0	0.0
HB 23-1057 Pub inclusive amenit	(450,000)	(450,000)	0	0	0	0.0
HB 23-1272 Decarb tax policy	(56,331)	0	0	(56,331)	0	0.0
HB 23-1260 Adv indust manuf incent	(32,642)	0	0	(32,642)	0	0.0
HB 22-1205 Senior housing tax credit	(16,662)	0	0	(16,662)	0	0.0
HB 23-1281 Clean hydrogen	(12,861)	0	0	(12,861)	0	0.0
HB 23-1091 Child care tax credit	(10,881)	0	0	(10,881)	0	0.0
SB 22-051 Reduce building emissions	(6,501)	(6,200)	0	(301)	0	0.0
HB 22-1010 ECE tax credit	(700)	0	0	(700)	0	0.0
HB 22-1007 Wildfire mitigation asst	(664)	0	0	(664)	0	0.0
HB 23B-1002 EITC	(516)	0	0	(516)	0	0.0
HB 22-1083 CO homeless tax credit	(428)	0	0	(428)	0	0.0
TOTAL	\$18,511	(\$88,571)	\$82,000	\$25,082	\$0	2.1

PROCUREMENT CARD REBATE REFINANCE: The request includes a net-zero refinance of \$376,394 General Fund with an equivalent amount of cash funds from rebates anticipated from the state purchasing card program. The Procurement Card Program has realized an increase in rebate revenue, which is used to offset General Fund.

ANNUALIZE PRIOR YEAR BUDGET ACTIONS: The request includes a net decrease of \$19.4 million total funds, including \$11.9 million General Fund, for prior year budget actions, summarized in the following table.

ANNUALIZE PRIOR YEAR BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 20-21 R2 Fleet telematics	\$141,707	\$0	\$0	\$141,707	\$0	0.0
FY 23-24 R3 Prof dev funding	(8,000,000)	(8,000,000)	0	0	0	(1.8)
FY 23-24 NPBA5 IT' accessibility	(6,549,380)	(2,113,485)	(191,897)	(4,243,998)	0	(6.0)
FY 23-24 NPBA6 Medicaid redeterm	(2,980,235)	0	0	(2,980,235)	0	0.0
FY 23-24 R3 Temp staff comp analysis	(1,416,276)	(1,416,276)	0	0	0	(19.1)
FY 23-24 R11 Empl engage survey	(300,000)	(300,000)	0	0	0	0.0
FY 23-24 R9 OAC case management	(219,000)	0	(219,000)	0	0	0.0
FY 23-24 R2 Labor union support	(61,347)	(61,347)	0	0	0	1.1
FY 23-24 R6 CCLS staffing	(22,659)	0	0	(22,659)	0	0.7
FY 23-24 Salary survey	(4,503)	(3,426)	0	(1,077)	0	0.0
TOTAL	(\$19,411,693)	(\$11,894,534)	(\$410,897)	(\$7,106,262)	\$0	(25.1)

INDIRECT COST ASSESSMENT: The request includes a net decrease of \$310,091 total funds, including a decrease of \$35,057 General Fund, for adjustments to indirect costs across the Department.

CAPITOL COMPLEX LEASED SPACE BASE ADJUSTMENT: The request includes a decrease of \$11,097 total funds, including decrease of \$2.2 million cash funds and an increase of \$2.2 million reappropriated funds, for base adjustments to the Capitol Complex Leased Space common policy.

SUMMARY OF ISSUES PRESENTED TO THE JOINT BUDGET COMMITTEE

ONE-TIME FUNDING AUTHORIZED IN RECENT LEGISLATIVE SESSIONS: During the 2021, 2022, and 2023 legislative sessions, the General Assembly allocated significant one-time funding to the Department of Personnel that included \$21.3 million originating as state General Fund and \$1.1 million originating as federal Coronavirus State Fiscal Recovery funds (ARPA funds).

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

R1 CENTRAL SERVICES COMMON POLICIES: The Department of Personnel's R1 (Central services common policies) requests 1) the creation of seven new operating common policies for various services provided by the Department to other state agencies, 2) the approval of automatic appropriations scaling for the new common policies and the Employee Benefits Unit in the Division of Human Resources, and 3) additional central services staffing for the Department. The department-specific budgetary impact of this request is an increase of \$1.5 million total funds, including a decrease of \$25.2 million General Fund, a decrease of \$1.9 million cash funds, and an increase of \$28.5 million reappropriated funds, and 9.2 FTE in FY 2024-25. The statewide budgetary impact of the creation of the requested seven new common policies, as their costs are allocated across the various state agencies, would be an increase of \$1.5 million total funds, including a decrease of \$12.0 million General Fund, an increase of \$8.4 million cash funds, an increase of \$2.7 million reappropriated funds, and an increase of \$2.3 million federal funds, and 9.2 FTE in FY 2024-25.

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DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT

The Department of Public Health and Environment is responsible for protecting and improving the health of the people of Colorado and ensuring the quality of Colorado's environment. The Department's FY 2023-24 appropriation represents approximately 2.0 percent of statewide operating appropriations and 0.9 percent of statewide General Fund appropriations.

FY 2023-24 APPROPRIATION AND FY 2024-25 REQUEST

DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT						
	TOTAL FUNDS	GENERAL FUND ¹	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2023-24 APPROPRIATION:						
SB 23-214 (Long Bill)	\$808,083,100	\$115,954,005	\$295,300,422	\$66,298,363	\$330,530,310	1,848.6
Other legislation	26,371,471	22,357,576	435,745	3,578,150	0	33.1
TOTAL	\$834,454,571	\$138,311,581	\$295,736,167	\$69,876,513	\$330,530,310	1,881.7
FY 2024-25 REQUESTED APPROPRIATION:						
FY 2023-24 Appropriation	\$834,454,571	\$138,311,581	\$295,736,167	\$69,876,513	\$330,530,310	1,881.7
R1 Public health infrastructure	15,014,300	15,014,300	0	0	0	83.0
R2 Stationary Sources Control Fund	5,900,000	0	5,900,000	0	0	0.0
R3 Health facility licensure funding	2,591,934	2,189,180	402,754	0	0	1.8
R4 State syphilis response	1,971,961	1,971,961	0	0	0	3.8
R5 State lab operating	2,659,000	1,291,100	1,367,900	0	0	0.0
R6 Tuberculosis program infrastructure	305,702	305,702	0	0	0	2.0
R7 Environmental justice in enforcement and compliance	908,940	908,940	0	0	0	7.4
R8 Lead testing support	1,261,155	1,261,155	0	0	0	2.7
R9 Office of Health Equity and Environmental Justice	3,396,753	193,738	1,115,938	1,964,493	122,584	10.4
R10 Office of Health Equity tribal relations	(65,629)	142,876	0	0	(208,505)	0.9
R11 Technical adjustments	0	0	0	0	0	0.0
R12 Common policy provide rate adjustment	343,974	304,988	38,986	0	0	0.0
Annualize prior year legislation	9,845,564	(12,014,608)	20,744,996	1,115,176	0	(98.3)
Centrally appropriated line items	8,440,523	1,858,408	16,426,403	(8,072,757)	(1,771,531)	0.0
Non-prioritized decision items	2,154,221	1,504,927	(60,809)	708,494	1,609	0.0
Indirect cost assessment	1,082,062	268,738	290,008	82,867	440,449	0.0
ARPA fund source adjustments	0	0	(16,164,667)	0	16,164,667	(0.2)
Annualize prior year budget actions	(14,797,070)	(5,785,161)	(2,902,115)	(427,763)	(5,682,031)	6.5
TOTAL	\$875,467,961	\$147,727,825	\$322,895,561	\$65,247,023	\$339,597,552	1,901.7
INCREASE/(DECREASE)						
	\$41,013,390	\$9,416,244	\$27,159,394	(\$4,629,490)	\$9,067,242	20.0
Percentage Change	4.9%	6.8%	9.2%	(6.6%)	2.7%	1.1%

¹ Includes General Fund Exempt.

R1 PUBLIC HEALTH INFRASTRUCTURE: The request includes an increase of \$15.0 million General Fund in FY 2024-25 and ongoing to extend appropriations from S.B. 21-243 (Public Health Infrastructure). The Division of Disease Control and Public Health Response would receive \$7.5 million of this funding and continue to support 83.0 FTE, and the remaining \$7.5 million would be distributed to local public health agencies. This request is further discussed in the briefing issue on public health infrastructure. The Department identified this request as theory-informed.

R2 STATIONARY SOURCES CONTROL FUND: The request includes \$5.9 million in ongoing cash fund spending authority from the Stationary Sources Control Fund (SSCF). The Department also seeks legislation allowing for the transfer of \$30.0 million from the Energy and Carbon Management Commission (ECMC) Cash Fund into the Stationary Sources Control Fund. The goal of this transfer, coupled with fee increases, is to bring the Stationary Source Control Fund into solvency. Appropriating from the SSCF does not require legislation, however a transfer from the ECMC fund into the SSCF would require legislation.

R3 HEALTH FACILITY LICENSURE FUNDING [LEGISLATION REQUIRED]: The request includes:

- Increased cash fund spending authority of \$402,754 in FY 2024-25 and \$552,360 in FY 2025-26 to reflect additional revenue generated by a Consumer Price Index-based fee increase of 8.01 percent, going forward;
- \$2.2 million General Fund in FY 2024-25 and ongoing to bridge the gap between current expenses and anticipated cash revenue and respond to workload increases with an additional 1.8 FTE in FY 2024-25, increasing to 2.0 FTE in FY 2025-26; and
- Combining the “Home and Community Survey” and “Nursing and Acute Care Survey” line items into a new “Health Facility Survey” line item to allow the Division to manage the programs as a whole, maximize the flexibility of General Fund, and allow staff to work across programs serving different facilities, as needed.

This request is further discussed in the briefing issue on Health Facility General Licensure Cash Fund solvency. The Department identified this request as theory-informed.

R4 STATE SYPHILIS RESPONSE: The request includes an annual increase of \$2.2 million General Fund from FY 2024-25 through FY 2027-28, including 3.8 FTE in FY 2024-25 and annualizing to 4.0 FTE in FY 2025-26, to address an increased incidence of syphilis in the state, a 263.0 percent overall increase from 2017 to 2022, and fund programs to increase access to testing and treatment. The funding would be used for marketing, provider engagement, screening and testing, and treatment. Additionally, the FTEs would support outreach, linkage to care and program coordination, data evaluation, field treatment, and Bicillin delivery. The timeline to respond to the syphilis outbreak is based on other outbreaks the Department has seen and responded to. The program would focus on Pueblo, El Paso, and Jefferson counties, which are all in the top five counties with the highest rates of syphilis in the state. The Department identified this request as evidence-informed.

R5 STATE LAB OPERATING: The request includes an ongoing increase of \$1.3 million General Fund and \$1.4 million in cash fund spending authority starting in FY 2024-25. The cash fund spending authority is requested from the Newborn Screening Genetic Counseling Cash Fund in response to a need to spend down excess cash fund reserves. The General Fund request is for the State Lab, and would fund courier services that deliver samples to the lab from across Colorado, supply distribution to healthcare providers, biological and chemical waste disposal, and iPassport software that manages lab standard operating procedures, regulations, safety requirements, and equipment.

R6 TUBERCULOSIS PROGRAM INFRASTRUCTURE: The request includes a one-time increase of \$305,702 General Fund in FY 2024-25 to address a gap in the response capabilities of CDPHE’s Tuberculosis (TB) Program to meet statutory requirements in light of increasing rates of TB. This funding would support 2.0 FTE for TB nurse consultants to help Local Public Health Agencies manage the increase in cases and respond to complex or advanced TB presentations. Additional funding would go towards translating forms and educational materials into additional languages, purchasing TB treatment drugs, and contracting to help TB nurses with case management. The Department identified this request as theory-informed.

R7 ENVIRONMENTAL JUSTICE IN ENFORCEMENT AND COMPLIANCE: The request includes \$908,940 General Fund and 7.4 FTE in FY 2024-25. The request increases to \$918,772 and 8.0 FTE in FY 2025-26 and ongoing to address environmental inspection and compliance capability in disproportionately impacted communities.

R8 LEAD TESTING SUPPORT: The request includes an increase of \$1.3 million General Fund and 2.7 FTE for FY 2024-25 to expand testing and investigation into childhood lead poisoning across the state. Presently, the state only conducts lead tests on 23.0 percent of children aged 12 to 24 months enrolled in Medicaid, Child Health Plan Plus or the Colorado Indigent Care Program, which is a federal requirement. Additionally, the annual testing rate for all children under the age of six in the state is only 7.0 percent. The proposed funding would be used to purchase additional equipment to expand lead testing capacity, as well as increase staff levels to allow for in-home environmental investigations for children identified as having higher levels of lead. The request annualizes to \$950,482 General Fund and 3.0 FTE for FY 2025-26 and ongoing.

R9 OFFICE OF HEALTH EQUITY AND ENVIRONMENTAL JUSTICE: The request includes an increase of \$3.4 million total funds, including \$193,738 General Fund, to establish the Office of Health Equity and Environmental Justice (OHEEJ) within the Administration and Support Division of CDPHE. This Office would house the staff of the existing Environmental Justice Program (EJP) and provide long-term funding stability, program transparency, and increased workflow efficiency.

R10 OFFICE OF HEALTH EQUITY TRIBAL RELATIONS: The request includes a net decrease of \$65,629 total funds, including an increase of \$142,876 General Fund offset by a decrease of \$208,505, to refinance FTE currently supported with an expiring federal grant. The request would support 0.9 FTE in FY 2024-25, annualizing to 1.0 FTE in FY 2025-26, to continue addressing health disparities observed in Colorado Ute and Southern Ute tribes through a Tribal Data Systems Specialist. Federal funding from a Centers for Disease Control and Prevention (CDC) Health Disparities Grant previously supported 2.0 data specialists on the Tribal Relations Team. This team supports and advises the Department in its role as a member of the Colorado Commission of Indian Affairs (CCIA) and coordinates requests for consultation from Tribal representatives. The federal grant is not renewable and will end after FY 2023-24. The Department is requesting funding to continue to support one of the two FTEs initially funded through this grant with General Fund. The Department identified this request as theory-informed.

R11 TECHNICAL ADJUSTMENTS: The request includes several net-zero technical changes including:

- Combining all of the Family Planning Program lines in the Long Bill into one line called “Reproductive Health Program” and rename the subcategory (1) Women’s Health to (1) Community Health. This would allow for more flexibility in the use of the funds and ensure the Department’s ability to fully expend fund allocations. The change would also more accurately describe the subcategory which includes family planning services and the disordered eating prevention program which provide services to individuals regardless of gender.
- Transferring Local Public Health Agency funding for programs delegated by the Division of Environmental Health and Sustainability out of the Administration and Support Division and into a new line item in the Environmental Health and Sustainability Division; and
- Adding a letternote for the Mobile Sources program within the Air Quality Division in order to identify that an estimated \$1,385,405 from the Clean Enterprise Fleet Fund is for informational purposes only.

R12 COMMON POLICY PROVIDER RATE INCREASE: The request includes an increase of \$304,988 General Fund and \$38,986 in cash fund spending authority from the Marijuana Tax Cash Fund, for a provider rate increase of 2.0 percent for Local Public Health Agencies in FY 2024-25 and ongoing. This provider rate increase is calculated including the \$7.5 million General Fund requested in R1. This decision item is linked to actions the Committee takes on the Community Provider Rate common policy.

ANNUALIZE PRIOR YEAR LEGISLATION: The request includes a net increase of \$9.8 million total funds to reflect the FY 2024-25 impact of bills passed in previous sessions, summarized in the following table.

ANNUALIZE PRIOR YEAR LEGISLATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
SB 23-193 Air quality investments	\$21,406,281	\$0	\$21,406,281	\$0	\$0	(5.0)
HB 20-1427 Prop EE	20,000,000	0	20,000,000	0	0	7.0
HB 23-1257 Mobile home parks water quality	2,213,164	1,106,582	0	1,106,582	0	5.5
HB 23-1244 Regional health	1,506,413	1,506,413	0	0	0	0.1
HB 22-1244 Toxic air contaminants	1,298,074	1,298,074	0	0	0	12.5
SB 23-240 Dairy fees	390,059	0	390,059	0	0	0.0
SB 22-254 Increased safety in ALR	101,884	101,884	0	0	0	0.8
SB 23-014 Disordered eating	64,719	64,719	0	0	0	0.8
HB 23-1223 Grants task force	54,157	54,157	0	0	0	0.0
SB 22-178 Deter tampering	48,730	48,730	0	0	0	1.3
SB 23-198 Clean energy plans	36,371	36,371	0	0	0	0.6
SB 23-172 POWER Act	25,490	25,490	0	0	0	0.1
HB 22-1289 Health benefits	10,349	10,349	0	0	0	0.0
SB 23-290 Natural medicine regulation	5,650	5,650	0	0	0	0.8
HB 23-1242 Water conservation	2,742	0	2,742	0	0	0.0
HB 23-1213 Stop the bleed	504	504	0	0	0	0.0
SB 21-243 Public health infrastructure	(21,090,149)	0	(21,090,149)	0	0	(121.4)
HB 23-1194 Closed landfills	(14,991,406)	(15,000,000)	0	8,594	0	0.2
SB 23-271 Intoxicating cannabinoids	(422,276)	(422,276)	0	0	0	0.1
HB 23-1008 Food accessibility	(250,000)	(250,000)	0	0	0	0.0
SB 23-189 Reproductive health care	(200,000)	(200,000)	0	0	0	0.0
SB 23-186 COGCC study methane	(75,410)	(75,410)	0	0	0	(0.1)
SB 22-225 Ambulance sustainability	(62,476)	(62,476)	0	0	0	(0.3)
HB 19-1279 Regulation of firefighting foam	(55,278)	(55,278)	0	0	0	(0.7)
SB 23-148 Illegal drug labs	(38,453)	(74,516)	36,063	0	0	(0.5)
HB 22-1401 Hospital nurse staffing	(36,573)	(36,573)	0	0	0	(0.4)
HB 23-1077 Informed consent	(32,915)	(32,915)	0	0	0	0.4
HB 23-1161 Appliance standards	(26,439)	(26,439)	0	0	0	0.3
SB 23-167 Certified midwives	(15,393)	(15,393)	0	0	0	(0.2)
SB 23-016 GG reduction measures	(14,706)	(14,706)	0	0	0	(0.2)
SB 23-253 Compostable products	(4,036)	(4,036)	0	0	0	(0.1)
SB 23-002 Medicaid reimbursement	(3,340)	(3,340)	0	0	0	0.0
HB 23-1294 Pollution prevention	(173)	(173)	0	0	0	0.1
TOTAL	\$9,845,564	(\$12,014,608)	\$20,744,996	\$1,115,176	\$0	(98.3)

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

CENTRALLY APPROPRIATED LINE ITEMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Salary survey	\$11,806,680	\$2,917,892	\$4,627,360	\$1,186,223	\$3,075,205	0.0
Payments to OIT	1,545,531	1,277,850	10,687,365	(8,397,344)	(2,022,340)	0.0
PERA Direct Distribution	1,023,530	693,534	277,633	52,363	0	0.0
Paid Family and Medical Leave Insurance	811,716	149,859	273,661	67,786	320,410	0.0
Workers' compensation	84,533	0	0	84,533	0	0.0
ALJ services	43,490	21,745	0	21,745	0	0.0
Capitol Complex leased space	17,966	8,983	0	8,983	0	0.0
Health, life, and dental	(4,771,343)	(1,735,764)	(287,419)	(123,924)	(2,624,236)	0.0
CORE	(608,550)	0	0	(608,550)	0	0.0
AED	(479,498)	(629,649)	417,336	(10,079)	(257,106)	0.0
SAED	(479,498)	(629,649)	417,336	(10,079)	(257,106)	0.0
Legal services	(396,519)	(198,260)	0	(198,259)	0	0.0

CENTRALLY APPROPRIATED LINE ITEMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Risk management & property	(146,061)	0	0	(146,061)	0	0.0
Short-term disability	(11,454)	(18,133)	13,131	(94)	(6,358)	0.0
TOTAL	\$8,440,523	\$1,858,408	\$16,426,403	(\$8,072,757)	(\$1,771,531)	0.0

NON-PRIORITIZED DECISION ITEMS: The request includes an increase of \$2.2 million total funds, including \$1.5 million General Fund, for adjustments related to budget requests from other departments.

NON-PRIORITIZED DECISION ITEMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
NP Central services omnibus request	\$2,180,924	\$1,466,412	\$0	\$714,512	\$0	0.0
CORE operating resources	45,092	45,092	0	0	0	0.0
NP4 Convert contractor resources to FTE	1,609	0	0	0	1,609	0.0
NP1 Annual fleet vehicle request	(73,404)	(6,577)	(60,809)	(6,018)	0	0.0
TOTAL	\$2,154,221	\$1,504,927	(\$60,809)	\$708,494	\$1,609	0.0

INDIRECT COST ASSESSMENT: The request includes a net increase of \$1.1 million total funds, including \$268,738 General Fund, for the Department's indirect cost assessment.

ARPA FUND SOURCE ADJUSTMENTS: The summary table includes an informational adjustment related to ARPA funds to account for the executive branch's categorization of ARPA funds as federal funds, while the General Assembly appropriated ARPA funds through cash funds.

ANNUALIZE PRIOR YEAR BUDGET ACTIONS: The request includes a net decrease of \$14.8 million total funds for prior year budget actions, summarized in the following table.

ANNUALIZE PRIOR YEAR BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 22-23 R1 APCD transformation	\$2,114,422	\$0	\$2,114,422	\$0	\$0	0.0
FY 23-24 R1 Protective water quality	484,079	484,079	0	0	0	6.4
FY 23-24 BA2 BRFSS Assistance	54,559	54,559	0	0	0	0.0
FY 23-24 R13 CCC registry staffing	35,197	35,197	0	0	0	0.0
FY 23-24 R7 Address syphilis	20,540	20,540	0	0	0	0.1
FY 23-24 R15 DETC leased space	7,020	0	7,020	0	0	0.0
FY 23-24 BA3 Preventing outbreaks	5,450	5,450	0	0	0	0.0
DPS Digital trunk radio	3,866	3,866	0	0	0	0.0
A35, Tobacco, CCPD adjustment	0	0	0	0	0	0.0
FY 23-24 Salary survey	(7,843,836)	(1,221,852)	(1,720,148)	(404,086)	(4,497,750)	0.0
FY 23-24 CCVS LB amendment	(4,000,000)	(4,000,000)	0	0	0	0.0
FY 23-24 R3 Health facilities CF relief	(2,100,000)	0	(2,100,000)	0	0	0.0
FY 23-24 R6 VSRCF fee relief	(1,383,409)	(180,000)	(1,203,409)	0	0	0.0
FY 23-24 Birth defects monitoring and FF true-up	(1,184,281)	0	0	0	(1,184,281)	0.0
FY 23-24 FPP LB amendment	(500,000)	(500,000)	0	0	0	0.0
FY 23-24 R4 Dairy protection fee relief	(412,000)	(412,000)	0	0	0	0.0
FY 23-24 Mental health first aid LB amendment	(75,000)	(75,000)	0	0	0	0.0
FY 23-24 BA4 Indirect spending authority	(14,000)	0	0	(14,000)	0	0.0
FY 23-24 NP1 OIT budget request	(9,677)	0	0	(9,677)	0	0.0
TOTAL	(\$14,797,070)	(\$5,785,161)	(\$2,902,115)	(\$427,763)	(\$5,682,031)	6.5

SUMMARY OF ISSUES PRESENTED TO THE JOINT BUDGET COMMITTEE

ONE-TIME FUNDING: During the 2020B, 2021, 2022, and 2023 legislative sessions, the General Assembly allocated significant one-time funding to the Department of Public Health and Environment that included \$142.4 million originating as state General Fund and \$137.9 million originating as federal Coronavirus State Fiscal Recovery funds (ARPA funds).

PUBLIC HEALTH INFRASTRUCTURE FUNDING: This issue brief provides background information on health facility licensure, an overview of the Department's request for \$15.0 million General Fund on an ongoing basis to extend appropriations from S.B. 21-243, and the impacts of extending and not extending these appropriations. The request would add appropriations on a permanent basis in order to support the State's ability to effectively prevent, monitor, and respond to emerging disease outbreaks and other public health emergencies.

STATIONARY SOURCES CONTROL FUND: This issue brief provides an overview of the Air Pollution Control Division and the related R2 request. The Department is tasked with air pollution control and the Stationary Sources Control Fund (SSCF) is a major source of revenue for these efforts. The SSCF is funded primarily through fees on emissions for stationary sources, with existing fees based on tonnage of emissions. In turn, these fees are used by CDPHE to support air quality initiatives. Under present conditions, the SSCF faces insolvency and is expected to have a negative balance in FY 2024-25. This has largely been driven by stagnating revenues due to unchanged fees, as well as increased costs due to legislative changes, recent Department budget requests, and increased federal standards regarding ozone and other forms of pollution.

HEALTH FACILITY LICENSURE CASH FUND SOLVENCY: This issue summarizes the Department's request for \$2.2 million in ongoing General Fund to address cash fund solvency issues within the Health Facility Licensure Division. This issue brief provides an overview of the request and the ongoing cash fund solvency issues.

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DEPARTMENT OF PUBLIC SAFETY

The Department of Public Safety is responsible for maintaining, promoting, and enhancing public safety through law enforcement, criminal investigations, fire and crime prevention, emergency management, recidivism reduction, and victim advocacy. The Department's FY 2023-24 appropriation represents approximately 1.7 percent of statewide operating appropriations and 1.9 percent of statewide General Fund appropriations.

FY 2023-24 APPROPRIATION AND FY 2024-25 REQUEST

DEPARTMENT OF PUBLIC SAFETY						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2023-24 APPROPRIATION:						
SB 23-214 (Long Bill)	\$664,221,638	\$261,537,243	\$265,818,100	\$68,113,327	\$68,752,968	2,273.3
Other legislation	39,813,265	25,293,451	10,746,491	3,773,323	0	38.5
TOTAL	\$704,034,903	\$286,830,694	\$276,564,591	\$71,886,650	\$68,752,968	2,311.8
FY 2024-25 REQUESTED APPROPRIATION:						
FY 2023-24 Appropriation	\$704,034,903	\$286,830,694	\$276,564,591	\$71,886,650	\$68,752,968	2,311.8
R1 CO auto theft prevention initiative	12,520,406	11,134,192	1,386,214	0	0	10.1
R2 Invest in local crime prevention	7,500,000	0	7,500,000	0	0	0.0
R3 Forensic resources to reduce auto theft	1,874,952	1,874,952	0	0	0	10.1
R4 Executive Directors Office right sizing	2,929,035	781,806	0	2,147,229	0	23.0
R5 CO team awareness kit	1,327,204	1,327,204	0	0	0	5.5
R6 Crime victim services funding	3,000,000	3,000,000	0	0	0	0.0
R7 CO nonprofit security grant funding	1,004,607	1,004,607	0	0	0	0.9
R8 Strengthen disaster recovery	0	721,003	(399,397)	0	(321,606)	0.0
R9 DCJ resources to increase public safety	649,536	649,536	0	0	0	5.1
R10 Law enforcement recruiting	436,432	0	436,432	0	0	1.8
R11 CO State Patrol professional staff	938,589	0	938,589	0	0	7.4
R12 Comm corr performance-based contracting	384,210	384,210	0	0	0	0.0
R13 CDPS leased space	1,079,646	1,079,646	0	0	0	0.0
R14 Ongoing funding for SB22-196	50,000	50,000	0	0	0	0.0
R15 Provider rate common policy	1,800,796	1,687,320	0	113,476	0	0.0
R16 HUTF one time cap adjustment	0	(3,811,353)	3,811,353	0	0	0.0
R17 Rename DCJ and relocate Office of School Safety	0	0	0	0	0	0.0
Centrally appropriated line items	37,761,994	20,487,808	11,279,697	4,704,153	1,290,336	0.0
Non prioritized requests	392,288	448,368	(516,870)	324,254	136,536	0.0
Technical adjustment	0	0	(2,363,935)	0	2,363,935	0.0
Annualize prior year legislation	(43,160,125)	(36,357,227)	(5,303,893)	(944,724)	(554,281)	(9.1)
Annualize prior year budget actions	(7,898,067)	(6,412,763)	(706,349)	(777,640)	(1,315)	29.1
TOTAL	\$726,626,406	\$284,880,003	\$292,626,432	\$77,453,398	\$71,666,573	2,395.7
INCREASE/(DECREASE)	\$22,591,503	(\$1,950,691)	\$16,061,841	\$5,566,748	\$2,913,605	83.9
Percentage Change	3.2%	(0.7%)	5.8%	7.7%	4.2%	3.6%

R1 COLORADO AUTO THEFT PREVENTION INITIATIVE: The request includes an increase of \$12,520,406 total funds, including \$11,134,192 General Fund and \$1,386,214 cash funds from Highway Users Tax Fund, and 10.1 FTE in FY 2024-25 for the Colorado Auto Theft Prevention Program.

R2 INVESTMENT IN LOCAL CRIME PREVENTION STRATEGIES [LEGISLATION REQUIRED]: The Department requests that the JBC sponsor legislation to transfer \$7.5 million General Fund to the Multidisciplinary Crime Prevention and Crisis Intervention (MCPCI) Grant Fund in FY 2024-25 and every fiscal year thereafter with the aim of “reducing crime, especially violent crime.” Staff notes that the \$7.5 million cash funds appropriation shown in the request and in the table above is unnecessary because the MCPCI Grant Fund is continuously appropriated to the Department. A cash funds appropriation is only necessary if the cash fund is annually appropriated.

R3 FORENSIC RESOURCES TO REDUCE AUTO THEFT: The request includes an increase of \$1,874,952 General Fund and 10.1 FTE in FY 2024-25 and \$3,699,323 General Fund and 20.0 FTE in FY 2025-26 and ongoing for investigators to leverage new DNA technology to address auto theft across Colorado. The forensic auto theft prevention team would consist of 8.0 Forensic Science Criminal Investigator II's, 1.0 Lab Manager Criminal Investigator III's, 1.0 Program Assistant I, and 1.0 Technician IV. Additionally, funding for DNA forensic resource operating expenses will cost approximately \$352,500 to test 500 cases.

R4 EXECUTIVE DIRECTOR'S OFFICE RIGHT-SIZING: The request includes an increase of \$2,929,035 total funds, including \$781,806 General Fund, and 23.0 FTE in FY 2024-25. The request also includes funding for a Facilities Master Plan and maintenance of three electric vehicle (EV) charging stations. The Facilities Master Plan costs \$300,000 on a one-time basis and the total annual cost to maintain three EV stations which services 28 electric vehicles is \$96,000. The request includes the following components:

- The Administrative Services Office requests an increase of \$1,884,210 total funds, including \$500,292 General Fund, \$1,383,918 reappropriated funds and 12.9 FTE in FY 2024-25 for the restructuring of existing FTE from logistic services to create a new property management section and their respective operating costs.
- The Human Resources Office requests an increase of \$730,762 total funds, including \$196,841 General Fund and \$533,921 reappropriated funds, and 7.4 FTE in FY 2024-25 to accommodate the increase in workload due to the volume of payroll entries caused by a growing workforce.
- The Compliance and Professional Standards Office requests \$200,338 total funds, including \$54,075 General Fund and \$146,263 reappropriated funds, and 1.8 FTE in FY 2024-25 to improve the effectiveness of managing risks, control, and administration process.
- The Equity, Diversity, and Inclusion (EDI) Council requests \$113,725 total funds, including \$30,598 General Fund and \$83,127 reappropriated funds, and 0.9 FTE in FY 2024-25 to provide the necessary resources to implement the work required by Executive Order D 2020 175 and the Universal EDI Policy in State Employment.

The request would annualize to \$2,633,175 total funds, including \$711,164 General Fund and \$1,922,011 reappropriated funds, and 25.0 FTE in FY 2025-26 and ongoing.

R5 COLORADO TEAM AWARENESS KIT: The request includes an increase of \$1,327,204 General Fund and 5.5 FTE in FY 2024-25 to sustain the Colorado Team Awareness Kit (COTAK). This would annualize to \$1,289,852 General Fund and 6.0 FTE in FY 2025-26 and ongoing. The program will allow first responders to track and map their locations on a mobile app instead of speaking that information over radios while under duress.

R6 CRIME VICTIM SERVICES FUNDING: The Department requests a one-time appropriation of \$3.0 million General Fund to the continuously appropriated Colorado Crime Victim Services Fund. JBC staff notes that \$3.0 million represents the total amount of funding for this purpose in FY 2024-25. The request shows that the \$3.0 million would be *in addition to* the \$8.0 million General Fund appropriation included in the FY 2023-24 Long Bill. However, that \$8.0 million appropriation was one-time and should have been excluded from the FY 2024-25 base (see Annualize Prior Year Budget Actions).

R7 COLORADO NONPROFIT SECURITY GRANT FUNDING: The request includes an increase of \$1,004,607 General Fund and 0.9 FTE in FY 2024-25 for the Colorado Nonprofit Security Grant Program. This would annualize to \$505,424 General Fund and 1.0 FTE in FY 2025-26 and ongoing. The funding and FTE provided in H.B. 22-1077 (Colorado Nonprofit Security Grant Program) allowed the Division of Homeland Security and Emergency Management to communicate about the program and the services it can provide, resulting in a surge of applications by Colorado nonprofit organizations.

R8 RESOURCES TO STRENGTHEN DISASTER RECOVERY: The request includes an increase of \$721,003 General Fund, offset by reductions of \$399,397 cash funds from the Disaster Emergency Fund (DEF) and \$321,606 federal funds, in FY 2024-25 and ongoing to retain 4.5 out of 10.0 existing FTE that manage the State's Public Assistance grants. These FTE will no longer be supported by DEF and federal grants that expire at the end of each declared disaster. The request mentions that the State was not able to collect or obligate and distribute at least \$100.0 million of federal funding to state or local jurisdictions due to the staff's limited capacity to secure the funding. The request also states that annual maintenance of the online grant management system will ensure that federal reimbursements for all grants are properly tracked and reimbursed while preventing mistakes and audit findings.

R9 DCJ RESOURCES TO INCREASE PUBLIC SAFETY: The Department requests an increase of \$649,536 General Fund and 5.1 FTE in FY 2024-25. The request includes the following components:

- \$78,000 on a one-time basis for a consultant that would help with strategic initiatives. Specifically, the consultant would gain input from internal and external stakeholders, synthesize information for the Department's leadership, and facilitate work sessions within DCJ to "build a visionary blueprint to make Colorado one of the top ten safest states in the country."
- \$221,595 and 1.8 FTE to implement a statewide Training and Technical Assistance Hub. This portion of the request is basically a repeat of a request from last year (R11 Technical assistance for safer communities). In that request, the Department asked for \$555,358 General Fund and 2.8 FTE. JBC staff recommended denial of the request and the JBC approved staff's recommendation. Like last year's request, these new FTE would "provide technical assistance to potential and existing grantees to build capacity, apply for funding, and increase the evidence-based practices across Colorado."
- \$110,798 and 0.9 FTE for a project manager in DCJ's Office of Community Corrections. This project manager would follow-up on deficiencies identified during performance-based contracting audits and reviews.
- \$74,647 and 0.9 FTE to recruit domestic violence and sex offender providers. The request emphasizes the recruitment of providers from diverse groups. This new staffer would develop resources for providers, conduct outreach and provide assistance, analyze provider needs, and work with universities to assist with provider recruitment.
- \$53,326 and 0.5 FTE for a human trafficking trainer. This position already exists and was partially funded by a grant that is now ending.
- \$111,170 and 0.9 FTE for a Victim Rights Act Specialist who would "...be the statewide expert on victim support." They would provide training and technical assistance for agencies with Victim Rights Act (VRA) responsibilities and process all formal VRA complaints.

The request annualizes to \$578,153 General Fund and 5.4 FTE in FY 2025-26 and ongoing.

R10 LAW ENFORCEMENT RECRUITING: The request includes an increase of \$436,432 cash funds from the Highway Users Tax Fund (HUTF) and 1.8 FTE in FY 2024-25 to improve the Colorado State Patrol's (CSP) visibility for recruiting efforts. This would annualize to \$437,315 cash funds and 2.0 FTE in FY 2025-26 and ongoing. The increase would expand CSP's presence and reach on digital media platforms, traditional media, internet searches and advertisements, and recruiting platforms to address staffing constraints.

R11 COLORADO STATE PATROL PROFESSIONAL STAFF: The request includes \$938,589 cash funds from the Highway Users Tax Fund (HUTF) and 7.4 FTE in FY 2024-25 to address non-uniformed staff shortages. The request asserts that as the State's population, number of licensed drivers, and vehicle miles traveled continue to increase, it directly correlates to demands for law enforcement services. These funds would provide salaries at the midpoint of the State's Compensation Plan, which the Department says is necessary due to difficulty hiring administrative professionals at the minimum of the range in Colorado's current labor market. The request would annualize to \$959,305 HUTF and 8.0 FTE in FY 2025-26 and ongoing.

R12 COMMUNITY CORRECTIONS PERFORMANCE-BASED CONTRACTING: The Department requests an increase of \$384,210 General Fund starting in FY 2024-25. These funds would go to community corrections providers that are meeting performance targets related to security audits, adherence to evidence-based practices, and key performance indicators related to staff training and retention. Providers would earn these funds as a percentage of the base per-diem rate. In this case, they would earn up to 2.0 percent of that base rate. This request represents the next phase of the Division of Criminal Justice's performance based contracting plan, which was first implemented in FY 2022-23. Providers can currently earn up to 2.0 percent of the base per-diem rate if they are meeting performance targets related to recidivism and program completion.

R13 CDPS LEASED SPACE: The request includes an increase of \$1,079,646 General Fund in FY 2024-25, which would annualize to \$724,146 General Fund in FY 2025-26 and ongoing. The additional leased space is needed to accommodate additional FTE that were funded through FY 2022-23 and FY 2023-24 legislation and decision items. The request states that due to the additional FTE from prior years, the one-time build out costs and overall increases to leased space were not funded or anticipated.

R14 ONGOING FUNDING FOR S.B. 22-196: The request includes \$50,000 General Fund in FY 2024-25 and ongoing to maintain and expand the Colorado Integrated Criminal Justice Information System (CICJIS). The request indicates that the resources will support ongoing operating expenditures for a program created and funded via one-time ARPA funds. Originally, S.B. 22-196 (Health Needs Of Persons In Criminal Justice System) created the Behavioral Information and Data-Sharing Program in the Department to enable counties to integrate their jail data system to exchange behavioral health information with the CICJIS and mitigate individuals' involvement in the criminal justice system related to behavioral health needs.

R15 PROVIDER RATE COMMON POLICY: The Department requests an increase of \$1,800,796 total funds, including \$1,687,320 General Fund, as part of the 2.0 provider rate common policy increase proposed by the Governor.

R16 HIGHWAY USERS TAX FUND ONE-TIME CAP ADJUSTMENT [LEGISLATION REQUIRED]: The request includes proposed legislation for a one-time Highway Users Tax Fund "Off-the-top" (HUTF) growth cap adjustment from 6.0 to 8.0 percent for FY 2024-25. The Department is requesting the increase in the cap to allow for a refinance of \$3,811,353 General Fund in the Salary Survey line item with that amount from the HUTF to absorb the costs of implementing the new pay plan in FY 2024-25.

R17 RENAME DCJ AND RELOCATE OFFICE OF SCHOOL SAFETY [LEGISLATION REQUIRED]: The Department requests that the JBC sponsor legislation to rename the Division of Criminal Justice (DCJ) to the Division of Community Partnerships and Programs (DCPP). The Department also wants this legislation to relocate the Office of School Safety from the Executive Director's Office to the newly-named DCPP. This would be a net-zero reallocation of funding.

CENTRALLY APPROPRIATED LINE ITEMS: The request includes a net increase of \$37,761,994 total funds for centrally appropriated line items, summarized in the table below.

CENTRALLY APPROPRIATED LINE ITEMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Salary survey	\$15,118,814	\$8,282,798	\$5,441,315	\$1,178,029	\$216,672	0.0
Indirect cost assessment	5,876,278	(5,254,572)	(1,025,782)	11,430,477	726,155	0.0
Payments to OIT	5,452,027	8,554,278	2,158,686	(5,260,937)	0	0.0
Health, life, and dental	3,746,180	2,014,490	1,685,125	(165,016)	211,581	0.0
PERA Direct Distribution	3,318,395	1,229,113	1,889,527	199,755	0	0.0
AED	967,397	551,021	305,557	39,251	71,568	0.0
SAED	967,397	551,021	305,557	39,251	71,568	0.0
Paid Family and Medical Leave Insurance	913,213	308,972	507,954	79,881	16,406	0.0
Shift differential	728,183	91,831	592,586	43,766	0	0.0
Capitol Complex leased space	676,241	580,926	206,351	(111,036)	0	0.0
Risk management & property	459,282	1,459,282	0	(1,000,000)	0	0.0
Workers' compensation	422,793	1,985,390	0	(1,562,597)	0	0.0
Legal services	299,261	299,261	0	0	0	0.0
Leased space	148,359	0	148,359	0	0	0.0
Short-term disability	31,547	16,957	11,129	1,305	2,156	0.0
ALJ services	241	241	0	0	0	0.0
Digital trunk radio payments	(1,145,117)	(179,014)	(946,667)	6,334	(25,770)	0.0
CORE	(218,497)	(4,187)	0	(214,310)	0	0.0
TOTAL	\$37,761,994	\$20,487,808	\$11,279,697	\$4,704,153	\$1,290,336	0.0

NON-PRIORITIZED REQUESTS: The request includes a net increase of \$392,288 total funds for requests initiated by other agencies. Additionally, the request includes a decrease of \$673,832 cash funds from the Marijuana Tax Cash Fund to reflect the underutilization of funding intended to compensate criminal justice agencies for changes in civil asset forfeiture statutes.

NON-PRIORITIZED REQUESTS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
NP1 Annual fleet vehicle request	(324,675)	(942,427)	156,962	324,254	136,536	0.0
NP2 CORE operating resources	16,872	16,872	0	0	0	0.0
NP3 Central services omnibus request	\$1,373,923	\$1,373,923	\$0	\$0	\$0	0.0
NP4 MTCF budget reduction	(673,832)	0	(673,832)	0	0	0.0
TOTAL	\$392,288	\$448,368	(\$516,870)	\$324,254	\$136,536	0.0

TECHNICAL ADJUSTMENTS: The request includes a decrease of \$2,263,935 total funds that is offset by an increase of that amount of federal funds for technical adjustments, summarized in the table below. These changes are driven by the Executive Branch's classification of ARPA funds as federal funds rather than an ARPA cash fund.

TECHNICAL ADJUSTMENTS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
EDO CCJIS ARPA base adjust	\$0	\$0	(\$262,718)	\$0	\$262,718	0.0
DCJ Admin ARPA base adjust	0	0	(291,563)	0	291,563	0.0
DHSEM OEM ARPA base adjust	0	0	(1,809,654)	0	1,809,654	0.0
TOTAL	\$0	\$0	(\$2,363,935)	\$0	\$2,363,935	0.0

ANNUALIZE PRIOR YEAR LEGISLATION: The request includes a net decrease of \$43.1 million total funds to reflect the FY 2024-25 impact of legislation from prior years.

ANNUALIZE PRIOR YEAR LEGISLATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
SB 23-166 Wildfire resiliency code	\$407,960	\$328,980	(\$16,280)	\$95,260	\$0	0.5
HB 23-1199 Forensic medical evidence	248,259	248,259	0	0	0	2.9
SB 23-172 Workers rights	25,490	25,490	0	0	0	0.1
SB 23-170 Extreme risk protection orders	18,396	18,396	0	0	0	0.2
SB 23-164 Sunset SOMB	106	106	0	0	0	0.2
SB 23-241 School safety	(17,225,805)	(17,225,805)	0	0	0	0.7
SB 22-145 Resources comm. Safety	(15,200,000)	(15,200,000)	0	0	0	(2.0)
SB 23-257 Auto theft prevention cash fund	(5,000,000)	0	(5,000,000)	0	0	0.0
HB 22-1003 Youth delinquency	(2,100,000)	(2,100,000)	0	0	0	(2.0)
SB 22-196 Health needs criminal justice	(1,554,281)	0	0	(1,000,000)	(554,281)	(4.5)
HB 23-1270 Urgent incident response fund	(1,000,000)	(1,000,000)	0	0	0	0.0
SB 21-156 Nurse intake of 911 calls grant	(865,583)	(865,583)	0	0	0	(0.5)
Sunset CO human trafficking council	(225,642)	(225,642)	0	0	0	(1.8)
Sunset CCJJ remove funds	(220,076)	(220,076)	0	0	0	(2.5)
SB 22-077 Interstate licensed counselor	(115,540)	0	(115,540)	0	0	(0.6)
SB 23-242 Comm corr financial audit	(100,000)	(100,000)	0	0	0	0.0
HB 23-1273 Wildfire resilient homes grants	(100,000)	0	(100,000)	0	0	0.0
SB 23-013 Fire investigations	(79,968)	(39,984)	0	(39,984)	0	0.0
HB 23-1075 Wildfire evac clear time model	(45,000)	(45,000)	0	0	0	0.0
HB 23-1108 Victim training judicial	(11,900)	(11,900)	0	0	0	0.0
HB 22-1352 Stockpile disaster	(11,565)	60,508	(72,073)	0	0	0.1
SB 23-054 Missing & murdered indigenous	(4,976)	(4,976)	0	0	0	0.1
TOTAL	(\$43,160,125)	(\$36,357,227)	(\$5,303,893)	(\$944,724)	(\$554,281)	(9.1)

ANNUALIZE PRIOR YEAR BUDGET ACTIONS: The request includes a net decrease of \$7.8 million total funds to reflect the FY 2024-25 impact of budget actions in prior years.

ANNUALIZE PRIOR YEAR BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 22-23 R1 Right size CBI	\$3,084,022	\$3,098,022	\$0	(\$14,000)	\$0	24.0
FY 23-24 R9 CBI special investigation	510,246	510,246	0	0	0	5.0
FY 23-24 R16 Research & stats staff	15,038	15,038	0	0	0	0.2
FY 22-23 R12 Comm corr billing system	8,598	8,598	0	0	0	0.0
FY 23-24 R20 CSP equipment and tech staff	3,327	0	3,327	0	0	0.2
FY 23-24 R21 Comm corr support staff	1,613	1,613	0	0	0	0.1
FY 23-24 R13 Support local emergency alert system	1,182	1,182	0	0	0	0.1
FY 23-24 One-time victim services funding	(8,000,000)	(8,000,000)	0	0	0	0.0
FY 23-24 NP1 IT accessibility	(1,687,046)	(853,610)	(81,591)	(751,845)	0	(0.9)
FY 23-24 R14 Statewide fire risk reduction	(677,728)	(677,728)	0	0	0	0.5
FY 23-24 R18 Continuity food service CSP academy	(500,000)	0	(500,000)	0	0	0.0
FY 23-24 Sunset Colorado fire commission	(247,554)	(247,554)	0	0	0	(1.0)
FY 23-24 R19 VINE upgrade	(225,629)	(225,629)	0	0	0	0.0
FY 23-24 salary survey	(141,951)	(41,761)	(87,080)	(11,795)	(1,315)	0.0
FY 23-24 R23 License behavioral health entities	(28,138)	0	(28,138)	0	0	0.2
FY 23-24 R17 CSP records unit plus up	(12,867)	0	(12,867)	0	0	0.5
FY 23-24 R7 Identify domestic extremist threat	(1,180)	(1,180)	0	0	0	0.2
TOTAL	(\$7,898,067)	(\$6,412,763)	(\$706,349)	(\$777,640)	(\$1,315)	29.1

SUMMARY OF ISSUES PRESENTED TO THE JOINT BUDGET COMMITTEE

COLORADO AUTO THEFT PREVENTION: This issue provides an overview of a very similar request for FY 2023-24 and their current FY 2024-25 request of a statewide education and outreach program to increase awareness of

automobile theft, victimization and implementation of programs to support victims of automobile theft related to the Department's budget request R1: Colorado Auto Theft Prevention Initiative.

ONE-TIME FUNDING AUTHORIZED IN RECENT LEGISLATIVE SESSIONS: This issue discusses significant one-time funding to the Division of Criminal Justice. During the 2021 and 2022 legislative sessions, the General Assembly allocated \$82.2 million in one-time funding to the Division, including \$40.7 million General Fund and \$41.5 million federal ARPA funds.

R2 INVEST IN LOCAL CRIME PREVENTION STRATEGIES: This issue provides additional details about the Department's request for the JBC sponsor legislation to transfer \$7.5 million General Fund to the continuously appropriated Multidisciplinary Crime Prevention and Crisis Intervention (MCPCI) Grant Fund in FY 2024-25 and every fiscal year thereafter with the aim of "reducing crime, especially violent crime."

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DEPARTMENT OF REGULATORY AGENCIES

The Department of Regulatory Agencies is responsible for ensuring that individuals and businesses who provide Coloradans with professional services are doing so ethically and responsibly. These duties are carried out through regulatory programs that license, establish standards, approve rates, investigate complaints, and conduct enforcement through boards, commissions, and advisory committees. The Department's FY 2023-24 appropriation represents approximately 0.3 percent of statewide operating appropriations and 0.1 percent of statewide General Fund appropriations.

FY 2023-24 APPROPRIATION AND FY 2024-25 REQUEST

DEPARTMENT OF REGULATORY AGENCIES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2023-24 APPROPRIATION:						
SB 23-214 (Long Bill)	\$138,584,338	\$12,787,372	\$116,965,541	\$7,090,380	\$1,741,045	678.2
Other Legislation	3,254,517	764,274	2,473,592	16,651	0	20.2
TOTAL	\$141,838,855	\$13,551,646	\$119,439,133	\$7,107,031	\$1,741,045	698.4
FY 2024-25 REQUESTED APPROPRIATION:						
FY 2023-24 Appropriation	\$141,838,855	\$13,551,646	\$119,439,133	\$7,107,031	\$1,741,045	698.4
R1 Increase banking staff	665,956	0	665,956	0	0	4.6
Centrally appropriated line items	9,615,115	246,262	8,645,272	564,798	158,783	0.0
Non-prioritized decision items	776,560	19,418	704,919	52,223	0	0.0
Annualize prior year actions	528,141	(363,607)	849,646	42,102	0	2.1
Indirect cost assessment	(82,376)	0	(80,553)	0	(1,823)	0.0
TOTAL	\$153,342,251	\$13,453,719	\$130,224,373	\$7,766,154	\$1,898,005	705.1
INCREASE/(DECREASE)	\$11,503,396	(\$97,927)	\$10,785,240	\$659,123	\$156,960	6.7
Percentage Change	8.1%	(0.7%)	9.0%	9.3%	9.0%	1.0%

R1 INCREASE BANKING STAFF: The request includes \$665,956 from the Division of Banking Cash Fund and 4.6 FTE in FY 2024-25, which increases to \$676,910 and 5.0 FTE in FY 2025-26 and ongoing, in order to support an increased workload due to the growth of the Colorado regulated financial institution industry. Specifically, the Division proposes to hire five additional financial/credit examiners and fund operating expenses that include travel and training for the new staff.

CENTRALLY APPROPRIATED LINE ITEMS: The request includes the following adjustments to centrally appropriated line items, primarily attributed to compensation, legal services, and OIT.

CENTRALLY APPROPRIATED LINE ITEMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Salary survey	\$3,364,842	\$83,065	\$2,950,476	\$250,262	\$81,039	0.0
Legal services	1,829,436	0	1,829,436	0	0	0.0
Payments to OIT	1,764,735	0	1,764,735	0	0	0.0
Health, life, and dental	1,057,059	27,211	863,053	124,514	42,281	0.0
PERA Direct Distribution	927,787	51,566	809,376	66,845	0	0.0
AED	274,140	11,831	202,761	45,308	14,240	0.0
SAED	274,140	11,831	202,761	45,308	14,240	0.0
Paid Family and Medical Leave Ins.	238,748	7,985	209,561	16,744	4,458	0.0
Workers' compensation	71,684	1,314	53,685	13,613	3,072	0.0

CENTRALLY APPROPRIATED LINE ITEMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
ALJ services	60,212	62,764	(2,552)	0	0	0.0
Short-term disability	9,122	383	6,878	1,421	440	0.0
CORE	(174,854)	(7,808)	(159,436)	(6,405)	(1,205)	0.0
Risk management & property	(81,936)	(3,880)	(85,462)	7,188	218	0.0
TOTAL	\$9,615,115	\$246,262	\$8,645,272	\$564,798	\$158,783	0.0

NON-PRIORITIZED DECISION ITEMS: The request includes an increase of \$776,560 total funds, primarily from cash funds, for adjustments related to budget requests from the Department of Personnel for seven new common policies for various centralized services, CORE operating resources, and an annual fleet vehicle request.

NON-PRIORITIZED DECISION ITEMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
NP Central services omnibus request	\$676,279	\$19,418	\$604,638	\$52,223	\$0	0.0
NP1 Annual fleet vehicle request	86,512	0	86,512	0	0	0.0
CORE operating resources	13,769	0	13,769	0	0	0.0
TOTAL	\$776,560	\$19,418	\$704,919	\$52,223	\$0	0.0

ANNUALIZE PRIOR YEAR ACTIONS: The request includes a net increase of \$528,141 in total funds to reflect the FY 2024-25 impact of prior year budget actions and legislation, summarized in the following table. The majority of the increase is attributed to prior year legislation. Prior year budget actions only contributed to a decrease of \$10,111 in total funds.

ANNUALIZE PRIOR YEAR ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
HB 23-1174 Homeowners insurance	\$658,751	\$0	\$658,751	\$0	\$0	1.2
HB 23-1252 Thermal energy	344,930	0	344,930	0	0	2.0
FY 16-17 R1 Annualize new dept lease agreement	332,745	12,732	287,006	33,007	0	0.0
HB 23-1067 Family intervener for deafblind child	91,774	0	91,774	0	0	0.0
SB 23-189 Access to reproductive healthcare	61,605	0	61,605	0	0	(0.1)
SB 23-167 Regulate certified midwives	54,135	0	54,135	0	0	0.2
SB 23-179 Dental plans medical loss	31,872	0	31,872	0	0	0.3
HB 23-1227 Pharmacy benefit manager enforce	17,317	0	17,317	0	0	0.5
SB 23-195 Cost share contributions	3,665	0	3,665	0	0	0.1
HB 23-1116 Carrier and provider contracts	2,443	0	2,443	0	0	0.2
SB 23-172 Protecting opportunities	2,023	(7,072)	0	9,095	0	0.7
HB 23-1002 Epinephrine auto-injectors	1,799	0	1,799	0	0	0.1
FY 23-24 Salary survey	(342,856)	0	(342,856)	0	0	0.0
HB 23-1005 New energy program changes	(208,408)	(208,408)	0	0	0	(2.0)
SB 23-291 Utility regulation	(175,456)	0	(175,456)	0	0	0.2
HB 23-1296 Task force persons with disabilities	(160,859)	(160,859)	0	0	0	(0.7)
SB 23-288 Coverage for doula service	(100,000)	0	(100,000)	0	0	0.0
HB 23-1281 Advancing clean hydrogen	(52,346)	0	(52,346)	0	0	(0.5)
HB 23-1201 Rx contract requirements	(10,000)	0	(10,000)	0	0	0.0
HB 22-1115 Prescription drug monitoring program	(9,885)	0	(9,885)	0	0	0.0
SB 22-077 Interstate professional counselor	(9,000)	0	(9,000)	0	0	0.0
HB 23-1136 Prosthetic devices for recreation	(6,108)	0	(6,108)	0	0	(0.1)
TOTAL	\$528,141	(\$363,607)	\$849,646	\$42,102	\$0	2.1

INDIRECT COST ASSESSMENT: The request includes a \$82,376 net decrease to indirect cost assessments across the Department, comprised of a \$80,553 decrease in cash funds and a \$1,823 decrease in federal funds.

SUMMARY OF ISSUES PRESENTED TO THE JOINT BUDGET COMMITTEE

ONE-TIME FUNDING AUTHORIZED IN RECENT LEGISLATIVE SESSIONS: During the 2021, 2022, and 2023 legislative sessions, the General Assembly did not allocate one-time funding, including those that originate as General Fund or federal Coronavirus State Fiscal Recovery funds (American Rescue Plan Act funds), to the Department.

R1 INCREASE BANKING STAFF: The R1 request includes \$665,956 from the Division of Banking Cash Fund and 4.6 FTE in FY 2024-25, and \$676,910 and 5.0 FTE in FY 2025-26 and ongoing in order to increase the Division of Banking's staff capacity to respond to growth in the state's regulated financial institution industry. The five proposed financial/credit examiners would focus on the commercial bank and money transmitter sectors, which have grown in complexity and size over the past ten years. The Division indicates that it has not requested additional FTE or associated increases in operational funding since FY 2011-12.

HISTORY AND STATUS OF NATURAL MEDICINE REGULATION: In November 2022, Proposition 122, a citizen-initiated ballot measure, initiated the development of a regulatory framework for and decriminalization of natural psychedelic substances in Colorado. Since the ballot measure, the Department of Regulatory Agencies has received supplemental funding in order to implement the program and S.B. 23-290 allocated additional funding to state agencies outside of the Department in order to develop licensing, inspection, and rulemaking processes for the program's implementation. The bill requires the program to begin reviewing applications for new licenses, registrations, permits, or certificates by December 31, 2024.

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DEPARTMENT OF REVENUE

The Department has three functional groups: the Taxation Business Group collects revenue for the state and for many local governments and assists taxpayers in tax-related matters; the Division of Motor Vehicles regulates motor vehicle safety, issues personal identification documents, and regulates commercial vehicles; and the Specialized Business Group regulates alcohol, tobacco, marijuana, horse racing and off-track betting, sports betting, limited gaming, and automobile dealers and sales persons. The three functional groups are supported by the Executive Director's Office. The Department also operates the Colorado Lottery. The Department's FY 2023-24 appropriation represents approximately 1.2 percent of statewide operating appropriations and 1.0 percent of statewide General Fund appropriations.

FY 2023-24 APPROPRIATION AND FY 2024-25 REQUEST

DEPARTMENT OF REVENUE						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2023-24 APPROPRIATION:						
SB 23-214 (Long Bill)	\$494,194,408	\$148,514,239	\$336,350,158	\$7,882,293	\$1,447,718	1,701.7
Other legislation	8,417,507	7,273,116	749,367	395,024	0	13.9
HB 23B-1002 (Increase EITC)	51,483	51,483	0	0	0	0.0
TOTAL	\$502,663,398	\$155,838,838	\$337,099,525	\$8,277,317	\$1,447,718	1,715.6
FY 2024-25 REQUESTED APPROPRIATION:						
FY 2023-24 Appropriation	\$502,663,398	\$155,838,838	\$337,099,525	\$8,277,317	\$1,447,718	1,715.6
R1 GenTax & DRIVES support funding	866,221	547,734	318,487	0	0	8.3
R2 EDO space planning	365,000	365,000	0	0	0	0.0
R3 DMV fraud investigation resources	343,923	0	343,923	0	0	3.7
R4 AID criminal investigation resources	200,742	0	200,742	0	0	0.0
R5 MED support funding	0	0	0	0	0	0.0
R6 Lottery modernization	5,000,000	0	5,000,000	0	0	0.0
R7 Alignment of existing appropriations	0	0	0	0	0	0.0
Centrally appropriated line items	15,306,215	8,611,779	7,103,939	90,292	(499,795)	0.0
Technical adjustments	5,011,708	(2,382,127)	7,489,626	0	(95,791)	0.0
Non-prioritized requests	1,960,917	804,274	1,156,643	0	0	0.0
Indirect cost assessment	1,537,623	(1,537,624)	1,537,623	1,537,624	0	0.0
Annualize prior year legislation	(3,111,317)	(4,184,851)	1,368,558	(295,024)	0	11.8
Annualize prior year budget actions	(2,675,192)	30,082	(2,705,274)	0	0	0.0
TOTAL	\$527,469,238	\$158,093,105	\$358,913,792	\$9,610,209	\$852,132	1,739.4
INCREASE/(DECREASE)	\$24,805,840	\$2,254,267	\$21,814,267	\$1,332,892	(\$595,586)	23.8
Percentage Change	4.9%	1.4%	6.5%	16.1%	(41.1%)	1.4%

R1 GENTAX & DRIVES SUPPORT FUNDING: The request includes an increase of \$866,221 total funds comprised of \$547,734 General Fund, \$318,487 cash funds from the Colorado DRIVES Vehicle Services Account and 8.3 FTE in FY 2024-25. The FY 2025-26 impact of this request is \$866,979 total funds including \$548,187 General Fund, \$318,792 cash funds and 9.0 FTE. The request aims to address the backlog of upgrades and system enhancements to the DRIVES and GenTax systems stemming from legislative, user experience, and system operational demands.

R2 DEPARTMENT OF REVENUE SPACE PLANNING: The request includes \$365,000 General Fund in FY 2024-25. The FY 2025-26 impact of this request is \$365,000 General Fund and a reduction of \$210,742 cash funds. The shift to a hybrid work environment has changed the needs of the Department's workspace, and the Department states that

reconfiguring existing space is financially and logistically challenging due to the age of the building. This request aims to reduce office space and enhance the work environment for departmental in-office employees. This operational request was submitted in tandem with a capital request being reviewed by the Capital Development Committee and is contingent upon its approval.

R3 DMV FRAUD INVESTIGATION: The request includes an increase of \$343,923 cash funds from the Colorado DRIVES Vehicle Services Account and 3.7 FTE in FY 2024-25. This request would annualize to \$343,393 cash funds and 4.0 FTE in FY 2025-26. The State of Colorado has seen a significant increase in vehicle theft in recent years, and currently has the country's highest rate of auto thefts per capita. This request aims to reduce fraudulent activity related to motor vehicle systems, vehicle titles, license plates, and identification documents.

R4 AID CRIMINAL INVESTIGATION RESOURCES: The request includes an increase of \$200,742 cash fund spending authority from the Auto Dealers License Cash Fund in FY 2024-25 and ongoing. The Auto Industry Division (AID) regulates motor and powersports vehicle salespersons, dealers, wholesalers, wholesale auction dealers, manufacturers, distributors, and manufacturer representatives. The request aims to address the 42.0 percent increase in consumer complaints submitted to the division over the last three years.

R5 MED SUPPORT FUNDING: The request includes a net zero funding realignment in the Marijuana Enforcement Division (MED). This restructuring consists of a \$3 million increase in spending authority from the Marijuana Tax Cash Fund (MTCF) and a simultaneous decrease of \$3.0 million in spending authority from the Marijuana Cash Fund (MCF).

R6 LOTTERY MODERNIZATION: The request includes an increase of \$5.0 million in Lottery Cash Fund Spending authority in FY 2024-25 and FY 2025-26 to continue purchasing modern Lottery vending and merchandising equipment. This is a continuation of a request approved in FY 2023-24. The original FY 2024-25 request included three years of spending authority. However, the JBC tabled additional funding for future years to allow the Committee to consider the findings of the Lottery Performance Audit by the Colorado State Auditor's Office, scheduled to be released in December 2024.

R7 ALIGNMENT OF EXISTING APPROPRIATIONS: The request includes a net zero funding realignment that shifts \$1.2 million General Fund appropriation from the Payments to OIT Long Bill line item to the Tax Administration IT System (GenTax) Support Long Bill line item. This request is in response to OIT informing DOR that they will no longer provide support to the GenTax system server hosting for DOR's Taxation Division. Therefore, the Taxation Division will be required to pay the GenTax system server hosting charges directly to the third-party vendor rather than having the billing go to OIT and then be passed through to the Taxation Division.

CENTRALLY APPROPRIATED LINE ITEMS: The request includes an increase of \$15.3 million in total funds, which includes an \$8.6 million General Fund increase related to employee benefits and other centrally appropriated items. This total includes the following changes:

CENTRALLY APPROPRIATED LINE ITEMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Salary survey	\$7,788,765	\$3,760,339	\$3,987,839	\$40,587	\$0	0.0
Health, life, and dental	2,657,504	1,906,598	1,028,952	36,643	(314,689)	0.0
Payments to OIT	2,221,989	1,215,312	1,006,677	0	0	0.0
PERA Direct Distribution	2,056,426	982,075	1,068,865	10,801	(5,315)	0.0
AED	583,256	495,874	171,240	1,031	(84,889)	0.0
SAED	583,256	495,874	171,240	1,031	(84,889)	0.0
Capitol Complex leased space	354,791	146,891	207,900	0	0	0.0

CENTRALLY APPROPRIATED LINE ITEMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Paid Family and Medical Leave Insurance	64,587	48,942	22,984	155	(7,494)	0.0
Workers' compensation	59,449	27,941	31,508	0	0	0.0
Shift differential	24,083	0	24,083	0	0	0.0
Leased space	23,766	23,766	0	0	0	0.0
Short-term disability	19,950	15,717	6,708	44	(2,519)	0.0
AIJ services	471	0	471	0	0	0.0
Prior year salary survey	0	0	0	0	0	0.0
Legal services	(519,640)	(274,122)	(245,518)	0	0	0.0
CORE	(443,552)	(169,214)	(274,338)	0	0	0.0
Risk management & property	(168,886)	(64,214)	(104,672)	0	0	0.0
TOTAL	\$15,306,215	\$8,611,779	\$7,103,939	\$90,292	(\$499,795)	0.0

TECHNICAL ADJUSTMENTS: The request includes technical adjustments with a net increase of \$5.0 million total funds, and includes a decrease of \$2.3 million General Fund.

TECHNICAL ADJUSTMENTS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
License plate ordering technical adj	\$5,004,286	\$11,800	\$4,992,486	\$0	\$0	0.0
Contract escalator fast enterprises	1,308,969	182,631	1,126,338	0	0	0.0
Responsible gaming grant escalator	700,000	0	700,000	0	0	0.0
Document solutions technical adjustment	695,578	695,578	0	0	0	0.0
Driver's license documents	387,631	0	387,631	0	0	0.0
HISA contract escalator	259,622	0	259,622	0	0	0.0
Technical adjustment for postage	83,228	59,679	23,549	0	0	0.0
Hearings technical adjustment	0	0	0	0	0	0.0
IDS print production technical adj	(3,331,815)	(3,331,815)	0	0	0	0.0
EDO federal funds technical adj	(95,791)	0	0	0	(95,791)	0.0
TOTAL	\$5,011,708	(\$2,382,127)	\$7,489,626	\$0	(\$95,791)	0.0

NON-PRIORITIZED REQUESTS: The request includes a net increase of \$2.0 million total funds for decision items driven by other agencies that impact the Department of Revenue, summarized in the following table.

NON-PRIORITIZED REQUESTS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Central services omnibus request	\$2,016,771	\$855,402	\$1,161,369	\$0	\$0	0.0
Non-prioritized decision items	44,540	44,540	0	0	0	0.0
DPS Digital trunk radio	(95,668)	(95,668)	0	0	0	0.0
Annual fleet vehicle request	(4,726)	0	(4,726)	0	0	0.0
TOTAL	\$1,960,917	\$804,274	\$1,156,643	\$0	\$0	0.0

ANNUALIZE PRIOR-YEAR BUDGET ACTIONS: The request includes a net decrease of \$2.7 million total funds and is summarized in the following table.

ANNUALIZE PRIOR YEAR BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 21-22 R1 Lottery reimagined for beneficiaries	\$2,294,726	\$0	\$2,294,726	\$0	\$0	0.0
FY 23-24 R1 taxation call center	30,082	30,082	0	0	0	0.0
FY 23-24 R2 Lottery modernization	(5,000,000)	0	(5,000,000)	0	0	0.0
TOTAL	(\$2,675,192)	\$30,082	(\$2,705,274)	\$0	\$0	0.0

INDIRECT COST ASSESSMENT: The request includes a net increase of \$1.5 million total funds and a \$1.5 million decrease in cash funds to reflect net adjustments to indirect costs across the Department.

ANNUALIZE PRIOR-YEAR LEGISLATION: The request includes a net decrease of \$3.1 million total funds, including a decrease of \$4.2 million General Fund, to reflect the FY 2024-25 impact of bills passed in previous sessions, summarized in the following table.

ANNUALIZE PRIOR YEAR LEGISLATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
HB 23-1272 Tax policy that advances decarbonization	\$1,620,431	\$0	\$1,620,431	\$0	\$0	11.0
SB 23-290 Natural medicine regulation and leg	924,598	924,598	0	0	0	10.8
HB 23-1008 Food accessibility	276,052	276,052	0	0	0	1.4
HB 23-1189 Employer assist for home purchase tax	154,680	154,680	0	0	0	0.9
SB 23-016 Greenhouse gas reduction measures	147,818	147,818	0	0	0	0.7
HB 23-1309 Film industry tax credit	115,399	115,399	0	0	0	0.6
SB 23-251 Revoke driver's license appeal ag	111,027	111,027	0	0	0	0.0
HB 23-1112 Earned income & child tax credit	76,168	76,168	0	0	0	0.0
HB 23-1277 Reporting adjust to taxable income	76,080	76,080	0	0	0	0.6
HB 23-1281 Advance use of clean hydrogen	61,754	61,754	0	0	0	0.0
SB 23-172 Protecting opportunities & workers' rights	22,669	22,669	0	0	0	0.0
HB 23-1061 Alcohol beverage retail establishment	12,835	0	12,835	0	0	0.3
SB 23-156 Sunset private letter ruling	10,729	0	10,729	0	0	0.2
HB 23-1017 SUTS simplification	(4,158,468)	(4,158,468)	0	0	0	0.0
SB 22-124 SALT parity act	(537,647)	(537,647)	0	0	0	(4.4)
SB 23-271 Intoxicating cannabinoid hemp & mj	(493,924)	(295,024)	96,124	(295,024)	0	(0.5)
HB 22-1007 Assist landowner wildfire mitigation	(381,945)	(381,945)	0	0	0	(6.7)
HB 23-1260 Advanced industry & semi	(285,452)	(285,452)	0	0	0	(1.4)
HB 23-1414 Healthy meals for all public school	(99,971)	(99,971)	0	0	0	(0.8)
SB 22-051 Policies to reduce emissions	(76,817)	(76,817)	0	0	0	0.0
HB 23-1265 Born to be wild lic plate	(72,763)	0	(72,763)	0	0	0.0
HB 23-1091 Continuation of child care tax credit	(70,926)	(70,926)	0	0	0	(0.5)
SB 23-012 Commercial motor carrier enforcement	(61,110)	0	(61,110)	0	0	0.0
HB 23-1267 Double fines speeding trucks	(54,073)	0	(54,073)	0	0	0.0
HB23B-1002 Increase EITC	(51,483)	(51,483)	0	0	0	0.0
SB 23-049 Special mobile machinery	(50,059)	0	(50,059)	0	0	0.1
SB 22-006 Sales tax assistance for small bus	(44,380)	(44,380)	0	0	0	0.0
HB 23-1083 Colorado homeless contribution	(33,218)	(33,218)	0	0	0	0.0
HB 23-1391 Modifications to severance tax	(31,172)	(31,172)	0	0	0	(0.5)
SB 23-280 Hazardous material mitigation	(28,944)	(28,944)	0	0	0	0.0
SB 23-145 Stegosaurus lic plate	(28,909)	0	(28,909)	0	0	0.0
SB 23-097 Motor vehicle theft	(24,409)	0	(24,409)	0	0	0.0
SB 23-025 In God we trust lic plate	(23,080)	(4,293)	(18,787)	0	0	0.0
HB 23-1007 Assistance landowner wildfire mitigation	(18,822)	(18,822)	0	0	0	0.0
SB 22-217 Programs that benefit persons	(17,216)	0	(17,216)	0	0	0.0
SB 23-143 Retail delivery fees	(17,086)	0	(17,086)	0	0	0.0
HB 23-1361 Oil & gas reporting	(12,300)	(12,300)	0	0	0	0.0
SB 23-212 US Navy Seabees lic plate	(8,144)	0	(8,144)	0	0	0.0
HB 23-1240 Sales tax use exempt wildfire disaster	(6,734)	(6,734)	0	0	0	0.0
SB 22-107 Pikes peak international lic plate	(6,722)	0	(6,722)	0	0	0.0
HB 23-1025 Repeal of infrequent tax expenditures	(6,400)	(6,400)	0	0	0	0.0
HB 22-1406 Qualified retailer retain sales tax	(6,400)	(6,400)	0	0	0	0.0
HB 22-1241 Court appointed special advocate	(3,530)	0	(3,530)	0	0	0.0
HB 22-1103 Delta sigma theta lic plate	(2,869)	0	(2,869)	0	0	0.0
HB 23-1022 Regulation of fleet motor vehicles	(2,700)	0	(2,700)	0	0	0.0
HB 22-1014 Epilepsy awareness lic plate	(1,435)	0	(1,435)	0	0	0.0
SB 22-190 US Space Force lic plate	(1,201)	0	(1,201)	0	0	0.0
HB 22-1010 Early childhood educator tax credit	(700)	(700)	0	0	0	0.0
HB 22-1154 CO rotary lic plate	(548)	0	(548)	0	0	0.0
TOTAL	(\$3,111,317)	(\$4,184,851)	\$1,368,558	(\$295,024)	\$0	11.8

SUMMARY OF ISSUES PRESENTED TO THE JOINT BUDGET COMMITTEE

R1 GENTAX & DRIVES SUPPORT FUNDING: This issue discusses the Department's DRIVES and GenTax systems and their chronic backlog of SQRs (service change requests). Despite incremental improvement, the demand for changes significantly outweighs the current capacity to implement system upgrades and enhancements. Consequently, even the highest priority requests are only sometimes completed. This backlog hinders the Department's ability to meet customer needs and ensure compliance with all federal and state laws and regulations. This issue brief summarizes the causes of the SQR backlog and explores the impact of additional resources allocated to the Department to alleviate some of the backlog.

ONE-TIME FUNDING AUTHORIZED IN RECENT LEGISLATIVE SESSIONS: During the 2020B and 2021 legislative sessions, the General Assembly allocated significant one-time funding to the Department of Revenue that included \$1.9 million originating as state General Fund and \$6.2 million originating as federal Coronavirus State Fiscal Recovery funds (ARPA funds).

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DEPARTMENT OF STATE

The Department of State administers statutory provisions that pertain to elections; manages the statewide voter registration database; oversees campaign finance reporting; registers lobbyists and monitors the filing of required disclosures; collects, maintains, and provides public access to business filings; regulates charities and charitable gaming; and certifies notaries public. The Department's FY 2023-24 appropriation represents approximately 0.1 percent of statewide operating appropriations and 0.1 percent of statewide General Fund appropriations.

FY 2023-24 APPROPRIATION AND FY 2024-25 REQUEST

DEPARTMENT OF STATE						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2023-24 APPROPRIATION:						
SB 23-214(Long Bill)	\$50,108,869	\$12,835,578	\$36,481,518	\$791,773	\$0	155.5
Other legislation	565,769	0	565,769	0	0	1.2
TOTAL	\$50,674,638	\$12,835,578	\$37,047,287	\$791,773	\$0	156.7
FY 2024-25 REQUESTED APPROPRIATION:						
FY 2023-24 appropriation	\$50,674,638	\$12,835,578	\$37,047,287	\$791,773	\$0	156.7
R1 HAVA election security grant state match	234,488	0	234,488	0	0	0.0
R2 ADA IT accessibility	268,872	0	268,872	0	0	2.5
R3 Cybersecurity defense	450,000	0	450,000	0	0	0.0
R4 Inflation adjustment for IT	316,395	0	316,395	0	0	0.0
R5 Business fraud complaint support	54,063	0	54,063	0	0	1.0
R6 ERIC dues increase	50,000	0	50,000	0	0	0.0
Annualize prior year legislation	5,528,372	6,369,203	(383,482)	(457,349)	0	1.3
Informational adjustment	1,431,055	0	1,431,055	0	0	0.0
Centrally appropriated line items	1,269,473	0	1,269,473	0	0	0.0
Non-prioritized decision item	91,973	0	91,973	0	0	0.0
Annualize prior year budget actions	(12,981,488)	(12,265,576)	(381,488)	(334,424)	0	0.0
Technical adjustments	(76,976)	(302,142)	(76,976)	302,142	0	0.0
Indirect cost assessment	(32,282)	0	(32,282)	0	0	0.0
TOTAL	\$47,278,583	\$6,637,063	\$40,339,378	\$302,142	\$0	161.5
INCREASE/(DECREASE)	(\$3,396,055)	(\$6,198,515)	\$3,292,091	(\$489,631)	\$0	4.8
Percentage Change	(6.7%)	(48.3%)	8.9%	(61.8%)	n/a	3.1%

R1 HAVA ELECTION SECURITY GRANT STATE MATCH: The request includes \$234,488 in one-time Department of State (DOS) Cash Fund spending authority for FY 2024-25 to match a federal HAVA grant for \$1,172,438. The State must match 20.0 percent of these funds in order to access the federal funds, and must have the spending authority by April 10, 2025. This funding is used to support improvements in federal election administration and infrastructure, including the provision of grants to counties for physical and cyber security, improvements to the Statewide Colorado Registration and Election (SCORE) system, performing election audits, and cybersecurity improvements. If this request is not approved, the Department would be required to return the \$1,172,438 in grant funding to the US Election Assistance Commission, as well as accumulated interest.

R2 AMERICANS WITH DISABILITIES ACT (ADA) IT ACCESSIBILITY: The request includes \$268,872 in DOS Cash Fund spending authority for FY 2024-25 to add 2.5 FTE for ADA accessibility compliance. The Department requests 1.0 FTE for an IT Professional and 1.5 FTE for two Temporary Aides to manually review DOS content for ADA accessibility. At present, DOS has over 30 public-facing applications, and automated processes are only able to detect

around 30 percent of the issues related to ADA accessibility. Existing IT staffing within the Department is largely responsible for the development and updating of these proprietary applications. The Department requests this additional FTE for front-end development and review of applications to allow for continuous testing of Department content and applications to meet ADA guidelines.

R3 CYBERSECURITY DEFENSE: The request includes \$450,000 in DOS Cash Fund spending authority for technical testing of election systems. The Department aims to employ a variety of cybersecurity measures to maintain election security, including detection systems, penetration testing, automated AI response to threats, incident response, and securing code vulnerabilities. The request includes funding for both software and hardware upgrades, as well as a budget set-aside for industry contractors with relevant expertise.

R4 INFLATION ADJUSTMENT FOR HARDWARE/SOFTWARE LICENSING: The request includes \$316,395 from the DOS Cash Fund for increased costs for hardware and software licensing. The Department last received an adjustment for market forces through a request made in November of 2021. Since then, persistent inflation has caused costs for IT services and licenses to rise. Furthermore, industry shifts in software licensing from perpetual licensing to subscription models has made it more difficult to defer upgrading software, since costs for software are increasingly annual, instead of up-front.

R5 BUSINESS FRAUD COMPLAINT SUPPORT: The request includes \$54,063 in DOS Cash Fund spending authority to hire 1.0 additional FTE in the Business and Licensing Division. The Department is requesting this funding to handle an anticipated increase in public contacts after January 1, 2024, due to the federal Corporate Transparency Act (CTA) entering into force. At present, there are 1.5 million firms filed with the Department, and if even a small fraction of these contact the department, it is likely to cause a backlog. Additionally, the implementation of S.B. 22-034 (Business Filing Address and Name Fraud) has seen over 1,000 complaints regarding fraudulent business filings, which has also contributed to increasing workload. The additional FTE for this request will handle both business fraud filing complaints and respond to CTA questions from Colorado businesses.

R6 ERIC DUES INCREASE The request includes \$50,000 in DOS Cash Fund spending authority to pay for increases in membership fees for the Electronic Registration Information Center (ERIC) program. ERIC is a nonprofit comprised of member states. The organization helps to maintain current voter registration information for local authorities through checks on government documents across member states (e.g. DMV records, USPS change of address forms). This funding would primarily be used to pay membership dues, which have increased \$36,000 since FY 2021-22, as well as supporting increasing operating costs.

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

ANNUALIZE PRIOR YEAR LEGISLATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
SB 23-276 Modify election law	\$6,374,992	\$6,700,000	(\$325,008)	\$0	\$0	1.5
HB 21-1071 Ranked choice nonpartisan elections	(784,646)	(330,797)	3,500	(457,349)	0	0.0
SB 23-153 Notary sunset extension	(61,974)	0	(61,974)	0	0	(0.2)
TOTAL	\$5,528,372	\$6,369,203	(\$383,482)	(\$457,349)	\$0	1.3

INFORMATIONAL ADJUSTMENTS: The request includes \$1,431,055 in technical adjustments, including a cash fund adjustment from the Electronic Recording Technology Board Fund to reflect the Electronic Recording Technology Board's adjusted balance, shown for informational purposes.

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

CENTRALLY APPROPRIATED LINE ITEMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Salary survey	\$669,963	\$0	\$669,963	\$0	\$0	0.0
PERA Direct Distribution	229,288	0	229,288	0	0	0.0
Health, life, and dental	206,262	0	206,262	0	0	0.0
AED	76,077	0	76,077	0	0	0.0
SAED	76,077	0	76,077	0	0	0.0
Paid Family and Medical Leave Insurance	59,305	0	59,305	0	0	0.0
Leased space	59,000	0	59,000	0	0	0.0
Workers' compensation	17,715	0	17,715	0	0	0.0
ALJ services	16,093	0	16,093	0	0	0.0
Short-term disability	2,281	0	2,281	0	0	0.0
Risk management & property	(71,425)	0	(71,425)	0	0	0.0
Payments to OIT	(59,318)	0	(59,318)	0	0	0.0
CORE	(8,389)	0	(8,389)	0	0	0.0
Legal services	(3,456)	0	(3,456)	0	0	0.0
TOTAL	\$1,269,473	\$0	\$1,269,473	\$0	\$0	0.0

NON-PRIORITIZED DECISION ITEMS: The request includes an increase of \$91,973 in cash funds for items requested by other departments that impact the agencies covered in this briefing document.

NON-PRIORITIZED DECISION ITEMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
NP Central services omnibus request	\$91,663	\$0	\$91,663	\$0	\$0	0.0
CORE operating resources	723	0	723	0	0	0.0
NP1 Annual fleet vehicle request	(413)	0	(413)	0	0	0.0
TOTAL	\$91,973	\$0	\$91,973	\$0	\$0	0.0

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

ANNUALIZE PRIOR YEAR BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Annualize Pres Prim Election County Reimb	(\$12,600,000)	(\$12,265,576)	\$0	(\$334,424)	\$0	0.0
Annualize HAVA Grant Match	(234,488)	0	(234,488)	0	0	0.0
FY 22-23 R2 Odd year HW/SW maint decrease	(147,000)	0	(147,000)	0	0	0.0
FY 23-24 Salary survey	0	0	0	0	0	0.0
TOTAL	(\$12,981,488)	(\$12,265,576)	(\$381,488)	(\$334,424)	\$0	0.0

TECHNICAL ADJUSTMENTS: The request includes requests for technical adjustments outlined in the table below.

TECHNICAL ADJUSTMENTS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
SWICAP common policy base adj	\$0	(\$302,142)	\$0	\$302,142	\$0	0.0
Doc solutions common policy base adj	(76,976)	0	(76,976)	0	0	0.0
TOTAL	(\$76,976)	(\$302,142)	(\$76,976)	\$302,142	\$0	0.0

INDIRECT COST ASSESSMENT: The request includes a reduction to the Department's indirect cost assessment.

SUMMARY OF ISSUES PRESENTED TO THE JOINT BUDGET COMMITTEE

ELECTION ADMINISTRATION COSTS: One of the most pressing issues facing the Department of State is the changes in reimbursement to counties for election costs brought about by the passage of S.B. 23-276. Presently, the Department subsidizes county costs at a rate of 80 or 90 cents per active registered voter, based on the number of eligible voters registered in each county, pursuant to Section 1-5-505.5, C.R.S. In instances, when there are odd-year elections in which the statewide ballot question is the only item on a county ballot, the Department reimburses the county for its actual direct costs. However, S.B. 23-276 (Election Law Modifications) will come into effect on July 1, 2024, significantly increasing county reimbursements for the 2024 General Election. The Department is requesting General Fund to cover the increased cost of these county reimbursements, rather than continuing to rely on the DOS Cash Fund.

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DEPARTMENT OF TRANSPORTATION

The Colorado Department of Transportation (CDOT) is primarily responsible for the construction, maintenance, and operation of Colorado's state highway system, with additional responsibilities relating to aviation, inter-regional bus service, transit, multimodal transportation, and other state transportation systems. Most policy and budget authority for the Department rests with the Transportation Commission, which is composed of eleven governor-appointed members who represent specific districts around the state. Department staff provide support to the Commission as it adopts budgets, establishes policies, and implements Commission decisions. The Department's FY 2023-24 appropriation represents approximately 4.3 percent of statewide operating appropriations and 0.0 percent of statewide General Fund appropriations. Though CDOT does not typically receive General Fund appropriations, it does receive occasional transfers from the General Fund and other sources.

FY 2023-24 APPROPRIATION AND FY 2024-25 REQUEST

DEPARTMENT OF TRANSPORTATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2023-24 APPROPRIATION:						
SB 23-214 (Long Bill)	\$1,797,535,671	\$500,000	\$958,557,897	\$5,528,096	\$832,949,678	3,327.0
Other legislation	(188,347)	0	(188,347)	0	0	1.5
TOTAL	\$1,797,347,324	\$500,000	\$958,369,550	\$5,528,096	\$832,949,678	3,328.5
FY 2024-25 REQUESTED APPROPRIATION:						
FY 2024-25 revenue forecast compared to FY 2023-24 forecast						
CM&O revenue update	\$147,423,617	\$0	\$130,478,530	\$0	\$16,945,087	0.0
HPTE revenue update	33,897,254	0	33,897,254	0	0	0.0
Fuels Impact Enterprise	15,000,000	0	15,000,000	0	0	0.0
Bridge & Tunnel Enterprise revenue update	5,835,720	0	5,835,720	0	0	0.0
Air Pollution Enterprise revenue update	2,165,193	0	2,165,193	0	0	0.0
Clean Transit Enterprise revenue update	919,938	0	919,938	0	0	0.0
MMOF revenue update	11,257,350	0	11,257,350	0	0	0.0
Total revenue adjustments	\$216,499,072	\$0	\$199,553,985	\$0	\$16,945,087	0.0
FY 2024-25 revenue forecast	\$2,013,846,396	\$500,000	\$1,157,923,535	\$5,528,096	\$849,894,765	3,328.5
Offsetting revenue allocation adjustments						
Other common policy changes in Administration						
Admin impact	\$2,716,536	\$0	\$2,716,579	\$(43)	\$0	0.0
CM&O impact	(2,716,536)	0	(2,716,579)	43	0	0.0
Total-compensation changes in Administration						
Admin impact	2,170,060	0	2,170,060	0	0	0.0
CM&O impact	(2,170,060)	0	(2,170,060)	0	0	0.0
Impact of offsetting changes in affected divisions						
Admin impact	4,886,596	0	4,886,639	(43)	0	0
CM&O impact	(4,886,596)	0	(4,886,639)	43	0	0
Net impact of offsetting expenditure adjustments	\$0	\$0	\$0	\$0	\$0	0.0
Non-offsetting expenditure adjustments						
Annualize prior year budget actions	(\$2,000,000)	(\$500,000)	(\$1,500,000)	\$0	\$0	0
Annualize prior year legislation	41,569	0	41,569	0	0	0.0
Total non-offsetting expenditure adjustments	(1,958,431)	(500,000)	(1,458,431)	0	0	0

DEPARTMENT OF TRANSPORTATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
TOTAL	\$2,011,887,965	\$0	\$1,156,465,104	\$5,528,096	\$849,894,765	3,328.5
INCREASE/(DECREASE)	\$214,540,641	(\$500,000)	\$198,095,554	\$0	\$16,945,087	0.0
Percentage Change	11.9%	n/a	20.7%	n/a	2.0%	n/a

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

DESCRIPTION OF REQUESTED CHANGES

The Department is forecasting that its revenue will be \$216.5 million higher in FY 2024-25 than it thought its FY 2023-24 revenue would be in March 2023. The change in CDOT's budget total equals the difference between this year's preliminary forecast of FY 2024-25 revenue and last year's forecast of FY 2023-2024 revenue.

REVENUE ADJUSTMENTS (FY 2024-25 REVENUE FORECAST COMPARED TO FY 2023-24 FORECAST)

CM&O (CONSTRUCTION, MAINTENANCE, AND OPERATIONS) REVENUE UPDATE: The request reflects an anticipated \$147.4 million net revenue increase for Construction, Maintenance, and Operations.

HIGH PERFORMANCE TRANSPORTATION ENTERPRISE (HPTE) REVENUE UPDATE: The request reflects CDOT's forecast of FY 2024-25 revenues from user fees generated on corridors owned by the Enterprise is up \$33.9 million compared to the previous year due to new tolled lanes coming online.

FUELS IMPACT ENTERPRISE: The request reflects Senate Bill 23-280 (Hazardous Material Mitigation) which creates an enterprise and a grant program, among other changes, to address hazardous materials transportation and vehicle emissions. The enterprise will impose a fuels impact reduction fee of up to 0.6125 cents per gallon of fuel on licensed fuel excise tax distributors and licensed fuel distributors. The bill increases state revenue from the new fee on fuel distributors by about \$14.5 million in FY 2023-24 and \$19.5 million in FY 2024-25. The fund is continuously appropriated to the enterprise, and the fund balance is limited to \$15 million.

BRIDGE AND TUNNEL ENTERPRISE REVENUE UPDATE: The request reflects CDOT's current forecast of FY 2024-25 revenue from bridge safety surcharge fees is up \$5.8 million from its November 2022 forecast due primarily to increases in revenue from the bridge and tunnel impact fee imposed by S.B. 21-260 (Sustainability of the Transportation System).

AIR POLLUTION ENTERPRISE REVENUE: The request reflects CDOT estimates that the Nonattainment Area Air Pollution Mitigation Enterprise, created by S.B. 21-260, will collect \$2.2 million more from fees in FY 2024-25 than in FY 2023-24 (its second year of operation).

CLEAN TRANSIT ENTERPRISE REVENUE: The request reflects CDOT estimates that the Clean Transit Enterprise, created by S.B. 21-260, will collect \$919,938 more from clean transit retail delivery fees in FY 2024-25 than in FY 2023-24. (Its second year of operation).

MULTIMODAL TRANSPORTATION AND MITIGATION OPTIONS FUND (MMOF) REVENUE UPDATE: The request includes an increase of \$11.3 million. Of the revenue to this fund, 85 percent is granted out to local entities and 15 percent is retained by the state. The state portion of MMOF funding is currently allocated to Bustang operations.

OFFSETTING REVENUE ALLOCATION ADJUSTMENTS: The request reflects offsetting adjustments that move expenditures from one division of the Long Bill to another without altering the Department total. The FY 2024-25

request includes an increase of \$4.9 million cash funds for Administration, which will be offset by a reduction to Construction, Maintenance, and Operations. These offsetting expenditures include total-compensation and other common policy changes and non-prioritized requests originating in other departments.

NON-OFFSETTING EXPENDITURE ADJUSTMENTS

ANNUALIZE PRIOR YEAR LEGISLATION: The request includes a total reduction of \$1.9 million, including \$1.5 million from the First Time Drunk Driving Offender Cash Fund, \$500,000 from the CO Wildlife Safe Passages Fund Appropriation and \$41,569 from S.B. 23-172 (Protecting Opportunities and Workers' Rights Act). Due to declining revenues and increased pressures on this funding, H.B. 23-1102 (Alcohol and Drug Impaired Driving Enforcement) removed CDOT from this revenue stream and directed the Transportation Commission to allocate \$1.5 million from the State Highway Fund to high-visibility enforcement in future years.

SUMMARY OF ISSUES PRESENTED TO THE JOINT BUDGET COMMITTEE

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

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DEPARTMENT OF THE TREASURY

The State Treasurer is one of five independently elected constitutional officers of the state. The Department of the Treasury consists of three sections: Administration, Unclaimed Property Program, and Special Purpose. The Department's FY 2023-24 appropriation represents approximately 1.9 percent of statewide operating appropriations and 2.1 percent of statewide General Fund appropriations.

FY 2023-24 APPROPRIATION AND FY 2024-25 REQUEST

DEPARTMENT OF THE TREASURY						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2023-24 APPROPRIATION:						
SB 23-214 (Long Bill)	\$781,399,404	\$313,692,919	\$436,638,516	\$31,067,969	\$0	55.0
Other legislation	150,000	87,910	150,000	0	0	0.0
TOTAL	\$781,549,404	\$313,780,829	\$436,788,516	\$31,067,969	\$0	55.0
FY 2024-25 REQUESTED APPROPRIATION:						
FY 2023-24 Appropriation	\$781,549,404	\$313,692,919	\$436,788,516	\$31,067,969	\$0	55.0
R1 Administration division staffing	455,294	455,294	0	0	0	4.5
R2 Unclaimed Property division staffing	348,455	0	348,455	0	0	2.0
R3 Administration division technology	101,751	56,051	45,700	0	0	0.0
R4 Unclaimed Property division technology	583,436	0	583,436	0	0	0.0
Annualize prior year legislation	190,000,000	139,252,072	0	50,747,928	0	0.0
Technical adjustment	72,377,913	11,304,223	61,070,634	3,056	0	0.0
Non-prioritized decision items	621,805	313,180	308,625	0	0	0.0
Annualize prior year budget actions	(305,461)	(106,469)	(198,992)	0	0	0.0
Centrally appropriated line items	(89,407)	86,799	(176,206)	0	0	0.0
TOTAL	\$1,045,643,190	\$465,054,069	\$498,770,168	\$81,818,953	\$0	61.5
INCREASE/(DECREASE)	\$264,093,786	\$151,361,150	\$61,981,652	\$50,750,984	\$0	6.5
Percentage Change	33.8%	48.3%	14.2%	163.4%	n/a	11.8%

R1 ADMINISTRATION DIVISION STAFFING: The request includes an increase of \$455,294 General Fund and 4.5 FTE for FY 2024-25 primarily to address staffing needs in accounting, the deferred property tax unit, human resources, and general administrative support. Included in the request is funding to increase salaries for the Deputy Treasurer and the Department's Chief Financial/Operating Officer as well as staff training and travel.

The Department received one FTE to oversee the expansion of the Deferred Property Tax Program to all Coloradans in FY 2022-23. The expansion of the program doubled the number of participants in its first year prompting the department to borrow an accountant for the program from a different division within the Department to fulfill program requirements. The Department indicates the need for an additional FTE for this program is extraordinary and intends to submit a supplemental request for FY 2023-24 in an attempt to fill the position quickly.

R2 UNCLAIMED PROPERTY DIVISION STAFFING: The request includes an increase of \$348,455 cash funds from the Unclaimed Property Trust Fund (UPTF) and 2.0 FTE for FY 2024-25 to hire a deputy director and a fraud analyst for the Unclaimed Property Division. The request also includes funding for promotions for four positions as well as training for staff in the division.

R3 ADMINISTRATION DIVISION TECHNOLOGY: The request includes an increase of \$101,751 total funds, including \$56,051 General Fund and \$45,700 cash funds for FY 2024-25 for three software applications for department operations including Kronos Timekeeping, Cornerstone Learning and Development, and Cornerstone Performance Management. The request also includes one-time funds to conduct a third round of cybersecurity testing and analysis.

The Department indicates the requested systems are supported through OIT and, in the case of Kronos Timekeeping, will bring it into compliance with state requirements. For the cybersecurity testing and analysis, staff intends to work with the Department to investigate industry standards regarding cybersecurity testing and determine whether this should be an ongoing request.

R4 UNCLAIMED PROPERTY DIVISION TECHNOLOGY: The request includes an increase of \$583,436 cash funds from the UPTF for FY 2024-25 for four technology applications for the Unclaimed Property Program, including enhancements to two existing applications, KAPS and LexisNexis, and adds two new applications including a credit card payment gateway and website translation services.

The Department has relied on a system called KAPS for seven years to facilitate administration of the unclaimed property program. In FY 2023-24, the General Assembly provided funds for a five-year contract with KAPS; however, the Department later discovered that the contract was not written to fully address the needs of the Division and that it required revision. The Department indicates additional funds for the contract are necessary to fully meet the needs of the program.

ANNUALIZE PRIOR YEAR LEGISLATION: The request includes an increase of \$190.0 million total funds including an increase of \$139.3 million General Fund and an increase of \$50.7 million cash funds for FY 2024-25 to reflect the out-year impact of legislation enacted in previous years. Both bills are highlighted below, the second of which pertains to legislation passed during the 2023 Extraordinary Session.

ANNUALIZE PRIOR YEAR LEGISLATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
SB 18-200 PERA unfunded liability	\$190,000,000	\$139,252,072	\$0	\$50,747,928	\$0	0.0
HB 23B-1008 Approp. to Treasury for dpt	(87,910)	(87,910)	0	0	0	(1.0)
TOTAL	\$189,912,090	\$139,164,162	\$0	\$50,747,928	\$0	(1.0)

TECHNICAL ADJUSTMENT: The request includes an increase of \$72.4 million total funds, including \$11.3 million General Fund and \$61.1 million cash funds for FY 2024-25 for technical adjustments. These adjustments include changes to expected reimbursements to counties and municipalities for the Homestead Exemption and distributions from the Highway Users Tax Fund as projected in the September revenue forecast from the Office of State Planning and Budgeting. Additionally, included is an adjustment to the amount received from the Department of Higher Education for lease-purchase payments. Both are highlighted in the table below.

TECHNICAL ADJUSTMENT						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
OSPB September forecast adjustments	\$72,374,857	\$11,304,223	\$61,070,634	\$0	\$0	0.0
Lease Purchase COP adjustment	3,056	0	0	3,056	0	0.0
TOTAL	\$72,377,913	\$11,304,223	\$61,070,634	\$3,056	\$0	0.0

NON-PRIORITIZED DECISION ITEMS: The request includes an increase of \$621,805 total funds, including \$313,180 General Fund and \$308,625 cash funds for FY 2024-25 to reflect the impact of a request made by the Department of Personnel that impacts this department.

ANNUALIZE PRIOR YEAR BUDGET ACTIONS: The request includes a decrease of \$305,461 total funds, including a decrease of \$106,469 General Fund and \$198,992 cash funds for FY 2024-25 to reflect the second-year impact of prior year funding decisions as outlined in the following table.

ANNUALIZE PRIOR YEAR BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 23-24 DPT program	\$104,636	\$104,636	\$0	\$0	\$0	0.0
FY 23-24 Unclaimed Property division needs	8,112	0	8,112	0	0	0.0
FY 23-24 IT accessibility	(334,209)	(167,105)	(167,104)	0	0	0.0
FY 23-24 Cybersecurity testing, phase II	(50,000)	(25,000)	(25,000)	0	0	0.0
FY 23-24 Administration division needs	(34,000)	(19,000)	(15,000)	0	0	0.0
TOTAL	(\$305,461)	(\$106,469)	(\$198,992)	\$0	\$0	0.0

CENTRALLY APPROPRIATED LINE ITEMS: The request includes a decrease of \$89,407 total funds including an increase of \$86,799 General Fund and a decrease of \$176,206 cash funds for FY 2024-25 for adjustments to centrally appropriated line items as outlined in the following table.

CENTRALLY APPROPRIATED LINE ITEMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Salary survey	\$256,549	\$157,780	\$98,769	\$0	\$0	0.0
PERA Direct Distribution	66,552	43,201	23,351	0	0	0.0
Payments to OIT	20,211	3,968	16,243	0	0	0.0
Capitol Complex leased space	20,188	12,340	7,848	0	0	0.0
Paid Family and Medical Leave Insurance	19,661	12,791	6,870	0	0	0.0
AED	14,000	9,134	4,866	0	0	0.0
SAED	14,000	9,134	4,866	0	0	0.0
Short-term disability	403	263	140	0	0	0.0
Legal services	(314,685)	(83,297)	(231,388)	0	0	0.0
CORE adjustment	(159,016)	(71,557)	(87,459)	0	0	0.0
Health, life, dental	(22,757)	(2,445)	(20,312)	0	0	0.0
Workers' compensation	(4,513)	(4,513)	0	0	0	0.0
TOTAL	(\$89,407)	\$86,799	(\$176,206)	\$0	\$0	0.0

SUMMARY OF ISSUES PRESENTED TO THE JOINT BUDGET COMMITTEE

INFORMATIONAL BRIEF: PERA UNFUNDED LIABILITY. Included in the Department of Treasury budget submission is a \$190.0 million annualization of PERA unfunded liability. This request, in addition to current appropriations, satisfies the statutory requirement to pay down the unfunded PERA liability.

INFORMATIONAL BRIEF: STATEWIDE CERTIFICATES OF PARTICIPATION OBLIGATIONS: The State of Colorado continues to pay down Certificates of Participation which are the financing tool for capital projects across the state. In FY 2023-24, the State appropriated approximately \$347.2 million in service of outstanding COP funded projects.

ONE-TIME FUNDING AUTHORIZED IN RECENT LEGISLATIVE SESSIONS: During the 2021, 2022, and 2023 legislative sessions, the General Assembly allocated significant one-time funding to the Department of the Treasury that included \$211,320,883 originating as state General Fund and \$203,207 originating as federal Coronavirus State Fiscal Recovery funds (ARPA funds).

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CAPITAL CONSTRUCTION

The capital construction section of the Long Bill includes funding appropriated to state departments and institutions of higher education for controlled maintenance, capital renewal and recapitalization, and capital expansion. Capital construction appropriations are typically supported by General Fund transferred to the Capital Construction Fund (CCF). However, appropriations for FY 2023-24 were partially funded from the Revenue Loss Restoration Cash Fund, from funds originating from the federal American Rescue Plan Act of 2021. The FY 2023-24 General Fund transfers related to Capital Construction represent 1.9 percent of FY 2023-24 General Fund revenues, based on the September 2023 Legislative Council Staff forecast.

FY 2023-24 APPROPRIATION AND FY 2024-25 REQUEST

CAPITAL CONSTRUCTION							
		TOTAL FUNDS	CAPITAL CONSTR'N FUND	CASH FUNDS	REAPP'D FUNDS	FEDERAL FUNDS	ADD'L OUT-YEAR STATE FUNDS
FY 2023-24 APPROPRIATION:							
	SB 23-214 (Long Bill)	\$471,149,105	\$256,358,189	\$212,411,819	\$0	\$2,379,097	
	SB 23-250 (Transfers from Severance Tax Operations Cash Fund)	13,108,609	10,000,000	3,108,609	0	0	
	SB 23-306 (Buildings in the Capitol Complex)	20,479,729	0	20,479,729	0	0	
	TOTAL	\$504,737,443	\$266,358,189	\$236,000,157	\$0	\$2,379,097	
FY 2024-25 STATE-FUNDED OSPB REQUEST							
OSP	CCHE						
1		Controlled Maintenance Level 1	\$86,812,643	\$0	\$86,812,643	\$0	\$0
2	n/a	HED: SB 20-219 COP Payment	4,753,000	4,753,000	0	0	80,810,825
3		DOC: Sterling Access Controls Electrnc Security Syst Replacement ph 2/2 (CR)	40,029,390	40,029,390	0	0	0
4		CDE: CSDB West Hall Renovation and Addition	18,475,417	10,161,480	8,313,937	0	10,500,420
5		DHS: Kitchen Replacement, CMHIP ph 1/2	9,899,619	9,899,619	0	0	16,950,877
6		DHS: Regional Center Kitchens, Pools, and Parking Lots ph 2/3	1,483,534	1,483,534	0	0	7,075,286
7		DOC: Sterling Steam Condensate Line Replacement ph 2/2 (CR)	16,367,035	16,367,035	0	0	0
8	3	HED: Northwestern CC Rangely Siding, Insulation & Window Replacement (CR)	3,641,741	3,641,741	0	0	0
9	1	HED: CSU Clark Bldg Renovation and Addition, ph 3/4	31,814,757	23,814,757	8,000,000	0	25,798,175
10	2	HED: CMU Performing Arts Expansion & Renov ph 2/2	13,669,574	12,288,947	1,380,627	0	0
11		DPA: Kipling Campus Chiller Replacement (CR)	3,717,529	3,717,529	0	0	0
12		CDOT: Vail Pass Supporting Structures					
		I-70 Avalanche Defense	6,400,000	6,400,000	0	0	0
13		DOR: Collocation and Consolidation to Auraria	3,533,931	3,533,931	0	0	0

CAPITAL CONSTRUCTION						
	TOTAL FUNDS	CAPITAL CONSTR'N FUND	CASH FUNDS	REAPP'D FUNDS	FEDERAL FUNDS	ADD'L OUT-YEAR STATE FUNDS
SUBTOTAL - STATE-FUNDED, RECOMMENDED	\$240,598,170	\$136,090,963	\$104,507,207	\$0	\$0	\$141,135,583
FY 2024-25 CASH-FUNDED OSPB REQUEST						
HistCO: Regional Property Preservation Projects	\$700,000	\$0	\$700,000	\$0	\$0	\$0
DHS: Depreciation Fund for Regional Center Group Homes	1,547,881	0	1,547,881	0	0	0
DPA: Capitol Complex Renovation and Footprint Reduction	17,300,000	0	17,300,000	0	0	73,928,122
DNR: Infrastructure and Property Maintenance	34,001,000	0	34,001,000	0	0	0
DNR: Property Acquisition and Improvements	25,000,000	0	25,000,000	0	0	0
SUBTOTAL - CASH-FUNDED, RECOMMENDED	\$78,548,881	\$0	\$78,548,881	\$0	\$0	\$73,928,122
TOTAL -FY 2024-25 Governor's Request	\$319,147,051	\$136,090,963	\$183,056,088	\$0	\$0	\$141,135,583
INCREASE/(DECREASE)	(\$185,590,392)	(\$130,267,226)	(\$52,944,069)	\$0	(\$2,379,097)	
Percentage Change	(36.8%)	(48.9%)	(22.4%)	n/a	(100.0%)	
(CR) indicates the project is capital renewal.						

SUMMARY OF ISSUES PRESENTED TO THE JOINT BUDGET COMMITTEE

DOC CONTROLLED MAINTENANCE FUNDING: The Department of Corrections (DOC) submitted two FY 2024-25 operating requests that have substantial overlap with issues frequently discussed in the context of Capital Construction. The DOC is the largest state agency in terms of square footage managed; this issue brief discusses how the information submitted in DOC requests calls attention to larger concerns with the way the statewide Capital Construction process consistently underfunds controlled maintenance and capital renewal.

LEGISLATIVE PROPOSAL TO RAISE THE CONTROLLED MAINTENANCE THRESHOLD: This issue brief discusses a legislative proposal to increase the cost limit for individual controlled maintenance projects from \$2.0 million to \$5.0 million. Under current law, projects that exceed \$2.0 million cannot be included on the controlled maintenance list and must instead be individually ranked and recommended as capital renewal projects by the Capital Development Committee. This outdated cost threshold leads to projects being unnecessarily split into multiple phases and creates inefficiencies related to costs, contracting, and operational disruptions.

NATURAL RESOURCES CASH FUND/CAPITOL COMPLEX RENOVATION CHANGES: This issue brief discusses a legislative request submitted through the Department of Natural Resources operating budget (R3 Reverse Wildlife Cash and Lottery Transfers to Capital Construction) to reverse certain transfers made through the annual depreciation lease-equivalent payment process and transferred into the Capitol Complex Renovation Fund and make statutory changes related to the use of Colorado Parks and Wildlife's Wildlife Cash Fund for the Capitol Complex Renovation and Footprint Reduction project.

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IT CAPITAL PROJECTS

The IT Capital section of the Long Bill includes funding appropriated to state departments and institutions of higher education for IT Capital projects. IT Capital appropriations are primarily supported by General Fund transferred to the Information Technology Capital Account in the Capital Construction Fund (CCF). For FY 2023-24, appropriations for IT Capital Construction account for 0.2 percent of statewide total funds and 0.4 percent of statewide General Fund.

FY 2023-24 APPROPRIATION AND FY 2024-25 REQUEST

FY 2024-25 INFORMATION TECHNOLOGY PROJECTS - GOVERNOR'S REQUEST						
	TOTAL FUNDS	CAPITAL CONSTR'N FUND	CASH FUNDS	REAPP'D FUNDS	FEDERAL FUNDS	ADD'L OUT-YEAR STATE FUNDS
FY 2023-24 APPROPRIATION						
SB 23-214 (Long Bill)	\$124,261,834	\$64,890,922	\$8,184,071	\$996,386	\$50,190,455	
TOTAL	\$124,261,834	\$64,890,922	\$8,184,071	\$996,386	\$50,190,455	
OSP						
FY2024-25 OSPB PRIORITY						
1	PER Payroll Modernization	\$17,203,705	\$17,203,705	\$0	\$0	\$15,461,933
2	HCPF Medicaid Enterprise Solutions Reprocurement	36,865,695	4,239,554	0	0	32,626,141
3	HUM OCFMH Info Mgmt Systems and Reporting	2,205,218	2,205,218	0	0	1,647,221
4	REV Licensing & Case Mgmt Software	9,000,000	9,000,000	0	0	0
5	HCPF CBMS Reprocurement Phase I of III	1,705,158	318,028	0	0	1,387,130
6	PubHea WIC Systems Upgrade	1,456,092	500,000	0	0	956,092
7	PubSaf Sex Offender Registry	3,250,000	3,250,000	0	0	0
8	GOV/OIT Modernizing Aging IT System	15,000,000	15,000,000	0	0	0
9	HUM Seamless Human Services Delivery	16,516,500	3,716,625	0	0	12,799,875
10	HCPF Social health Info Exchange	11,031,650	1,539,359	0	0	9,492,291
11	HED MSU Reimagining the Digital Exp.	9,256,163	8,406,163	850,000	0	0
12	HUM Health Infrastructure roll-forward	0	0	0	0	0
13	REV Seed to Sale tracking for MED	4,080,000	0	4,080,000	0	0
14	LAB CoCo Workers' Comp Project	8,626,812	0	8,626,812	0	0
SUBTOTAL - OSPB PRIORITIZED REQUESTS		\$136,196,993	\$65,378,652	\$13,556,812	\$0	\$57,261,529
CCHE						
FY2024-25 CCHE PRIORITY						
1	Duplicate of the MSU Digital Exp.			See OSPB #11		
2	UNC Wireless First	\$5,344,448	\$5,125,326	\$219,122	\$0	\$0
3	FRCC College Wide Cellular Improvements	2,995,000	2,695,500	299,500	0	0
4	Mines Network Modernization & Refresh	10,000,000	7,300,000	2,700,000	0	0
5	Auraria Campus Network Infrastructure Modernization	4,614,341	4,614,341	0	0	3,746,390
6	Otero Security Access Software and Equipment Upgrades	518,000	438,000	80,000	0	0
7	CSU Human Capital Management	14,492,978	11,015,322	3,477,656	0	15,244,752
SUBTOTAL - CCHE PRIORITIZED REQUESTS		\$37,964,767	\$31,188,489	\$6,776,278	\$0	\$18,991,142

FY 2024-25 INFORMATION TECHNOLOGY PROJECTS - GOVERNOR'S REQUEST						
	TOTAL FUNDS	CAPITAL CONSTR'N FUND	CASH FUNDS	REAPP'D FUNDS	FEDERAL FUNDS	ADD'L OUT-YEAR STATE FUNDS
TOTAL - ALL IT CAPITAL REQUESTS	\$174,161,760	\$96,567,141	\$20,333,090	\$0	\$57,261,529	\$64,984,283
TOTAL Increase/(Decrease)	\$49,899,926	\$31,676,219	\$12,149,019	(\$996,386)	\$7,071,074	
Percentage Change	40.2%	48.8%	148.4%	(100.0%)	14.1%	
TOTAL Increase/(Decrease) OSPB Only	\$11,935,159	\$487,730	\$5,372,741	(\$996,386)	\$7,071,074	
Percentage Change	9.6%	0.8%	65.6%	(100.0%)	14.1%	

REQUEST DESCRIPTIONS – OSPB PRIORITIZATION

1. PER PAYROLL MODERNIZATION: The Department of Personnel requests \$17.2 million from the IT Capital Account in FY 2024-25, and \$15.5 million from the IT Capital Account in FY 2025-26, to continue development on the creation and implementation of payroll modernization on a statewide basis, for a total project cost of \$52.9 million. This request is not a continuation of the HRWorks project that was previously halted; this is a new project that was funded for the first time with a \$6.0 million appropriation in FY 2022-23. This request is the second request of an agile phased approach to modernize the State's payroll system and is anticipated to span four years for implementation concluding in FY 2025-26. As of June 2023, \$5.9 million had been spent or encumbered for this project against the FY 2022-23 \$6.0 million appropriation with \$9,142 not spent or encumbered. Since the entire \$6.0 million was part of the Department's budget request for a new payroll system, the Department also requests that the FY 2022-23 appropriation be modified to provide three-year funding.

2. HCPF MEDICAID ENTERPRISE SOLUTIONS REPROCUREMENT: The Department requests \$36.9 million total funds, including \$4.2 million Capital Construction Fund (CCF) and 0.0 FTE in FY 2024-25 for continuation funding for a Systems Enhancement Regulatory Compliance IT project to comply with state procurement regulations and the Center for Medicare and Medicaid Services (CMS) procurement requirements for the Department's Medicaid Enterprise Solutions (MES). This funding request is for year two of the MES reprocurement project and the fiscal year request is the remaining funding needed for the project, taking into consideration appropriations made in FY 2023-24.

3. HUM OFFICE OF CIVIL AND FORENSIC MENTAL HEALTH INFORMATION MANAGEMENT SYSTEMS AND DATA REPORTING: The Department of Human Services (DHS, Department), Office of Civil and Forensic Mental Health (OCFMH) requests \$2.2 million from the IT Capital Account in FY 2024-25 and \$1.6 million from the IT Capital Account in FY 2025-26 for the continued purchase, development, and enhancement of OCFMH data and information systems. The project represents a System Replacement for current technology that is not meeting the needs of the Office and applications that are becoming obsolete. This Information Technology capital request is for out-year funding for a continuation project that received initial funding of \$2,093,951 General Fund in FY 2023-24, including multiple sub-projects which will be more effective if they can be developed as part of a coherent strategic IT plan for the Office. This project would provide direct and critical business functionality for programs within the Office consisting of the Office's Forensic Services Division (FSDV), the Colorado Mental Health Hospital in Pueblo (CMHHIP), and the Colorado Mental Health Hospital in Fort Logan (CMHHIFL).

4. REV LICENSING & CASE MANAGEMENT SOFTWARE: The Department of Revenue requests continuation funding of \$9.0 million from the IT Capital Account in FY 2024-25 for the second phase of its project to update the licensing and case management software many of its subprograms utilize to track the work each performs. There is an annual operating cost estimated to be \$150,000 cash funds per year, appropriated from each of the impacted program's cash funds and beginning in FY 2025-26. Programs that rely on this software include Auto Industry Division, Gaming,

Liquor and Tobacco Enforcement, Racing, Marijuana Enforcement Division (MED), vehicle emissions program, and the Lottery division. Previous market research provided by the Department states that the divisions do not have sufficient funds in current cash reserves to secure a new system. If the funding request is not approved, the impacted divisions would need to deplete any remaining fund balances and significantly increase fees. Fee increases would increase the statewide level of TABOR revenue (except the MED revenue increases, which are TABOR-exempt).

5. HCPF CBMS REPROCUREMENT PHASE I OF III: The Department of Health Care Policy and Financing (HCPF) is requesting \$1.7 million total funds, including \$0.3 million from the IT Capital Account, in FY 2024-25 for Phase I of a Systems Enhancement Regulatory Compliance project. The Department is requesting funding to comply with Colorado contract term limits and CMS federal funding requirements. The Department is required every 10 years to procure contracts related to the CBMS both under state procurement rules and CMS regulation. CMS requires that CBMS contracts be procured in a modular format because federal regulations no longer permit IT eco-systems to be procured as a single vendor solution. This request would provide funding to assist with the reprocurement work and ensure the Department stays on schedule. The contractor resources will operate as subject matter experts (SME) who can draft necessary solicitation documents and procurement requirements. The contractors' work will ensure that the solicitation of the CBMS and its modules is done accurately and stays on schedule within the confines of both the state and federal timelines.

6. PUBHEA WIC SYSTEMS UPGRADE: The Department of Public Health and Environment request \$1.5 million total funds, including \$0.5 million from the IT Capital Account, in FY 2024-25 and \$1.9 million total funds, including \$0.5 million from the IT Capital Account, in FY 2025-26 for a system replacement request which supports the modernization of Colorado's WIC program. The system will facilitate a transition to a new participant-centered Management Information System (MIS) that better addresses programmatic and participant needs. WIC MIS encompasses the database and related systems responsible for compliance, reporting, integration, and service delivery for WIC participants throughout the state. As such, state and local public health agency staff are the system's primary users, while WIC participants and WIC eligible Coloradans are its primary beneficiaries. Although the program's current MIS, Compass, has fulfilled its purpose for over a decade, more advanced alternatives have emerged in other states. State funds will allow the Department to have access to federal funds to make a transition to one of those systems and in the absence of these state funds we risk missing this opportunity to leverage temporarily available federal funds.

7. PUBSAF SEX OFFENDER REGISTRY: The Department of Public Safety requests a one-time \$3.3 million from the Capital IT Account in FY 2024-25 to overhaul and ensure regulatory compliance with the Colorado Sex Offender Registry (Colorado Registry) and to enhance the system. The Colorado Registry is maintained on the Colorado Crime Information Center (CCIC) computer system for Colorado law enforcement agencies, and on the internet for the public. The CCIC system works in conjunction with the National Crime Information Center (NCIC) system, exchanging registration information throughout the United States, the Indian Tribes, and the US territories. This information is also shared with the National Sex Offender Registry public website. While the public-facing site provides a clearinghouse of information about sex offenders that is available as determined by State statute, the CCIC system is the location where the actual tracking of the sex offenders occurs. Enhancements include record-making simplification and elimination of duplicative work necessary for law enforcement to perform—leading to increased reliability of actionable data.

8. GOV/OIT MODERNIZING AGING IT SYSTEMS (PHASE III TECH DEBT): The Governor's Office of Information Technology (OIT) requests \$15.0 million from the IT Capital Account for FY 2024-25 to extend another round of investment for agency network equipment remediation needs, security audit finding remediation support, and for the remaining funding gap for the enterprise identity project from OIT's Modernizing Aging IT Systems phase II request last year. OIT is requesting for these IT capital funds to be directly appropriated to OIT and to be

allowed to prioritize which projects the funds are used on to reduce tech debt based on the amount of funding approved. This funding is targeted at addressing the states “tech debt.”

9. HUM SEAMLESS HUMAN SERVICES DELIVERY: The Department of requests a one-time appropriation of \$16.5 million total funds, including \$3.7 million from the IT Capital Account, in FY 2024-25, to build a high-quality, unified, county-driven data system to provide business process, data, and document management. This system will increase efficiencies for our county partners who administer many of Colorado’s human services programs and improve the customer experience of our clients. This will allow state systems (CBMS, ACSES, CHATS and Trails), to talk to one another, which will result in better connecting clients to safety net benefits and services, starting with Medicaid, Supplemental Nutrition Assistance Program (SNAP), Temporary Assistance for Needy Families (TANF), Child Care Assistance, and Child Support and Child Welfare.

10. HCPF SOCIAL HEALTH INFORMATION EXCHANGE: The Office of eHealth Innovation (OeHI), in partnership with the Department of Health Care Policy and Financing (HCPF), the Office of the Lieutenant Governor, and the Behavioral Health Administration requests \$11.0 million total funds, including \$1.5 million from the IT Capital Account, and 5.5 FTE in HCPF, and 2.0 FTE for the Office of Information Technology in FY 2024-25 to support the continued expansion and implementation of technical infrastructure that enables prescribers and community partners to facilitate access to health improvement supports and Social Health Information Exchange (SHIE). This project has also been described as Prescriber Tool Phase II in a number of strategic documents and presentations. This request is for continuation of the project after being initially developed through a \$15.0 million Home and Community-Based Services (HCBS) cash fund investment.

11. HED MSU REIMAGINING THE DIGITAL EXPERIENCE: Metropolitan State University (MSU) requests \$9.3 million total funds, including \$8.4 million from the IT Capital Account to implement a modern Student Information System to deliver a world-class, modern, accessible, mobile-friendly, and cloud-based digital experience for MSU students. MSU seeks to replace a disparate collection of proprietary and third-party applications and apps students use to interact with the university digitally.

12. HUM BHA HEALTH INFRASTRUCTURE ROLL-FORWARD: The Department of Human Services and the Behavioral Health Administration (BHA) requests an extension of spending authority, through FY 2024-25, to continue projects related to Behavioral Health Infrastructure Investments. This funding was authorized initially in FY 2021-22 through FY 2023-24. The total amount approved was \$8,446,918, including \$6,616,918 from the IT Capital account and \$1,830,000 federal funds. The funds were appropriated to develop or improve upon a bed capacity tracking system, behavioral health data collection system, the health information exchange, and the vital crisis telehealth application. Due to legislative changes to the BHA and delays due to establishing the organization, technology expenditures moved more slowly than planned or desired and there were multiple material changes to technology requirements and priorities based on changes in BHA’s founding structure and funding. The BHA is requesting an additional year of spending authority to continue in designing and delivering technology that will ultimately be most impactful to Coloradans. The BHA is not requesting any additional funding for this request.

13. REV SEED TO SALE TRACKING SYSTEM FOR MED: The Department of Revenue requests \$4.1 million from the Marijuana Tax Cash Fund in FY 2024-25 for a seed-to-sale inventory tracking system for the Marijuana Enforcement Division (MED) to maintain regulatory compliance with procurement rules and guidelines as well as meet statutory requirements for the regulation of marijuana. The current contract is in an optional renewal window with options to extend ending October 2026. A third-party system developed, hosted, and maintained by a vendor has been the only solution utilized by the state to this point in time. The current system has been in place since January 1, 2014, and has been specifically developed, designed, and implemented to meet the regulatory requirements for the commercial marijuana industry in Colorado. The Department is seeking an appropriation from the Marijuana Tax Cash Fund and

not the Marijuana Cash Fund, which is derived from regulatory fees, because the fund reserves and Department's fee schedule do not support the additional expenditures requested.

14. LAB CoCo WORKERS' COMPENSATION PROJECT: The Department of Labor and Employment and Division of Workers' Compensation is requesting \$8.6 million from the Workers' Compensation Cash Fund in FY 2024-25 to replace its workers' compensation computer system and database, commonly known as CoCo. The Division completed a system modernization project in 2018 which migrated its legacy system off of the mainframe. While the state mandate to transition off of a legacy system was met, limited funding prevented a full system modernization. The recent COVID-19 pandemic has expedited the need to transform the system, streamline workflows, and eliminate the reliance on paper filings. The Division is requesting a full system replacement of the migrated mainframe legacy workers' compensation application and database, CoCo. The new system will integrate all workers' compensation system related workflows and processes, allow all forms to be filed electronically, eliminate potential entry errors, allow external stakeholder access, improve reliability of data and access to it, and align with other industry accepted filing standards.

REQUEST DESCRIPTIONS – CCHE PRIORITIZATION

1. MSU REIMAGINING THE DIGITAL EXPERIENCE: See the description for this project under those prioritized by the Office of State Planning and Budgeting (OSPB) above. This item was prioritized as number eleven by OSPB and number one by CCHE and thus appears in the table twice.

2. UNC WIRELESS FIRST: The University of Northern Colorado (UNC) requests \$5.3 million total funds, including \$5.1 million from the IT Capital Account, in FY 2024-25 for work to expand its wireless footprint, and address the significant tech debt associated with our aging networking equipment. Funding the upgrades of our aging equipment will also significantly improve the security posture of our networking edge hardware. Transforming UNC's focus from a wired to the *Wireless First* model will reduce future costs. The cost reductions will result from reducing the number of physical connections because the new strategy will only offer a wireless environment. They are also transitioning away from wired physical phones to softphone technology. Changes are expected to significantly reduce the network switch count required and future tech debt.

3. FRCC COLLEGE WIDE CELLULAR IMPROVEMENTS: Front Range Community College requests \$3.0 million total funds, including \$2.7 million from the IT Capital Account, in FY 2024-25 to deploy infrastructure to enhance the availability of cell phone wireless service on the Westminster, Boulder County, and Larimer County campuses, which is expected to improve student and faculty experience, improve security communications, and improve facility operations. Unique challenges exist on each campus to effectively deliver wireless connectivity within large buildings that tend to be built on higher education campuses. Lack of effective and reliable cellular connectivity is likely to even present a threat to public safety which was highlighted during a recent first responder training where participants were unable to access cellular networks. The College also recently completed Hazardous Vulnerability Assessments of all three campuses, and the lack of seamless communication for our employees and first responders was highlighted as a critical obstacle to successfully saving lives and respond/recover from a major emergency or disaster.

4. MINES NETWORK MODERNIZATION AND REFRESH: The Colorado School of Mines requests \$10.0 million total funds, including \$7.3 million from the IT Capital Account, in FY 2024-25 to replace network infrastructure to address the changing information technology landscape, support and enhance the student experience, and streamline university business processes. Mines wants to provide students a campus network that provides pervasive coverage and can support the connection of multiple laptops, smartphones, tablets, and smart watches. The network infrastructure is integral to any university's campus operations. After completing two preliminary studies Mines will replace and modernize the campus network by implementing a modern design with increased coverage, resiliency,

enhanced security, and a partnership with a vendor to ensure reliable and responsive support to enhance student and faculty experience while simplifying management overhead.

5. AURARIA CAMPUS NETWORK INFRASTRUCTURE MODERNIZATION: The Auraria Campus Institutions request \$4.6 million from the IT Capital Account in FY 2024-25, and \$3.8 million from the IT Capital Account in FY 2025-26, for a comprehensive network infrastructure update that impacts every program offered by the collective. Auraria Campus seeks to provide a more stable and reliable foundation for their combined enterprise networks, updating to a modern network platform to provide greater monitoring capabilities and security measures for increased cyber security, improving technological resources for students, staff, and faculty for all institutions on campus. Funding requested for the first phase of a two-phase project to modernize the network infrastructure, address deferred maintenance, and to provide more current network infrastructure to support emerging technology for hybrid classrooms, virtual reality, robotics for simulated medical/surgery labs.

6. OTERO SECURITY ACCESS SOFTWARE AND EQUIPMENT UPGRADES: Otero College requests \$0.5 million total funds, including \$0.4 million from the IT Capital Account, for FY 2024-25 to replace and upgrade end-of-life technology equipment and maintain state of the art technology in their computer laboratories, library, and classrooms. The funding will also allow the College to invest in a significant number of computers to be made available for students to check out and utilize for an entire semester at no charge to allow them online access, streaming capabilities, and remote delivery reception. To provide educational opportunities their students demand and pay for; the College must invest in the most current technology so that they can offer the latest learning and teaching techniques to their students and instructional staff. This environment is continually evolving and requires the College to make significant monetary investment on a regular basis to attract and retain students and remain viable as an educational institution of higher learning.

7. CSU HUMAN CAPITAL MANAGEMENT: Colorado State University (CSU) requests \$14.5 million total funds, including \$11.0 million from the Capital IT Account, in FY 2024-25 and a total of \$15.2 million from the Capital IT Account in FY 2024-25 and FY 2025-26, to partner on the replacement of multiple, outdated, and at risk Human Resources systems. CSU's primary goal is to develop a shared multi-campus Human Capital Management service with a modern, cloud-based solution that will meet the growing and diverse needs of CSU's campuses, allowing our institutions to attract, develop, and motivate a modern workforce that is charged with fulfilling the academic, research, and outreach missions that serve the state of Colorado. This proposal seeks funding for software acquisition and related contingency planning. CSU is committed to funding the staff backfill and professional services costs if the Capital IT request is funded by the General Assembly.

SUMMARY OF ISSUES PRESENTED TO THE JOINT BUDGET COMMITTEE

OTHER IT PROJECTS RECOMMENDED FOR REFERRAL TO JOINT TECHNOLOGY COMMITTEE PURSUANT TO JOINT RULE 45: The Joint Budget Committee is substantially aided in making better decisions related to IT projects because of the structure, oversight, and technical staff resources of the Joint Technology Committee (JTC). Additionally, the Committee is aided in gaining broad General Assembly support for projects funded in this section of the budget. One operating request submitted by the Department of Revenue related to GenTax and DRIVES was recommended to be referred to the JTC by JBC Staff during the 2023 briefing cycle.

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STATEWIDE COMPENSATION AND PERA

Statewide compensation refers to state employee salary and benefit costs. Compensation common policies are funded through a group of centrally appropriated line items generally found in each department's Executive Director's Office. The annual budget request for total compensation is driven by employee salaries, benefit elections, requested policy changes, and statutory contributions for PERA payments for the unfunded liability. The statewide FY 2023-24 appropriation for: the estimated salary base represents approximately 8.0 percent of statewide operating General Fund appropriations; standard PERA and Medicare represent approximately 1.1 percent of statewide operating General Fund appropriations; compensation common policies represents approximately 2.2 percent of statewide operating General Fund appropriations; and PERA payments for the unfunded liability (AED, SAED, and PERA Direct Distribution) represent approximately 0.9 percent of statewide operating General Fund appropriations.

FY 2023-24 APPROPRIATION AND FY 2024-25 REQUEST

SALARY BASE, COMPENSATION COMMON POLICIES, AND PERA PAYROLL COMPONENTS					
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
FY 2023-24 APPROPRIATION					
Base Salary Estimate	\$2,229,829,465	\$1,211,993,595	\$522,244,320	\$233,392,290	\$262,199,260
PERA	266,334,875	146,860,904	61,781,141	27,269,148	30,423,682
Medicare (FICA)	32,332,528	17,573,906	7,572,544	3,384,189	3,801,889
Shift Differential	19,391,198	15,890,683	808,361	1,837,586	854,568
Salary Survey	151,080,121	88,831,343	32,272,848	13,745,615	16,230,315
Merit Pay	0	0	0	0	0
Minimum Wage	67,610	22,943	9,636	0	35,031
Health, Life, Dental	407,609,085	226,124,623	95,010,681	38,932,342	47,541,439
Paid Family Leave and Medical Insurance	0	0	0	0	0
Short-term Disability	3,472,190	1,894,208	800,263	366,605	411,114
AED	118,399,887	64,605,938	27,571,040	12,357,326	13,865,583
SAED	118,399,887	64,605,938	27,571,040	12,357,326	13,865,583
PERA Direct Distribution	8,880,925	4,682,545	2,551,394	838,485	808,501
TOTAL	\$3,355,797,771	\$1,843,086,626	\$778,193,268	\$344,480,912	\$390,036,965
FY 2024-25 REQUEST/RECOMMENDATION					
Base Salary Estimate	\$2,494,634,429	\$1,358,470,277	\$586,297,877	\$267,440,938	\$282,425,337
PERA	296,730,123	162,804,147	69,768,703	31,297,280	32,859,993
Medicare (FICA)	36,172,562	19,698,118	8,501,356	3,877,904	4,095,184
Shift Differential	33,231,000	27,981,403	1,932,384	2,262,289	1,054,924
Salary Survey	201,801,627	116,609,822	44,035,294	20,691,962	20,464,549
Merit Pay	0	0	0	0	0
Minimum Wage	114,807	15,321	89,605	4,352	5,529
Health, Life, Dental	448,523,033	249,032,811	106,722,686	42,610,045	50,157,491
Paid Family Leave and Medical Insurance	12,175,652	6,702,665	2,822,160	1,294,506	1,356,320
Short-term Disability	4,058,551	2,234,222	940,720	431,503	452,106
AED	135,285,015	74,474,059	31,357,327	14,383,404	15,070,225
SAED	135,285,015	74,474,059	31,357,327	14,383,404	15,070,225
PERA Direct Distribution	59,096,974	32,842,128	16,989,181	7,225,771	2,039,894
TOTAL	\$3,857,108,787	\$2,125,339,031	\$900,814,619	\$405,903,359	\$425,051,777
INCREASE/(DECREASE)	\$501,311,016	\$282,252,405	\$122,621,351	\$61,422,447	\$35,014,812
Percent Change	14.9%	15.3%	15.8%	17.8%	9.0%

FY 2024-25 TOTAL COMPENSATION REQUEST

The FY 2024-25 total compensation request is estimated to be \$3.86 billion total funds, including \$2.13 billion General Fund, an increase of \$501.3 million over the prior year appropriation, which represents a 14.9 percent increase in total compensation-related appropriations.

BASE SALARY, PERA, AND MEDICARE (FICA)					
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
FY 2023-24 Appropriation					
Base Salary Estimate	\$2,229,829,465	\$1,211,993,595	\$522,244,320	\$233,392,290	\$262,199,260
PERA	266,334,875	146,860,904	61,781,141	27,269,148	30,423,682
Medicare (FICA)	32,332,528	17,573,906	7,572,544	3,384,189	3,801,889
TOTAL	\$2,528,496,869	\$1,376,428,405	\$591,598,005	\$264,045,627	\$296,424,831
FY 2024-25 Request/Recommendation					
Base Salary Estimate	\$2,494,634,429	\$1,358,470,277	\$586,297,877	\$267,440,938	\$282,425,337
PERA	296,730,123	162,804,147	69,768,703	31,297,280	32,859,993
Medicare (FICA)	36,172,562	19,698,118	8,501,356	3,877,904	4,095,184
TOTAL	\$2,827,537,114	\$1,540,972,542	\$664,567,936	\$302,616,122	\$319,380,514
INCREASE/(DECREASE)	\$299,040,246	\$164,544,137	\$72,969,931	\$38,570,495	\$22,955,683
Percent Change	11.8%	12.0%	12.3%	14.6%	7.7%

BASE SALARY ESTIMATE: The request includes a base salary estimate of \$2.5 billion total funds, including \$1.4 billion General Fund, for FY 2024-25 employee salaries.

PERA: The request includes an estimate of \$296.7 million total funds, including \$162.8 million General Fund, for employer payroll-related contributions to PERA.

MEDICARE (FICA): The request includes an estimate of \$36.2 million total funds, including \$19.7 million General Fund, for employer payroll-related contributions to Medicare.

OTHER SALARY RELATED ADJUSTMENTS					
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
FY 2023-24 Appropriation					
Shift Differential	\$19,391,198	\$15,890,683	\$808,361	\$1,837,586	\$854,568
Salary Survey	151,080,121	88,831,343	32,272,848	13,745,615	16,230,315
Minimum Wage	67,610	22,943	9,636	0	35,031
Merit Pay	0	0	0	0	0
TOTAL	\$170,538,929	\$104,744,969	\$33,090,845	\$15,583,201	\$17,119,914
FY 2024-25 Request/Recommendation					
Shift Differential	\$33,231,000	\$27,981,403	\$1,932,384	\$2,262,289	\$1,054,924
Salary Survey	201,801,627	116,609,822	44,035,294	20,691,962	20,464,549
Minimum Wage	114,807	15,321	89,605	4,352	5,529
Merit Pay	0	0	0	0	0
TOTAL	\$235,147,434	\$144,606,546	\$46,057,283	\$22,958,603	\$21,525,002
INCREASE/(DECREASE)	\$64,608,505	\$39,861,577	\$12,966,438	\$7,375,402	\$4,405,088
Percent Change	37.9%	38.1%	39.2%	47.3%	25.7%

SHIFT DIFFERENTIAL: The request includes an estimate of \$33.2 million total funds, including \$28.0 million General Fund. Shift differential funds are used for adjustments to some employee wages for work that is performed outside

of standard 8:00 a.m. to 5:00 p.m. business hours. Shift differential is requested at 100 percent of prior year actual expenditures.

SALARY SURVEY: The request includes an estimate of \$201.8 million total funds, including \$116.6 million General Fund. The request includes both a 3.0 percent across-the-board increase and the implementation of the Step Payment Plan as agreed upon in the COWINS Partnership Agreement.

MINIMUM WAGE: The request includes an estimate of \$114,807 total funds, including \$15,321 General Fund, for adjustments to wages for those employees who earned less than \$16.22 per hour. This number is not a statutory minimum wage. Instead, it reflects a 3.0 percent increase from \$15.75 – the current minimum wage pursuant to the Colorado Overtime and Minimum Pay Standards Order (COMPS Order) #38 – in accordance with the Partnership Agreement.

MERIT PAY: The request does not include funding for merit pay increases for state employees.

INSURANCE BENEFITS					
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
FY 2023-24 Appropriation					
Health, Life, Dental	\$407,609,085	\$226,124,623	\$95,010,681	\$38,932,342	\$47,541,439
Paid Family Leave and Medical Insurance	0	0	0	0	0
Short-term Disability	3,472,190	1,894,208	800,263	366,605	411,114
TOTAL	\$411,081,275	\$228,018,831	\$95,810,944	\$39,298,947	\$47,952,553
FY 2024-25 Request/Recommendation					
Health, Life, Dental	\$448,523,033	\$249,032,811	\$106,722,686	\$42,610,045	\$50,157,491
Paid Family Leave and Medical Insurance	12,175,652	6,702,665	2,822,160	1,294,506	1,356,320
Short-term Disability	4,058,551	2,234,222	940,720	431,503	452,106
TOTAL	\$464,757,236	\$257,969,698	\$110,485,565	\$44,336,055	\$51,965,917
INCREASE/(DECREASE)	\$53,675,960	\$29,950,868	\$14,674,621	\$5,037,108	\$4,013,364
Percent Change	13.1%	13.1%	15.3%	12.8%	8.4%

HEALTH, LIFE, DENTAL: The request includes an estimate of \$448.5 million total funds, including \$249.0 million General Fund, for employee health, life, and dental benefits elected by employees as of July 2023. Additional adjustments may be included in a budget amendment based on new actuarial recommendations received in December. The base adjustment request reflects an increase of \$40.9 million total funds, including \$22.9 million General Fund, in FY 2024-25.

PAID FAMILY AND MEDICAL LEAVE INSURANCE: The request includes an estimate of \$12.2 million total funds, including \$6.7 million General Fund for FY 2024-25. Pursuant to H.B. 22-1133 (Family and Medical Leave Insurance Fund), the State's portion of the insurance premium was to be prepaid until the balance in the Family and Medical Leave Insurance (FAMLI) Fund reached zero. However, in the 2023 legislative session, the General Assembly passed S.B. 23-324, which transferred the remaining balance in the FAMLI Fund back to the Restoration Loss Cash Fund. The bill also ended the State prepayment of premiums at the end of FY 2023-24. As a result, starting July 1, 2024, departments and employees will begin paying the premiums for the FAMLI program. These premiums are 0.9 percent of wages per employee, split evenly between the state and employees.

SHORT-TERM DISABILITY: The request includes an estimate of \$4.1 million total funds, including \$2.2 million General Fund for FY 2024-25. Short-term disability (STD) is requested at a rate of 0.15 percent of revised base salaries. STD is estimated at \$4.06 million total funds, including \$2.23 million General Fund.

PERA PAYMENTS FOR UNFUNDED LIABILITY (NON-BENEFIT COMPONENTS)					
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
FY 2023-24 Appropriation					
AED	\$118,399,887	\$64,605,938	\$27,571,040	\$12,357,326	\$13,865,583
SAED	118,399,887	64,605,938	27,571,040	12,357,326	13,865,583
PERA Direct Distribution	8,880,925	4,682,545	2,551,394	838,485	808,501
TOTAL	\$245,680,699	\$133,894,421	\$57,693,474	\$25,553,137	\$28,539,667
FY 2024-25 Request/Recommendation					
AED	\$135,285,015	\$74,474,059	\$31,357,327	\$14,383,404	\$15,070,225
SAED	135,285,015	74,474,059	31,357,327	14,383,404	15,070,225
PERA Direct Distribution	59,096,974	32,842,128	16,989,181	7,225,771	2,039,894
TOTAL	\$329,667,003	\$181,790,245	\$79,703,835	\$35,992,579	\$32,180,344
INCREASE/(DECREASE)	\$83,986,304	\$47,895,824	\$22,010,361	\$10,439,442	\$3,640,677
Percent Change	34.2%	35.8%	38.2%	40.9%	12.8%

AED: Amortization Equalization Disbursement is set at a statutory rate of 5.0 percent and is estimated to be \$135.3 million total funds, including \$74.5 million General Fund.

SAED: Supplemental Amortization Equalization Disbursement is set at a statutory rate of 5.0 percent and is estimated to be \$135.3 million total funds, including \$74.5 million General Fund.

PERA DIRECT DISTRIBUTION: In FY 2019-20, a common policy allocation to state agencies was added for the state's \$225.0 million statutory PERA Direct Distribution payment. This allocation was added to common policies to charge cash and federal funds sources for what would otherwise be a General Fund payment. The PERA Direct Distribution totals \$59.1 million, including \$32.8 million General Fund in FY 2024-25.

The following table outlines all PERA payments included in total compensation.

ALL PERA PAYMENTS					
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
FY 2023-24 Appropriation					
PERA (standard employer contrib.)	\$266,334,875	\$146,860,904	\$61,781,141	\$27,269,148	\$30,423,682
AED	118,399,887	64,605,938	27,571,040	12,357,326	13,865,583
SAED	118,399,887	64,605,938	27,571,040	12,357,326	13,865,583
PERA Direct Distribution	8,880,925	4,682,545	2,551,394	838,485	808,501
SUBTOTAL - Benefits	\$512,015,574	\$280,755,325	\$119,474,615	\$52,822,285	\$58,963,349
FY 2024-25 Request/Recommendation					
PERA (standard employer contrib.)	\$296,730,123	\$162,804,147	\$69,768,703	\$31,297,280	\$32,859,993
AED	135,285,015	74,474,059	31,357,327	14,383,404	15,070,225
SAED	135,285,015	74,474,059	31,357,327	14,383,404	15,070,225
PERA Direct Distribution	59,096,974	32,842,128	16,989,181	7,225,771	2,039,894
SUBTOTAL - Benefits	\$626,397,126	\$344,594,392	\$149,472,538	\$67,289,859	\$65,040,337
INCREASE/(DECREASE)	\$114,381,552	\$63,839,067	\$29,997,923	\$14,467,574	\$6,076,988
Percent Change	22.3%	22.7%	25.1%	27.4%	10.3%

SUMMARY OF ISSUES PRESENTED TO THE JOINT BUDGET COMMITTEE

COWINS PARTNERSHIP AGREEMENT: The Colorado Partnership for Quality Jobs and Services Act requires the State to enter into a partnership agreement with certified employee organizations, defines the duties of the parties, and sets standards and procedure related to disputes. The current agreement is in effect until July 31, 2024. COWINS and the State are scheduled to start meeting again the week of January 8, 2024 to begin developing a negotiations schedule for a successor agreement.

PERA UPDATE: An informational PERA update based on PERA's 2022 Comprehensive Annual Financial Report and related documents. PERA experienced an investment return of negative 13.4 percent in 2022, compared with 16.1 percent in 2021. The net investment income of the plan in 2022 was negative \$9.9 billion. Member contributions totaled \$1.4 billion and employer contributions totaled \$2.2 billion.

PAY DATE SHIFT: The pay date shift is a budgeting and accounting mechanism that was originally employed by the General Assembly in 2003 as a way to save General Fund by shifting the payment date of all state employees on a monthly current pay schedule from June 30 to July 1, providing a fiscal savings of one month's worth of payroll.

JBC STAFF ANALYST: Mitch Burmeister
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OTHER STATEWIDE BUDGET ACTIONS

The Joint Budget Committee received two briefings on statewide budget issues described below.

SUMMARY OF ISSUES PRESENTED TO THE JOINT BUDGET COMMITTEE

MARIJUANA POLICY OVERVIEW (PRESENTED 11/16/23): Divergent projections of marijuana tax revenues throughout FY 2023-24 and FY 2024-25 require a wait-and-see approach to Marijuana Tax Cash Fund budget requests for FY 2024-25 as well as a \$20.0 million transfer to the Public School Capital Construction Assistance Fund, which supports the Building Excellent Schools Today (BEST) program in the Department of Education scheduled for the end of FY 2023-24. The revenue projections from the Office of State Planning and Budgeting (OSPB) are approximately \$41.0 million higher over the next two fiscal years than the Legislative Council Staff forecast. How closely marijuana tax revenue trends to the OSPB forecast will determine the viability of funding the \$20.0 transfer to BEST and the propensity to support the Governor's \$22.6 million in new funding, or continuation of programs with expiring funding, requests. Staff recommends basing all MTCTF actions on the March 2023 revenue forecast selected for balancing the FY 2024-25 budget.

TOBACCO REVENUE POLICY (PRESENTED 11/16/23): Colorado receives annual tobacco revenue from three sources:

- 1 The Tobacco Master Settlement Agreement (MSA), a 1998 legal settlement between tobacco manufacturers and states that sued manufacturers to recover Medicaid and other health-related costs incurred by treating smoking-related illnesses;
- 2 A 2004 constitutional amendment (Amendment 35), imposing tobacco taxes through Section 21 of Article X of the Colorado Constitution; and
- 3 House Bill 20-1427 (Cigarette Tobacco and Nicotine Products Tax) referred a tobacco, cigarette, and nicotine product tax to the ballot (Proposition EE), which was approved by the voters and took effect January 1, 2021.

Both Amendment 35 and MSA dollars are distributed by formula, while proposition EE revenue distribution is largely specified in H.B. 20-1427. Long Bill appropriations are determined based on forecasted revenues provided by Legislative Council Staff (LCS).

MARIJUANA POLICY OVERVIEW:

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TOBACCO REVENUE POLICY:

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APPENDIX A: MID-YEAR CHANGES FOR FY 2023-24

FY 2022-23 INTERIM SUPPLEMENTAL OPERATING REQUESTS APPROVED BY THE JBC							
DEPARTMENT	REQUEST TITLE	TOTAL FUNDS	FTE	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
Corrections	Delta Correctional Center flood funding	\$278,000	0.0	\$278,000	\$0	\$0	\$0
Public Health and Environment	Waters of the United States	214,797	0.0	0	214,797	0	0
Human Services	Overexpenditure at Colorado Mental Health Institute at Pueblo	13,067,628	0.0	13,067,628	0	0	0
Personnel	State Fleet Management maintenance costs	847,836	0.0	0	0	847,836	0
Revenue	Lottery Vender Fees	2,000,000	0.0	0	2,000,000	0	0
TOTAL		\$16,408,261	0.0	\$13,345,628	\$2,214,797	\$847,836	\$0

FY 2023-24 INTERIM SUPPLEMENTAL OPERATING REQUESTS APPROVED BY THE JBC							
DEPARTMENT	REQUEST TITLE	TOTAL FUNDS	FTE	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
Corrections	Housing at Buena Vista	\$120,000	0.0	\$120,000	\$0	\$0	\$0
Early Childhood	Reallocation to maximize federal stimulus funds	11,170,476	0.0	0	0	0	11,170,476
Health Care Policy and Financing	Transportation provider credentialing and reviews	1,285,101	0.3	385,529	257,020	0	642,552
Public Safety	Colorado Nonprofit Security Grant Program and migrant support	10,852,200	4.0	1,000,000	4,926,100	4,926,100	0
TOTAL		\$23,427,777	4.3	\$1,505,529	\$5,183,120	\$4,926,100	\$11,813,028

FY 2022-23 INTERIM SUPPLEMENTAL CAPITAL REQUESTS APPROVED BY THE JBC							
DEPARTMENT	REQUEST TITLE	TOTAL FUNDS	FTE	GENERAL FUND (TRANSFER TO CAPITAL CONSTRUCTION FUND)	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
Higher Education	Colorado Mesa University, Robinson Theater replacement	\$10,334,285	0.0	\$0	\$10,334,285	\$0	\$0
Higher Education	University of Northern Colorado, Gray Hall mechanical systems improvements	(3,770,783)	0.0	0	(3,770,783)	0	0
Information Technology	Department of Early Childhood, Unified Experience and Early Childhood Data Trust (roll-forward auth.)	0	0.0	0	0	0	0
TOTAL		\$21,213,502	0.0	\$0	\$21,213,502	\$0	\$0

FY 2023-24 SPECIAL SESSION (2023B) LEGISLATION								
DEPARTMENT	BILL	TOTAL FUNDS	FTE	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	
Revenue, Personnel	HB 23B-1002 EITC	\$51,999	0.0	\$51,483	\$0	\$516	\$0	
Legislative	HB 23B-1003 Property tax task force	80,271	0.9	80,271	0	0	0	
Treasury	HB 23B-1008 Appt to Dept of Treasury	87,910	1.0	87,910	0	0	0	
Local Affairs	SB 23B-001 Property tax relief	34,659	0.5	34,659	0	0	0	
Human Services, Education	SB 23B-002 Summer EBT	6,620,564	3.4	3,310,282	0	0	3,310,282	
TOTAL		\$6,875,403	5.8	\$3,564,605	\$0	\$516	\$3,310,282	

APPENDIX B: JBC STAFF CONTACTS AND ASSIGNMENTS

The Joint Budget Committee (JBC) main office telephone number is 303-866-2061. Each staff member may be reached at the main number or by dialing 303-866- and the extension number shown below.

ADMINISTRATIVE/STATEWIDE TOPICS	STAFF	EXT.	EMAIL
Office Administration Staff Director Administrator IV Administrative Assistant Administrative Assistant	Craig Harper Jessi Neuberg Jason Heller Debra Tucker	3481 2061 2587 2587	craig.harper@coleg.gov jessi.neuberg@coleg.gov jason.heller@coleg.gov debra.tucker@coleg.gov
Appropriations Committee Coordinators House Senate	Emily Hansen Mitch Burmeister	4961 3147	emily.hansen@coleg.gov mitch.burmeister@coleg.gov
Capital Construction Information Technology Projects Controlled Maintenance Capital Renewal and Recapitalization, and Capital Expansion: State facilities, including higher education	Scott Thompson Andrea Uhl	4957 4956	scott.thompson@coleg.gov andrea.uhl@coleg.gov
Community Provider Rate Common Policy	Justin Brakke	4958	justin.brakke@coleg.gov
Marijuana Tax Policy	Jon Catlett	4386	jon.catlett@coleg.gov
Tobacco Revenue Policy	Abby Magnus	2149	abby.magnus@coleg.gov

STATE AGENCIES	STAFF ANALYST	EXT.	EMAIL
Agriculture	Kelly Shen	5434	kelly.shen@coleg.gov
Corrections	Justin Brakke	4958	justin.brakke@coleg.gov
Early Childhood	Louellen Lowe	2981	louellen.lowe@coleg.gov
Education			
(1) Management and Administration (2) Assistance to Public Schools: (C) Grant Programs, Distributions, and Other Assistance (3) Library Programs (4) School for the Deaf and the Blind	Amanda Bickel	4960	amanda.bickel@coleg.gov
(2) School District Operations (A) Public School Finance (B) Categorical Programs	Andrea Uhl	4956	andrea.uhl@coleg.gov
Governor			
(1)(A) Governor's Office (1)(B) Special Purpose (2) Office of the Lieutenant Governor (3) Office of State Planning and Budgeting (4) Economic Development Programs (5) Office of Information Technology <i>OIT Common Policies</i>	Scott Thompson	4957	scott.thompson@coleg.gov
(1)(C) Colorado Energy Office	Mitch Burmeister	3147	mitch.burmeister@coleg.gov
Health Care Policy & Financing			
(1) Executive Director's Office (2) Medical Services Premiums (5) Indigent Care Program (6) Other Medical Services	Eric Kurtz	4952	eric.kurtz@coleg.gov

STATE AGENCIES	STAFF ANALYST	EXT.	EMAIL
Health Care Policy & Financing - <i>Continued</i>			
(4) Office of Community Living	Madison Kaemerer	2062	madison.kaemerer@coleg.gov
(7) DHS Medicaid-funded Programs: (A) Executive Director's Office <i>Indirect Cost line items</i> (C) Office of Economic Security (F) Office of Adults, Aging & Disability Svcs	Tom Dermody	4963	tom.dermody@coleg.gov
(3) Behavioral Health Community Programs (7) DHS Medicaid-funded Programs: (B) Office of Children, Youth, and Families Division of Child Welfare Division of Youth Services (D) Behavioral Health Administration (E) Office of Behavioral Health	Emily Hansen	4961	emily.hansen@coleg.gov
Higher Education			
(3) Colorado Commission on Higher Education Financial Aid (4) College Opportunity Fund Program (5) Governing Boards (6) Local District College Grants Pursuant to Section 23-71-301, C.R.S. (7) Division of Occupational Education (C) Area Technical Colleges	Amanda Bickel	4960	amanda.bickel@coleg.gov
(1) Department Administrative Office (2) Colorado Commission on Higher Education and Higher Ed. Special Purpose Programs (7) Division of Occupational Education (A) Administrative Costs (B) Distribution of State Assistance for Career and Technical Education Pursuant to Section 23-8-102. C.R.S. (D) Sponsored Programs (1) Administration & (2) Programs (E) Colorado First Customized Job Training (8) Auraria Higher Education Center (9) History Colorado	Louellen Lowe	2981	louellen.lowe@coleg.gov
Human Services			
(1) Executive Director's Office <i>Indirect Costs (lead)</i> (2) Administration and Finance (4) Office of Economic Security (7) Office of Adults, Aging, and Disability Services	Tom Dermody	4963	tom.dermody@coleg.gov
(3) Office of Children, Youth, and Families Administrative Review Unit (in Administration and Finance) Administration Division of Child Welfare Division of Youth Services (5) Behavioral Health Administration (6) Office of Behavioral Health Office of the Ombudsman for Behavioral Health Access to Care (in EDO)	Emily Hansen	4961	emily.hansen@coleg.gov

Judicial <i>Correctional Treatment Cash Fund (lead)</i>	Alfredo Kemm	4549	alfredo.kemm@coleg.gov
Labor & Employment	Abby Magnus	2149	abby.magnus@coleg.gov
Law (Attorney General's Office) <i>Legal Services Common Policy</i>	Scott Thompson	4957	scott.thompson@coleg.gov
Legislature	Craig Harper	3481	craig.harper@coleg.gov
Local Affairs <i>Federal Mineral Lease Revenues (lead)</i>	Madison Kaemerer	2062	madison.kaemerer@coleg.gov
Military & Veterans Affairs	Jon Catlett	4386	jon.catlett@coleg.gov
Natural Resources			
(1) Executive Director's Office (5) Division of Parks & Wildlife (6) Colorado Water Conservation Board (7) Division of Water Resources	Justin Brakke	4958	justin.brakke@coleg.gov
(2) Division of Reclamation, Mining & Safety (3) Energy and Carbon Management Commission (4) State Board of Land Commissioners <i>Severance Tax Policy</i>	Mitch Burmeister	3147	mitch.burmeister@coleg.gov
Personnel			
(1) Executive Director's Office (2) Division of Human Resources (3) Personnel Board (4) Division of Central Services (5) Division of Accounts and Control (6) Administrative Courts (7) Division of Capital Assets <i>Operating Common Policies</i>	Tom Dermody	4963	tom.dermody@coleg.gov
<i>Compensation Common Policies (including PERA)</i>	Mitch Burmeister	3147	mitch.burmeister@coleg.gov
Public Health & Environment			
(1) Administration and Support (2) Center for Health & Environ. Data (3) Disease Control & Public Health Response (8) Office of HIV, Viral Hepatitis, and STT's (9) Prevention Services Division (10) Health Facilities & Emerg. Medical Services	Abby Magnus	2149	abby.magnus@coleg.gov
(4) Air Pollution and Control Division (5) Water Quality Control Division (6) Hazardous Materials and Waste Mgmt. Div. (7) Div. of Environmental Health & Sustainability	Andrew McLeer	4959	andrew.mcleer@coleg.gov
Public Safety			
(1) Executive Director's Office (2) Colorado State Patrol (<i>HUTF off-the-top limit</i>) (3) Division of Fire Prevention and Control (5) Colorado Bureau of Investigation School Safety Resource Center (in EDO) (6) Div. of Homeland Security & Emerg. Mgmt. <i>Disaster Emergency Fund (lead)</i>	Gustavo Cortés	4955	gustavo.cortes@coleg.gov
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