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MEMORANDUM

TO: Members of the General Assembly

FROM: Joint Budget Committee

SUBJECT: FY 2020-21 Budget Briefing Summary

DATE: January 8, 2020

For the past two months, Joint Budget Committee (JBC) staff have been briefing the JBC on each department's budget request for FY 2020-21. The staff briefing is a written and oral presentation of budget issues and a review of expenditures and funding requests for each department. These briefings are aimed at stimulating discussion among JBC members about each department's operations and budget, issues of efficiency and effectiveness, and the department's plans for the future. During the briefing, JBC members identify issues they want to discuss with the department. These topics are addressed at a formal hearing with each department's executive director. This hearing also allows time for the department to discuss its 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 2020-21, 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 2020-21 operating budget request compared to FY 2019-20 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 happy 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 2020-21 budget requests and major issues that impact the State budget. We will be meeting with each committee of reference to solicit input concerning the budget requests from the departments and programs each committee oversees, pursuant to Joint Rule 25 (d):

“Prior to the thirtieth legislative day, the Joint Budget Committee members shall be available to provide the respective committees with assistance and to explain any Joint Budget Committee responses or recommendations regarding hearings before the Joint Budget Committee of all departments of state government that are within the subject-matter jurisdiction of each committee. After receiving any assistance and explanation from the Joint Budget Committee members, the chairmen of the committees shall communicate any concerns or comments regarding preparation of the long appropriation bill to the Joint Budget Committee members of that house.”

We look forward to working with you over the next few months to craft the State budget for FY 2020-21.

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OVERVIEW OF FY 2020-21 BUDGET REQUESTS

SUBMISSION OF BUDGET REQUESTS

On November 1, the Governor submitted his budget request for FY 2020-21. The Governor's annual request is a comprehensive plan that is comprised of several elements:

- Amounts requested by Executive Branch agencies for ongoing operations, to be appropriated through the annual general appropriation act (the "Long Bill");
- Placeholders for amounts that will be appropriated for ongoing operations of the Legislative Branch, the Judicial Branch, and those Executive Branch agencies that operate under another elected official (i.e., the Departments of Law, State, and Treasury);
- Amounts the Governor is requesting to fund state facilities and infrastructure (the capital construction request);
- 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.

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

DEPARTMENT REQUESTS FOR ONGOING OPERATIONS

The existing *FY 2019-20* budget includes General Fund appropriations totaling \$12.2 billion. Most of this funding (97.5 percent or \$11.9 billion General Fund) was appropriated through the 2019 Long Bill (S.B. 19-207) and the annual appropriation bill for the Legislative Branch (S.B. 19-203). The remaining amount was appropriated through several other bills.

MID-YEAR CHANGES TO FY 2019-20 BUDGET

The Governor's budget request reflects a \$111.6 million increase in General Fund appropriations and transfers for *FY 2019-20*. This is comprised of four types of mid-year adjustments:

- An increase of \$3.2 million General Fund for interim supplemental operating requests that were approved by the Joint Budget Committee in June and September 2019;
- An increase of \$80.5 million General Fund for supplemental operating requests that the Governor plans to submit in January 2020;
- An increase of \$13.0 million General Fund for interim supplemental capital requests that were approved by the Joint Budget Committee in June and September 2019; and
- An increase of \$14.9 million General Fund for supplemental capital requests that the Governor plans to submit in January 2020.

Appendix A details these mid-year budget adjustments that are reflected in the Governor's budget request.

REQUESTS FOR FY 2020-21 FOR ONGOING OPERATIONS

Table 1 summarizes the current operating budget for FY 2019-20, and the incremental changes requested by the Governor, independent elected officials, and Judicial Branch agencies for FY 2020-21 (including budget amendments submitted prior to December 20). Overall, departments are requesting an increase of \$868.9 million total funds (2.7 percent), including an increase of \$427.7 million General Fund (3.5 percent).

TABLE 1 REQUESTED CHANGES IN APPROPRIATIONS FOR FY 2020-21, BY DEPARTMENT AND FUND SOURCE SORTED BY INCREMENTAL CHANGE IN TOTAL FUNDS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2019-20 APPROPRIATION:						
TOTAL	\$32,515,844,199	\$12,197,829,708	\$9,461,671,610	\$2,107,100,487	\$8,749,242,394	60,954.2
FY 2020-21 REQUESTED APPROPRIATION:						
FY 2019-20 Appropriation	\$32,515,844,199	\$12,197,829,708	\$9,461,671,610	\$2,107,100,487	\$8,749,242,394	60,954.2
Health Care Policy and Financing	528,309,222	226,174,562	133,565,168	(114,916)	168,684,408	34.2
Education	186,402,407	41,200,194	139,172,221	5,556,555	473,437	9.4
Higher Education	171,378,030	55,266,691	94,322,232	21,743,253	45,854	11.6
Judicial	48,905,159	44,205,799	(1,547,951)	6,247,311	0	176.1
Human Services	36,863,310	31,484,927	(3,350,292)	2,280,903	6,447,772	72.1
Corrections	18,974,073	19,456,375	(297,294)	(97,158)	(87,850)	215.7
Treasury	17,310,252	21,066,329	(3,755,071)	(1,006)	0	2.5
Revenue	13,571,973	3,317,172	5,521,923	4,695,618	37,260	26.6
Governor	7,680,134	1,815,657	(1,570,877)	7,643,910	(208,556)	27.5
Law	5,113,069	562,750	1,441,005	3,058,678	50,636	12.1
Regulatory Agencies	2,393,712	(164,895)	2,406,930	84,977	66,700	8.0
Agriculture	2,087,805	1,157,165	818,344	72,755	39,541	6.7
Legislature ¹	1,959,017	1,959,017	0	0	0	0.0
Personnel	890,509	128,035	(3,614,818)	4,377,292	0	(22.4)
Military and Veterans Affairs	625,155	133,353	43,808	0	447,994	1.1
Labor and Employment	(1,869,283)	(844,948)	(1,975,199)	(241,102)	1,191,966	0.8
Public Health and Environment	(3,654,562)	2,565,281	(3,239,695)	(3,264,928)	284,780	17.1
Public Safety	(5,077,705)	(516,586)	245,111	(4,764,486)	(41,744)	8.4
Local Affairs	(7,750,432)	(4,606,933)	(4,501,817)	1,367,565	(9,247)	15.1
State	(8,816,247)	(8,418,590)	(397,657)	0	0	0.0
Natural Resources	(24,338,861)	(8,268,275)	(15,881,189)	(319,706)	130,309	17.0
Transportation	(122,024,576)	0	(122,024,576)	0	0	0.0
TOTAL	\$33,384,776,360	\$12,625,502,788	\$9,677,051,916	\$2,155,426,002	\$8,926,795,654	61,593.8
INCREASE/(DECREASE)	\$868,932,161	\$427,673,080	\$215,380,306	\$48,325,515	\$177,553,260	639.6
Percentage Change	2.7%	3.5%	2.3%	2.3%	2.0%	1.0%

1/ This amount is the placeholder that is reflected within the Governor's November 1, 2019 budget submittal.

The General Fund increases requested by the Department of Health Care Policy and Financing (HCPF) and by the Department of Higher Education are the largest dollar increases requested (\$226.2 million and \$55.3 million, respectively). However, the largest percent General Fund increases were submitted by the Department of Agriculture (requesting a 9.6 percent General Fund increase), HCPF (7.2 percent), and the Judicial Branch agencies (7.2 percent). The incremental changes requested by each department are addressed in more detail in the individual department sections that follow this overview section.

While Table 1 focuses on requested incremental increases, Table 2 details the total appropriations requested by each department for FY 2020-21.

TABLE 2
SUMMARY OF BUDGET REQUESTS FOR FY 2020-21, SUBMITTED AS OF DECEMBER 20, 2019

DEPARTMENT	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Agriculture	\$57,528,066	\$13,255,932	\$37,754,180	\$2,568,848	\$3,949,106	304.3
Corrections	1,007,020,518	904,550,401	47,322,148	51,660,507	3,487,462	6,495.0
Education	6,372,300,176	4,446,370,759	1,257,876,600	48,133,584	619,919,233	625.8
Governor	412,832,077	54,914,051	49,981,869	301,247,273	6,688,884	1,184.5
Health Care Policy and Financing	11,217,371,086	3,377,544,826	1,519,856,266	93,500,756	6,226,469,238	578.8
Higher Education	5,047,216,577	1,167,972,336	2,930,583,919	922,729,628	25,930,694	26,315.4
Human Services	2,381,425,291	1,074,784,861	436,656,791	216,513,013	653,470,626	5,203.0
Judicial	889,428,960	660,340,291	168,717,465	55,946,204	4,425,000	5,045.9
Labor and Employment	270,099,826	24,674,935	80,668,060	9,851,631	154,905,200	1,293.6
Law	97,479,567	19,280,523	19,129,482	56,664,832	2,404,730	525.6
Legislative Department ¹	58,612,680	57,156,762	90,000	1,365,918	0	306.9
Local Affairs	341,334,731	44,109,244	201,180,765	13,933,439	82,111,283	204.8
Military and Veterans Affairs	132,256,006	11,748,860	1,514,237	4,143	118,988,766	2,580.2
Natural Resources	313,480,652	35,196,322	244,267,527	7,203,854	26,812,949	1,512.9
Personnel	211,940,111	15,761,431	13,324,682	182,853,998	0	404.3
Public Health and Environment	612,483,250	61,742,488	201,451,054	46,026,089	303,263,619	1,399.4
Public Safety	522,312,252	165,591,562	238,854,927	47,827,281	70,038,482	1,912.5
Regulatory Agencies	121,221,644	2,159,624	112,104,925	5,567,126	1,389,969	599.8
Revenue	418,193,862	128,005,756	278,269,078	10,845,439	1,073,589	1,591.0
State	31,237,382	0	31,237,382	0	0	145.9
Transportation	1,989,996,511	0	1,361,451,591	7,078,096	621,466,824	3,328.8
Treasury	879,005,135	360,341,824	444,758,968	73,904,343	0	35.4
OPERATING TOTAL	\$33,384,776,360	\$12,625,502,788	\$9,677,051,916	\$2,155,426,002	\$8,926,795,654	61,593.8

1/ This amount is based on the placeholder that is reflected within the Governor's November 1, 2019 budget submittal.

Based on the Governor's letter, the budget requests include funding for the following common policies related to state employee benefits and rates paid to community-based service providers:

- a 2.0 percent across-the-board increase in state employee salaries;
- a 5.0 percent increase for the employer share of health, life, and dental insurance benefits;
- a new benefit to provide eight weeks of paid family and medical leave for state employees; and
- a 0.5 percent across-the-board increase for community provider rates.

GOVERNOR'S REQUESTS THAT REQUIRE STATUTORY CHANGES

The Governor's letter also indicates that several of the requests that are included within departments' ongoing operating requests (in Tables 1 and 2) will require statutory changes. Thus, funding for these requests would need to be included in separate legislation. The Governor requests that the Joint Budget Committee (JBC) sponsor legislation for six items and set aside funding within its budget proposal to make funding available for the remaining items.

TABLE 3
ITEMS INCLUDED IN THE GOVERNOR'S FY 2020-21 BUDGET REQUEST THAT REQUIRE SEPARATE LEGISLATION

DEPARTMENT	REQUEST TITLE	TOTAL FUNDS	FTE	GENERAL FUND	CASH FUNDS	REAPPROP. FUNDS	FEDERAL FUNDS
<i>Legislative Proposals JBC is Requested to Sponsor:</i>							
Agriculture	R-1 Renewable Energy and Energy Efficiency (ACRE3) Funding	\$110,163	1.0	\$110,163	\$0	\$0	\$0
Health Care Policy and Financing	R-07 Pharmacy Pricing and Technology	4,561,775	5.0	1,152,570	654,693	0	2,754,512

TABLE 3

ITEMS INCLUDED IN THE GOVERNOR'S FY 2020-21 BUDGET REQUEST THAT REQUIRE SEPARATE LEGISLATION

DEPARTMENT	REQUEST TITLE	TOTAL FUNDS	FTE	GENERAL FUND	CASH FUNDS	REAPPROP. FUNDS	FEDERAL FUNDS
Natural Resources	R-09 Optimizing Inactive Mines Program Spending Authority	0	0.0	0	0	0	0
Public Health and Environment	R-01 Oil and Gas Enforcement, Compliance, and Permitting Initiative	2,417,371	19.4	0	2,417,371	0	0
Public Health and Environment	R-07 Eliminate Duplicative Waste Grease Program	(100,890)	(0.7)	0	(100,890)	0	0
Public Health and Environment	R-08 External Boards Support Reduction	(44,007)	0.0	(44,007)	0	0	0
Legislative Proposals to be Sponsored by Other Legislators:							
Corrections	R-03 Reducing Private Prison Use	7,201,864	210.4	7,037,544	164,320	0	0
Education	R-01 Total Program Increase	110,601,636	0.0	7,393,370	103,208,266	0	0
Education	R-05 Concurrent Enrollment for Educators	539,190	0.0	539,190	0	0	0
Education	R-10 Educator Evaluations	500,000	0.9	500,000	0	0	0
Education	R-11 Grants for Early Childhood Facilities	10,000,000	0.0	0	10,000,000	0	0
Education	R-12/BA-3 Expanding Eligibility for School Improvement Funds	5,000,000	0.0	5,000,000	0	0	0
Education	BA-2 Transfer from General Fund to State Education Fund (SEF) to Increase Total Program Funding (appropriated from SEF)	12,000,000	0.0	12,000,000	12,000,000	0	0
Education	BA-2 Transfer from General Fund to State Education Fund to Increase Reserve	12,000,000	0.0	12,000,000	0	0	0
Governor	R-3 (OEDIT) Extend Rural Jump Start	40,492	0.5	40,492	0	0	0
Higher Education	R-04 College Credit for Work Experience	204,180	1.0	204,180	0	0	0
Higher Education	R-10 Loan Forgiveness for Early Childhood Educators	544,358	1.5	544,358	0	0	0
Higher Education	BA-1 Get on Your Feet Colorado	14,076,245	3.0	14,076,245	0	0	0
Legislative Proposals for Which Sponsorship is Uncertain:							
Education	R-06 Colorado Preschool Program Expansion	27,627,017	0.0	27,627,017	0	0	0
Governor	R-1 (OEDIT) Extend Procurement Technical Assistance Center	220,000	0.0	0	220,000	0	0
Health Care Policy and Financing	R-10 Provider Rate Adjustment [Statutory change to eliminate automatic rate increase provisions for nursing facilities.]	2,090,599	0.0	538,753	266,277	0	1,285,569
Health Care Policy and Financing	R-17 Program Capacity for Older Adults	558,020	0.9	184,146	94,864	0	279,010
Higher Education	HC-01 COP Relief and Financial Sustainability	1,000,000	2.0	0	(\$30)	1,000,000	0
Human Services	R-10 Child Support Pass-through	800,182	0.0	800,182	0	0	0
TOTAL		\$223,948,195	244.9	\$89,704,203	\$128,924,901	\$1,000,000	\$4,319,091

The Governor's request also includes placeholders for amounts that the Governor is proposing be appropriated or transferred through separate legislation. These items are listed in Table 4. The Governor requests that the JBC sponsor legislation for seven of these items and set aside funding within its budget proposal to make funding available for the remaining items. These items differ from those in Table 3 because they were not included and prioritized within departments' operating budget requests.

TABLE 4 GOVERNOR'S LEGISLATION PROPOSALS THAT ARE NOT INCLUDED IN DEPARTMENT BUDGET REQUESTS				
DEPARTMENT	DESCRIPTION	TOTAL FUNDS	GENERAL FUND	CASH FUNDS
<i>Legislative Proposals JBC is Requested to Sponsor:</i>				
n/a	Increase General Fund reserves to the national average of 7.5 percent	\$31,384,562	\$31,384,562	\$0
All departments except: Higher Education, Judicial, Law, Legislature, State, and Treasury	Reverse the pay date shift	75,780,323	75,780,323	0
n/a	Enhance statutory tools for responding to and recovering from a recession	TBD	TBD	0
Transportation	Transfer \$25.0 million from the Capital Construction Fund (from project reversions) to the State Highway Fund	0		0
Natural Resources	Transfer \$5.0 million General Fund to the Severance Tax Perpetual Base Fund for water plan investments	5,000,000	5,000,000	0
Natural Resources	Transfer \$5.0 million from the Capital Construction Fund (from project reversions) to the Severance Tax Perpetual Base Fund for water plan investments	0		5,000,000
n/a	Transfer \$15.0 million from the State Employee Reserve Fund to the General Fund	(15,000,000)	(15,000,000)	0
<i>Legislative Proposals to be Sponsored by Other Legislators:</i>				
Public Safety	Pretrial Assessment and Supervision ¹	\$5,000,000	\$5,000,000	0
Education	Improving School Climate and Safety	3,000,000	3,000,000	0
Education	Mill Levy Incentive for Teacher Compensation	3,000,000	3,000,000	0
HCPF/DORA, Division of Insurance	Public Option (H.B. 19-1004)	1,000,000	1,000,000	0
Public Safety	Preventing Targeted Violence	575,000	575,000	0
Human Services	Foster Care Education	515,000	515,000	0
DORA, Division of Insurance	Pharmaceutical Cost Transparency	300,000	300,000	0
Natural Resources	Search and Rescue	180,000	180,000	0
CDPHE	Not-for-profit Hospitals	170,000	170,000	0
Law	Hospital Non-competitive Trade Practices	62,000	62,000	0
DORA, Division of Insurance	Pharmaceutical Rebates	50,000	50,000	0
<i>Legislative Proposals for Which Sponsorship is Uncertain:</i>				
Regulatory Agencies	Transfer \$60.0 million General Fund to the Reinsurance Program Cash Fund (created by H.B. 19-1168)	60,000,000	60,000,000	0
TOTAL		\$176,016,885	\$171,016,885	\$5,000,000

1/ Please note that the Attorney General's letter includes a statement urging the JBC to "provide a legislative set-aside in the amount of \$6.5 million" to cover the costs associated with a bill to implement an improved pre-trial services program for all 64 counties. This request appears to duplicate, or at least overlap with, the Governor's proposed \$5.0 million placeholder for pretrial assessment and supervision.

GOVERNOR'S REQUESTS FOR FY 2020-21 FOR CAPITAL PROJECTS

Finally, in addition to the \$13.0 million General Fund that the JBC approved in June and September 2019 for interim supplemental capital requests, and the \$14.9 million General Fund that the Governor plans to request in January 2020 for capital projects, he has included an additional \$174.6 million General Fund for capital projects to be funded in FY 2020-21.

SUMMARY

Based on the budget requests submitted as of December 20, 2019, the General Assembly will be considering proposed changes in General Fund expenditures or transfers totaling \$884.9 million during the 2020 legislative session. Table 5 summarizes these changes based on the nature of the request. The next section of this document provides more detail concerning the \$427.7 million in requested changes in General Fund operating appropriations for FY 2020-21.

TABLE 5 SUMMARY OF REQUESTED GENERAL FUND CHANGES REFLECTED IN THE BUDGET REQUESTS SUBMITTED BY THE GOVERNOR, INDEPENDENT ELECTED OFFICIALS, AND JUDICIAL BRANCH AGENCIES ¹	
FY 2019-20: Proposed Mid-year Changes	
Interim Supplemental Operating Requests Approved by the Joint Budget Committee (Appendix A)	\$3,220,149
Governor's Planned FY 2019-20 Supplemental Operating Requests (Appendix A)	80,474,735
Interim Supplemental Capital Requests Approved by the Joint Budget Committee (Appendix A)	12,989,017
Governor's Planned FY 2019-20 Supplemental Capital Requests (Appendix A)	14,948,189
Subtotal	\$111,632,090
FY 2020-21: Incremental Changes Requested	
Requested Changes in Appropriations for FY 2020-21 (Table 1)	\$427,673,080
Governor's Placeholders for Legislative Proposals That Are Not Included in Department Budget Requests (Table 4)	171,016,885
Governor's Requests for FY 2020-21 for Capital Projects	174,625,923
Subtotal	\$773,315,888
TOTAL	\$884,947,978

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. Funding for the Department in FY 2019-20 consists of 23.0 percent General Fund, 65.6 percent cash funds, 4.5 percent reappropriated funds, and 6.9 percent federal funds.

FY 2019-20 APPROPRIATION AND FY 2020-21 REQUEST

DEPARTMENT OF AGRICULTURE						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2019-20 APPROPRIATION:						
SB 19-207 (Long Bill)	\$54,671,192	\$11,975,760	\$36,289,774	\$2,496,093	\$3,909,565	290.8
Other legislation	769,069	123,007	646,062	0	0	6.8
TOTAL	\$55,440,261	\$12,098,767	\$36,935,836	\$2,496,093	\$3,909,565	297.6
FY 2020-21 REQUESTED APPROPRIATION:						
FY 2019-20 Appropriation	\$55,440,261	12,098,767	\$36,935,836	\$2,496,093	\$3,909,565	297.6
R1 Ag renewable energy and energy efficiency (ACRE3)	110,163	110,163	0	0	0	1.0
R2 Organic program staff expansion	168,566	168,566	0	0	0	1.9
R3 Colorado soil health program	166,491	166,491	0	0	0	1.0
R4 Sustainable marijuana certification	94,655	0	94,655	0	0	1.0
R5 Pet animal care facilities licensing	171,741	94,691	77,050	0	0	1.0
R6 Lab equipment maintenance agreement	48,000	0	48,000	0	0	0.0
R7 Indirect cost recoveries	226,930	0	113,465	113,465	0	0.0
R8 Unused spending authority	(382,528)	0	(322,528)	(60,000)	0	0.0
R9 Implementing budget efficiencies	(214,143)	(89,300)	(124,843)	0	0	(1.0)
Centrally appropriated line items	1,348,278	647,621	641,702	19,290	39,665	0.0
Annualize prior year legislation	361,031	64,277	296,754	0	0	1.8
Annualize prior year budget action	0	0	0	0	0	0.0
Nonprioritized requests	(11,379)	(5,344)	(5,911)	0	(124)	0.0
TOTAL	\$57,528,066	\$13,255,932	\$37,754,180	\$2,568,848	\$3,949,106	304.3
INCREASE/(DECREASE)	\$2,087,805	\$1,157,165	\$818,344	\$72,755	\$39,541	6.7
Percentage Change	3.8%	9.6%	2.2%	2.9%	1.0%	2.3%

R1 AG RENEWABLE ENERGY AND ENERGY EFFICIENCY (ACRE3): The Department requests \$110,163 in ongoing General Fund and 1.0 FTE in FY 2020-21 and ongoing for the Department's Advancing Colorado's Renewable Energy and Energy Efficiency (ACRE3) program. This program provides energy efficiency and renewable energy solutions at no cost to qualifying agricultural producers. The request is dependent upon the Committee seeking legislation to reauthorize a statutory transfer of \$500,000 severance tax revenue that statutorily repealed in FY 2016-17. The transfer would be added to the other Natural Resources and Environmental Grant Programs, those formerly discussed as the "tier 2" programs in severance tax.

R2 ORGANIC PROGRAM STAFF EXPANSION: The Department requests \$168,566 General Fund and 1.9 FTE in FY 2020-21 to expand the Organic Certification Program, which certifies agricultural operations according to federal National Organic Program (NOP) standards. Funding for additional FTE would enable the program to improve the functioning of the certification program, improve customer service, and conduct more outreach of services for

existing and new operations interested in organic certification by the Department. This request aligns with the Department's goal to scale up high value agriculture, and its strategy to expand organic operations in the state. This request annualizes to \$164,254 General Fund and 2.0 FTE in FY 2021-22 and ongoing.

R3 COLORADO SOIL HEALTH PROGRAM: The request includes \$166,491 General Fund and 1.0 FTE in FY 2020-21 to create a new, voluntary, incentive-based Soil Health Program. The program would provide grant funding to encourage farmers and ranchers to adopt voluntary practices to improve the health of their soil, with the goals to sequester carbon, reduce greenhouse gas emissions, conserve water and energy resources, increase agricultural productivity, and promote agriculture in Colorado. This program is aligned with the Department's goal to implement new soil, water, and climate stewardship projects. Funding for this program would annualize to \$214,950 General Fund and 1.0 FTE in FY 2021-22 and ongoing. Based on a preliminary review by the Colorado Association of Conservation Districts, it supports the request.

R4 SUSTAINABLE MARIJUANA CERTIFICATION: The request includes an increase of \$94,655 from the Marijuana Tax Cash Fund and 1.0 FTE in FY 2020-21 to research and implement a marijuana certification program. This program would promote pesticide-free and/or organic-like cultivation and processing for marijuana, and would certify products that meet defined standards similar to other certification programs. The Department has received inquiries from marijuana producers about organic-like certification options, and would like to meet this demand by developing a certification program in consultation with relevant stakeholders. The request aligns with the Department's goal to scale up high value agriculture. This request annualizes to \$93,150 cash funds and 1.0 FTE in FY 2021-22 and ongoing.

R5 PET ANIMAL CARE FACILITIES LICENSING: The Department requests an increase of \$171,741 total funds, including \$94,691 General Fund and \$77,050 in Cash Funds from the Pet Animal Care Facilities Fund and 1.0 FTE to implement a qualifying education course and continued competency requirement to qualify for a Pet Animal Care Facilities Act (PACFA) license. Currently, PACFA does not require demonstration of a license applicant's knowledge of programmatic or statutory requirements. This FTE would administer a new examination that requires licensees to demonstrate competency before they can obtain and renew their licenses. The Department seeks General Fund because the PACFA fee schedule was just updated the summer of 2019 and licenses saw an average of \$100 increase over the previous fee. This request annualizes to \$93,150 General Fund, \$7,425 in Cash Funds, and 1.0 FTE in FY 2021-22 and ongoing.

R6 LAB EQUIPMENT MAINTENANCE AGREEMENT: The Department requests \$48,000 in ongoing cash funds from the Marijuana Tax Cash Fund to support the maintenance costs of critical marijuana pesticide testing instrumentation. This laboratory equipment has previously been serviced per a service agreement that expired in August 2019. The Department would like to enter into an annual service agreement for maintenance on the equipment to avoid considerable downtime and variable expenses associated with any necessary maintenance.

R7 INDIRECT COST RECOVERIES: The Department requests \$226,930 total funds comprised of \$113,465 from various cash funds and \$113,465 reappropriated funds in FY 2020-21 and ongoing to increase indirect cost recoveries from the Department's cash funds. The Department will utilize these cash funds and reappropriated funds to pay for a legislative liaison and other personal services and increased utilities costs across various Department locations, consistent with its utilization of those funds in the past.

R8 UNUSED SPENDING AUTHORITY: The Department requests a reduction of \$382,528 total funds comprised of \$322,528 from various cash funds and \$60,000 reappropriated funds in FY 2020-21 to remove unused spending authority within its budget. The funding would create reductions in the Department's appropriations that are expected to be unused in FY 2020-21. Of the decrease requested, \$192,528 Cash Funds and \$60,000 reappropriated

funds is ongoing while \$130,000 will return as annualized prior year budget action in the Department's FY 2021-22 budget request.

R9 IMPLEMENTING BUDGET EFFICIENCIES: The Department requests a reduction of \$214,143 total funds comprised of \$89,300 General Fund and \$124,843 from various cash funds in FY 2020-21 to create three efficiencies in the Department's budget. These reductions include (1) the renegotiation of laboratory equipment maintenance contracts, (2) a one-time reduction to equipment leasing, and (3) a one-time FTE funding reduction to the State Insectary. This request annualizes to a reduction of \$25,483 cash funds in FY 2021-22 and ongoing.

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	\$433,872	\$149,232	\$284,640	\$0	\$0	0.0
Health, life, and dental	399,534	123,702	275,832	0	0	0.0
Payments to OIT	312,300	224,575	87,725	0	0	0.0
Indirect cost assessment	246,943	0	207,278	0	39,665	0.0
Legal services	176,445	32,100	144,345	0	0	0.0
Paid family leave	85,111	56,476	28,635	0	0	0.0
CORE adjustment	36,679	4,947	26,927	4,805	0	0.0
Indirect cost allocation	14,485	0	0	14,485	0	0.0
ALJ adjustment	11,131	0	11,131	0	0	0.0
Short-term disability	2,008	2,404	(396)	0	0	0.0
AED	(129,365)	31,334	(160,699)	0	0	0.0
SAED	(129,365)	31,334	(160,699)	0	0	0.0
Payment to risk management / property funds	(43,674)	(25,720)	(17,954)	0	0	0.0
Workers' compensation	(38,101)	(7,533)	(30,568)	0	0	0.0
PERA Direct Distribution	(29,725)	24,770	(54,495)	0	0	0.0
TOTAL	\$1,348,278	\$647,621	\$641,702	\$19,290	\$39,665	0.0

ANNUALIZE PRIOR YEAR LEGISLATION: The request includes adjustments that reflect the second- and third-year impact of prior year legislation. The following table summarizes those changes:

ANNUALIZE PRIOR YEAR LEGISLATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
SB19-186 Expand Ag Chemical Reg.	\$328,484	\$0	\$328,484	\$0	\$0	1.4
SB18-200 PERA	105,044	34,408	70,636	0	0	0.0
SB19-158 PACFA Sunset	29,869	29,869	0	0	0	0.4
SB19-220 Regulate Hemp like Fed Govt	(102,366)	0	(102,366)	0	0	0.0
TOTAL	\$361,031	\$64,277	\$296,754	\$0	\$0	1.8

ANNUALIZE PRIOR YEAR BUDGET ACTION: The request includes transfers from the Commissioner's Office to each division to account for the Department's allocation of the FY 2019-20 salary survey appropriation.

NONPRIORITIZED REQUEST ITEMS: The request includes a decrease of \$11,379 total funds, including \$5,344 General Fund, for adjustments related to budget requests from the Department of Personnel for its annual fleet vehicle request and the Governor's Office of Information Technology package of request items for FY 2020-21.

SUMMARY OF ISSUES PRESENTED TO THE JOINT BUDGET COMMITTEE

R1 RENEWABLE ENERGY AND ENERGY EFFICIENCY FUNDING (ACRE3): This issue provides discussion of the ACRE3 program and the Department's request to reauthorize transfers from the Severance Tax Operational Fund. It discusses the currently authorized transfers of Severance tax revenue to Natural Resources and Energy grant programs (formerly "tier 2 programs") and the Legislative Council Revenue Forecast from September 2019, which predicts proportional reductions ranging from 55 to 78 percent will be required for those programs in each of the next three fiscal years.

STATE FAIR PERFORMANCE AUDIT POTENTIAL ACTIONS: Describes some of the recommendations or concerns highlighted by the State Fair Performance Audit published November 4, 2019, to encourage the Committee to ask questions and promote discussion with staff from the Department during the Committee's hearing. It discusses whether to: (1) provide additional resources for facility condition audits; (2) provide additional resources for an annual report; (3) provide direction to the Authority on a contract quagmire; and (4) pursue legislation to operate the State Fair as a subdivision of the Department of Agriculture, instead of a type 1 transfer and enterprise.

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Department of Corrections

The Department of Corrections is responsible for the following activities:

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

The Department's FY 2019-20 appropriation represents approximately 3.0 percent of statewide operating appropriations and 7.3 percent of statewide General Fund appropriations.

FY 2019-20 APPROPRIATION AND FY 2020-21 REQUEST

DEPARTMENT OF CORRECTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2019-20 APPROPRIATION:						
S.B. 19-207 (Long Bill)	975,865,876	872,913,457	47,619,442	51,757,665	3,575,312	6,266.8
Other legislation	12,180,569	12,180,569	0	0	0	12.5
TOTAL	\$988,046,445	\$885,094,026	\$47,619,442	\$51,757,665	\$3,575,312	6,279.3
FY 2020-21 REQUESTED APPROPRIATION:						
FY 2019-20 Appropriation	\$988,046,445	885,094,026	\$47,619,442	\$51,757,665	\$3,575,312	6,279.3
R01 Medical caseload	4,217,490	4,217,490	0	0	0	0.0
R02 Nurse staffing pilot program	216,919	216,919	0	0	0	1.9
R03 Reducing private prison use	7,201,864	7,037,544	164,320	0	0	210.4
R04 Hepatitis C treatment cost reduction	(10,145,760)	(10,145,760)	0	0	0	0.0
R05 Jail bed caseload reduction	(1,004,497)	(1,004,497)	0	0	0	0.0
R06 Realign funding for offender services	(4,581,144)	(4,581,144)	0	0	0	0.0
R07 CCI raw materials adjustment	(937,085)	0	(655,567)	(281,518)	0	0.0
R08 Reduce reversions in multiple programs	(350,000)	(350,000)	0	0	0	0.0
R09 Line item funding adjustments	0	0	0	0	0	1.0
R10 Reduce unused spending authority	(228,887)	0	(228,887)	0	0	0.0
R11 Radio replacement cancellation	(1,875,000)	(1,875,000)	0	0	0	0.0
R12 Provider rate increase	669,163	657,952	0	11,211	0	0.0
Non-prioritized request items	35,304	37,000	(1,696)	0	0	0.0
Centrally appropriated line items	15,247,893	14,857,717	387,708	2,468	0	0.0
Annualize prior year budget actions	10,751,777	10,480,442	27,600	243,735	0	0.9
Annualize prior year legislation	(168,125)	(168,125)	0	0	0	1.5
Indirect cost adjustment	(75,839)	75,837	9,228	(73,054)	(87,850)	0.0
TOTAL	\$1,007,020,518	\$904,550,401	\$47,322,148	\$51,660,507	\$3,487,462	6,495.0
INCREASE/(DECREASE)	\$18,974,073	\$19,456,375	(\$297,294)	(\$97,158)	(\$87,850)	215.7
Percentage Change	1.9%	2.2%	(0.6%)	(0.2%)	(2.5%)	3.4%

R01 MEDICAL CASELOAD: The Department requests an increase of \$4.2 million General Fund for adjustments to medical caseload.

R02 NURSE STAFFING PILOT PROGRAM: The Department requests an increase of \$216,919 General Fund and 1.9 FTE for a nurse pilot program with the intent to reduce rising health care costs for the Department.

R03 REDUCING PRIVATE PRISON USE: The Department requests an increase of \$7.2 million total funds, including \$7.0 million General Fund and 210.4 FTE, to close the Cheyenne Mountain Reentry Center (CMRC), which is a private prison, and open the Centennial Correctional Facility-South (CCF-S), which is a state prison. This request is discussed below in *Issue: R03 Reducing Private Prison Use*.

R04 HEPATITIS C TREATMENT COST REDUCTION: The Department requests a decrease of \$10.1 million General Fund to account for the reduced need of Hepatitis C treatment funding. This decrease will not impact treatment or services.

R05 JAIL BASED CASELOAD REDUCTION: The Department requests a decrease of \$1.0 million General Fund to account for the decreased use of jail beds, which are used for prison population overflow.

R06 REALIGN FUNDING FOR OFFENDER SERVICES: The Department requests a decrease of \$4.6 million General Fund. This comes from the cancelation of the contract for parolee's mental health and substance abuse needs assessment and transferring those functions to parole officers. The Department states that this will not have an adverse effect on services; However, Staff disagrees with the Department's assessment on the effects of this request.

R07 CCI RAW MATERIALS ADJUSTMENT: The Department requests a decrease of \$937,085 total funds, including \$655,567 cash funds and \$281,518 reappropriated funds, for adjustments to the raw material needs for Colorado Correctional Industries (CCI).

R08 REDUCE REVERSIONS IN MULTIPLE PROGRAMS: The Department requests a decrease of \$350,000 General Fund to reduce reversions in psychotropic medication, community supervision support services, YOS aftercare, and parole contract services.

R09 LINE ITEM FUNDING ADJUSTMENT: The Department requests net zero funding change and 1.0 FTE for line item funding adjustments to better align funding with sub-programs. This also includes movement of the work release program that was funded in FY 2019-20.

R10 REDUCE UNUSED SPENDING AUTHORITY: The Department requests a decrease of \$228,887 cash fund spending authority to reduce unused spending authority in the private prison monitoring unit, Inspector General Subprogram, and the Community Re-entry Subprogram.

R11 RADIO REPLACEMENT CANCELLATION: The Department requests a decrease of \$1.9 million General Fund as savings from canceling radio replacements in the Department. This request is discussed below in *Issue: Radio Replacement Cancellation*.

R12 PROVIDER RATE INCREASE: The Department requests an increase of \$669,163 total funds, of which \$657,952 is General Fund, for a 0.5 percent community provider rate increase. This amount is base building. This issue will be discussed during the common policy discussion on provider rate increases.

NON-PRIORITIZED REQUEST ITEMS: The Department requests an increase of \$35,304 total funds, including \$37,000 General Fund, for the following non-prioritized items:

NON-PRIORITIZED REQUEST ITEMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
OIT Budget request package	\$172,477	\$171,543	\$934	\$0	\$0	0.0
DPA Annual fleet vehicle request	(137,173)	(134,543)	(2,630)	0	0	0.0
TOTAL	\$35,304	\$37,000	(\$1,696)	\$0	\$0	0.0

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

CENTRALLY APPROPRIATED LINE ITEMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Salary survey adjustment	\$21,798,513	\$21,203,440	\$595,073	\$0	\$0	0.0
Paid family leave	3,671,815	3,568,417	103,398	0	0	0.0
SB18-200 PERA	2,894,359	2,833,986	60,373	0	0	0.0
Legal services adjustment	244,228	235,932	8,296	0	0	0.0
Leased space adjustment	160,396	148,803	11,593	0	0	0.0
CORE adjustment	38,116	33,342	2,306	2,468	0	0.0
Annualize prior year salary survey	(10,496,927)	(10,179,695)	(317,232)	0	0	0.0
Payment to risk management / property funds adjustment	(1,461,222)	(1,403,499)	(57,723)	0	0	0.0
Payments to OIT adjustment	(1,040,568)	(1,035,133)	(5,435)	0	0	0.0
Workers' compensation adjustment	(397,236)	(384,683)	(12,553)	0	0	0.0
Depreciation lease equivalent payments	(162,223)	(162,223)	0	0	0	0.0
Capitol Complex leased space adjustment	(1,358)	(970)	(388)	0	0	0.0
TOTAL	\$15,247,893	\$14,857,717	\$387,708	\$2,468	\$0	0.0

ANNUALIZE PRIOR YEAR BUDGET ACTIONS: The Department request includes adjustments for the future year impact of prior year budget actions.

ANNUALIZE PRIOR YEAR BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Staff retention	\$10,972,429	\$10,701,094	\$27,600	\$243,735	\$0	0.0
La Vista Staff Increase	42,406	42,406	0	0	0	0.9
Leap year adjustments	(263,058)	(263,058)	0	0	0	0.0
TOTAL	\$10,751,777	\$10,480,442	\$27,600	\$243,735	\$0	0.9

ANNUALIZE PRIOR YEAR LEGISLATION: The Department request includes adjustments for future year impact of prior year legislation.

ANNUALIZE PRIOR YEAR LEGISLATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
SB 19-008 Substance Use Disorder Treatment	\$75,593	\$75,593	\$0	\$0	\$0	0.4
SB 19-165 Increase Parole Board Membership	0	0	0	0	0	0.0
HB 19-1064 Victim Notification Criminal Proceedings	(190,994)	(190,994)	0	0	0	0.9
SB 19-165 Increase Parole Board Membership	(52,724)	(52,724)	0	0	0	0.2
TOTAL	(\$168,125)	(\$168,125)	\$0	\$0	\$0	1.5

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

SUMMARY OF ISSUES PRESENTED TO THE JOINT BUDGET COMMITTEE

R03 REDUCE PRIVATE PRISON USE: This issue discusses the executive branches R03 Reduce Private Prison Use request item. It discusses the request and Staff’s analysis of that request, to include calculations of costs differences between use of the Cheyenne Mountain Reentry Center (CMRC) and the Centennial Correctional Facility-South (CCF-S).

RADIO REPLACEMENT CANCELLATION: This issue discusses the Department of Corrections R11 Radio Replacement request. The result of this request would be to remove the funding for radio replacements in the Department of Corrections. Staff has analyzed this request and the following briefing issue reflects that analysis.

CORRECTIONAL OFFICER AND PAROLE OFFICER PAY AND COMPRESSION: This issue looks at correctional officer and parole officer compensation from the FY 2019-20 session and the compensation compression in the ranks of lieutenant and above. In the FY 2019-20 budget cycle, the Committee asked the Department to present some options on decompression of correctional officer compensation and adjustments to parole officer compensation. These options were not provided; however, this briefing issues discusses those topics.

PAROLE CASELOAD: This issue discusses parole caseload as the current level of parole caseload does not provide for an effective situation for the officer or the parolee. It does not provide for the level of supervision that many assume is being provided. This is not due to a lack of effort, but rather the amount of time it takes to manage cases.

5 YEAR SENTENCING: This issue discusses the five-year sentencing requirement, how it interacts with the annual budget process, and the total appropriation for the Department of Corrections. The sentencing requirement is statutory in nature and requires that any bill that increases the prison population appropriate the five-year costs for the population increase. This is done through statutory appropriations and requires the line item that funds the bulk of prison beds to move up and down to counter the statutory appropriations.

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 2019-20 appropriation represents approximately 19.0 percent of statewide operating appropriations and 36.1 percent of statewide General Fund appropriations.

FY 2019-20 APPROPRIATION AND FY 2020-21 REQUEST

DEPARTMENT OF EDUCATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2019-20 APPROPRIATION:						
SB 19-207 Long Bill	5,851,129,906	4,190,124,616	999,232,465	42,327,029	619,445,796	605.4
HB 19-1262 Full-day kindergarten	173,972,108	173,972,108	0	0	0	0.0
SB 19-246 School finance	38,775,902	37,675,902	1,100,000	0	0	1.3
HB 19-1055 Public school capital construction assistance	80,656,559	0	80,656,559	0	0	0.0
Other legislation	41,363,294	3,397,939	37,715,355	250,000	0	9.7
TOTAL	\$6,185,897,769	\$4,405,170,565	\$1,118,704,379	\$42,577,029	\$619,445,796	616.4
FY 2020-21 REQUESTED APPROPRIATION:						
FY 2019-20 Appropriation	\$6,185,897,769	4,405,170,565	\$1,118,704,379	\$42,577,029	\$619,445,796	616.4
R1/BA2 Total program increase	122,601,636	7,393,370	115,208,266	0	0	0.0
R2 Categorical programs increase	5,746,857	0	5,746,857	0	0	0.0
R3 CSDB teacher salary increase	79,329	79,329	0	0	0	0.0
R4 CSDB utilities	59,542	59,542	0	0	0	0.0
R5 Concurrent enrollment for educators	539,190	539,190	0	0	0	0.0
R6 CPP Expansion	27,627,017	27,627,017	0	0	0	0.0
R7 Departmental infrastructure	664,425	318,561	0	345,864	0	6.2
R8 CSI mill levy override equalization	10,000,000	5,000,000	0	5,000,000	0	0.0
R9 Empowering parents with school information	499,745	499,745	0	0	0	1.8
R10 Educator evaluations	500,000	500,000	0	0	0	0.9
R11 Grants for early childhood facilities	10,000,000	0	10,000,000	0	0	0.0
R12/BA3 Expand eligibility for school improvement	5,000,000	5,000,000	0	0	0	0.0
BA4 Transfer GF to SEF	0	0	0	0	0	0.0
BA5 Concurrent enrollment grant program increase	1,000,000	1,000,000	0	0	0	0.0
BA6 Student re-engagement grant program increase	2,000,000	2,000,000	0	0	0	0.0
BA7 Career development success program increase	2,000,000	2,000,000	0	0	0	0.0
Non-prioritized items	12,378	8,462	1,505	2,411	0	0.0

DEPARTMENT OF EDUCATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Centrally appropriated items	2,401,705	1,100,962	498,389	426,997	375,357	0.0
Annualize prior year budget actions	(3,427,948)	(3,002,948)	(425,000)	0	0	0.0
Annualize prior year legislation	(901,469)	(8,923,036)	8,142,204	(218,717)	98,080	0.5
TOTAL	\$6,372,300,176	\$4,446,370,759	\$1,257,876,600	\$48,133,584	\$619,919,233	625.8
INCREASE/(DECREASE)	\$186,402,407	\$41,200,194	\$139,172,221	\$5,556,555	\$473,437	9.4
Percentage Change	3.0%	0.9%	12.4%	13.1%	0.1%	1.5%

Note: Statute (Section 22-2-106 (1)(d), C.R.S.) requires the State Board of Education to “approve the annual budget request for the department prior to submission.” Thus, the State Board annually discusses decision items for inclusion in the budget request, although the Department reports that the State Board has not generally considered requests by the Department’s three Type 1 agencies. (R3, R4, and R8 for FY 2020-21). For FY 2020-21, the State Board reviewed and approved requests R1 (Total Program Increase), R2 (Categorical Programs Increase) and R7 (Departmental Infrastructure). Following that review, the Governor’s Office modified request R7 and added the majority of the remaining decision items and budget amendments, often with the technical assistance of program staff at the Department of Education. Thus, staff notes that the State Board has only officially reviewed and approved 3 of the 18 decision items and budget amendments proposed for FY 2020-21.

R1/BA2 TOTAL PROGRAM INCREASE: The Department’s request includes a net increase of \$122.6 million total funds for the state share of districts’ total program funding (including \$7.4 million General Fund and \$115.2 million cash funds). Based on the Office of State Planning and Budgeting (OSPB) September 2019 Revenue Forecast, and including OSPB’s projection of local revenues, the proposal would: (1) increase statewide average per pupil funding by \$219.83 (2.6 percent); and (2) decrease the dollar value of the budget stabilization factor by \$52.0 million (from \$572.4 million in FY 2019-20 to \$520.4 million in FY 2020-21, or 9.1 percent). The request does not specify a budget stabilization factor for FY 2021-22 or subsequent years. The Committee should note that this request requires separate legislation.

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 2020-21. The request, based on the OSPB-projected inflation rate for CY 2019 (1.7 percent), seeks an increase of \$5.7 million cash funds from the State Education Fund to support the required increase. The request proposes to allocate the increase among six programs. The following table shows the requested allocation of additional funds by program. See Appendix C for a discussion of the Department’s response to a request for information associated with categorical funding.

R2 REQUESTED INCREASES IN STATE FUNDING FOR CATEGORICAL PROGRAMS					
LONG BILL LINE ITEM	FY 2019-20 APPROPRIATION	FY 2020-21 REQUEST	CHANGE IN STATE FUNDING	PERCENT CHANGE	
Special Education - Children with Disabilities	\$202,700,611	\$205,597,976	\$2,897,365	1.4%	
English Language Proficiency Program	22,994,436	24,433,999	1,439,563	6.3%	
Public School Transportation	60,480,645	61,356,451	875,806	1.4%	
Career and Technical Education Programs	27,238,323	27,670,102	431,779	1.6%	
Special Education - Gifted and Talented Children	12,697,199	12,798,482	101,283	0.8%	
Expelled and At-risk Student Services Grant Program	9,493,560	9,493,560	0	0.0%	
Small Attendance Center Aid	1,314,250	1,315,311	1,061	0.1%	
Comprehensive Health Education	1,131,396	1,131,396	0	0.0%	
Total	\$338,050,420	\$343,797,277	\$5,746,857	1.7%	

R3 CSDB TEACHER SALARY INCREASE: The request includes an increase of \$79,329 General Fund for salary increases for teachers employed at the Colorado School for the Deaf and the Blind (CSDB). Statute (Sec. 22-80-106.5, C.R.S.) requires the CSDB to compensate teachers based on the Colorado Springs District 11 salary schedule, using the CSDB's salary policies to implement the salary schedule. To align with the revised District 11 salary schedule for FY 2019-20 (the CSDB salaries lag District 11 by one year), the request would provide: (1) a 0.7 percent base salary increase; and (2) step increases based on experience.

R4 CSDB UTILITIES: The request includes an increase of \$59,452 General Fund to accommodate projected increases in utility costs at CSDB in FY 2020-21, an increase of 9.5 percent above the FY 2019-20 appropriation. In response to a shortfall in FY 2018-19 (which the school absorbed through savings and deferred operating expenses), the General Assembly increased the appropriation by \$25,000 for FY 2019-20. However, the school's projections still anticipate a shortfall of \$59,452 in FY 2020-21.

R5 CONCURRENT ENROLLMENT FOR EDUCATORS: The Governor's Office is requesting an increase of \$539,190 General Fund to create a concurrent enrollment pilot program for future educators in response to the teacher shortage. Based on a model in the Cherry Creek School District (according to the Department, FY 2019-20 is the first year in which the program is running), the Department has indicated that participating students would: (1) enroll in the program in 10th grade; (2) earn a paraprofessional credential while in high school; and (3) be able to complete a teaching credential in three semesters following high school. At an estimated cost of approximately \$5,995 in state funds per student over three years, the proposed program would support pilot programs in six school districts, with fifteen participating students in each district. The Committee should note that this request requires separate legislation. The Governor's Office is not requesting this as a JBC bill.

R6 CPP EXPANSION: The Governor's Office is requesting an increase of \$27.6 million General Fund to add 6,515 half-day slots to the Colorado Preschool Program (CPP), which is funded through the State Share of Districts' Total Program Funding line item. The Governor's Office estimates that the increase would allow the program to serve an additional 5,977 3- and 4-year old children through a combination of full- and half-day positions. The request represents a 22.2 percent increase above the existing authorization for 29,360 CPP slots, and the Governor's Office estimates that the request would allow the CPP to serve approximately 50.0 percent of the students that would be eligible for the CPP (those meeting the risk factors specified in statute). As discussed on page 34 of the Governor's November 1, 2019, submittal letter, the Governor's Office is submitting this as an evidence-based request. The Committee should note that the number of CPP slots is specified in statute and this request requires separate legislation. The Governor's Office is not requesting this as a JBC bill.

R7 DEPARTMENTAL INFRASTRUCTURE: The Department's/State Board's request includes an increase of \$664,425 total funds, including \$318,561 General Fund and \$345,864 reappropriated funds, and 6.2 FTE in FY 2020-21 (annualizing to \$660,192 total funds and 6.5 FTE in FY 2021-2022 and beyond) to support additional Departmental administration staff. In response to increasing statutory requirements and increasing workload, the FY 2020-21 request includes the following five components: (1) \$235,114 General Fund and 1.8 FTE to support two additional information technology (IT) professional positions; (2) \$188,496 reappropriated funds and 2.0 FTE to support additional purchasing staff in response to growing workload in terms of requests for proposals, etc.; (3) \$114,820 reappropriated funds and 1.0 FTE for an additional human resources specialist; (4) \$83,447 General Fund and 0.9 FTE to improve the coordination and efficiency of the Department's grant making process; and (5) \$42,458 reappropriated funds and 0.5 FTE for payroll administration.

R8 CSI MILL LEVY OVERRIDE EQUALIZATION: The State Charter School Institute is requesting an increase of \$10.0 million total funds, including \$5.0 million General Fund appropriated to the Mill Levy Equalization Fund created in H.B. 18-1375 and \$5.0 million reappropriated funds to appropriate those funds out of the cash fund, for mill levy override equalization payments to Colorado Charter School Institute (CSI) schools in FY 2020-21. The request adds to an appropriation of \$14.0 million total funds (including \$7.0 million General Fund and \$7.0 million reappropriated funds) provided in FY 2019-20. As a result, the proposed appropriation would distribute a total of \$12.0 million to CSI schools in FY 2020-21 for mill levy override equalization. For context, CSI staff estimates that complete equalization of override revenues for CSI schools (equaling override revenues available per pupil in the schools' accounting districts) would require \$33.9 million General Fund in FY 2020-21.

R9 EMPOWERING PARENTS WITH SCHOOL INFORMATION: The Governor's Office is requesting an increase of \$499,745 General Fund and 1.8 FTE in FY 2020-21 (annualizing to \$232,869 General Fund and 2.0 FTE in FY 2021-22) to improve data quality, accessibility, and transparency in SchoolView, the State's school and school district data dashboard. The request for FY 2020-21 includes \$223,745 for two new permanent IT professional positions and \$276,000 for one-time costs for contract personnel. Federal law requires all states to have school, district, and state report cards that provide access to information about school performance. According to the Department, the current system (created in 2010 using 2008 Oracle technology) no longer connects to some of the Department's data and is increasingly obsolete, costly, and difficult to maintain. Finally, the Department reports that the U.S. Department of Education's Office of Civil Rights has found SchoolView to be out of compliance with federal accessibility requirements associated with the Americans with Disabilities Act.

R10 EDUCATOR EVALUATIONS: The Governor's Office is requesting an increase of \$500,000 General Fund and 0.9 FTE in FY 2020-21 (annualizing to \$500,000 and 1.0 FTE in FY 2021-22 and beyond) to improve evaluations and supports for educators. The request includes three components: (1) \$282,788 and 0.9 FTE to provide free training for school district *evaluators* to improve evaluations; (2) \$66,000 to offer a repository of differentiated evaluation rubrics targeting school districts' different evaluation needs; and (3) \$151,212 to provide grants to school districts looking to experiment with innovative approaches to evaluation such as video evaluations and peer evaluations. As discussed on page 35 of the Governor's November 1, 2019, submittal letter, the Governor's Office is submitting this as an evidence-based request. The Committee should note that this request requires separate legislation. The Governor's Office is not requesting this as a JBC bill.

R11 GRANTS FOR EARLY CHILDHOOD FACILITIES: The Governor's Office is requesting an increase of \$10.0 million cash funds from the Public School Capital Construction Assistance Fund for grants for the improvement and development of early childhood care and education facilities. The Department has indicated an intent to repurpose \$10.0 million currently required for appropriation to the B.E.S.T. program's cash grants line item in FY 2020-21 to support the grants. The request proposes statutory change to authorize the use of B.E.S.T. funds for grants for both school-based *and* community-based (including non-profit and for profit) early childhood and preschool facilities. The Committee should note that this request requires separate legislation. The Governor's Office is not requesting this as a JBC bill.

R12/BA3 EXPAND ELIGIBILITY FOR SCHOOL IMPROVEMENT: With R12 and BA3 (submitted on November 13, 2019), the Governor's Office is requesting an increase of \$5.0 million General Fund (\$1.0 million through R12 and \$4.0 million through BA3) to provide additional grants through the School Transformation Grant Program. The Governor's Office has proposed the \$1.0 million in R12 as an ongoing increase in funding and the \$4.0 million in BA3 as a one-time appropriation to be spent over a three-year period (through FY 2022-23). Under current law, only schools classified as Turnaround or Priority Improvement status (the lowest two categories) are eligible for transformation grant funds. The request proposes statutory change and additional funding to expand eligibility to include: (1) schools in the Improvement category that are close to Priority Improvement status; and (2) schools that

are on “watch” status because they were recently classified as Turnaround or Priority Improvement status. As discussed on page 36 of the Governor’s November 1, 2019, submittal letter, the Governor’s Office is submitting this as an evidence-based request. The Committee should note that expanding eligibility for the grant funds requires statutory change through separate legislation. The Governor’s Office is not requesting this as a JBC bill.

BA4 TRANSFER GF TO SEF: With BA4, the Governor’s Office is proposing a one-time (statutory) transfer of \$12.0 million General Fund to the State Education Fund. The request proposes to increase the ending balance/reserve in the State Education Fund by \$12.0 million (from a target balance of \$140 million proposed in request R1 on November 1, 2019, to a target of \$152 million with BA4). The Committee should note that this request requires separate legislation. The Governor’s Office is not requesting this as a JBC bill.

BA5 CONCURRENT ENROLLMENT GRANT PROGRAM INCREASE: With BA5, the Governor’s Office is requesting a one-time increase of \$1.0 million General Fund for the Concurrent Enrollment Expansion and Innovation Grant Program created in S.B. 19-176 (Expanding Concurrent Enrollment Opportunities). The program offers grants to assist schools and school districts in offering concurrent enrollment opportunities and either initiating or strengthening partnerships with institutions of higher education. Senate Bill 19-176 appropriated \$1.5 million cash funds from the State Education Fund to support the grant program in FY 2019-20. The Department reports that the current year appropriation falls \$1.0 million short of fully funding the grant applications received for FY 2019-20. The Department also expects growth in the number of applications for FY 2020-21 and estimates that the additional resources would support grants for 20 more partnerships (at an estimated \$50,000 per partnership). The Department has submitted BA5 as an evidence-based request.

BA6 STUDENT RE-ENGAGEMENT GRANT PROGRAM INCREASE: With BA6, the Governor’s Office is requesting a one-time increase of \$2.0 million General Fund for the Student Re-engagement Grant Program (to be spent over three years). Originally created in H.B. 09-1243 (Increase High School Graduation Rates) and funded through the Office of Dropout Prevention and Student Re-engagement, the program provides competitive multi-year (up to three-year) grants to high needs school districts and schools to implement evidence based practices to help sustain student engagement at the secondary level and to re-engage students that have dropped out. The grant program currently receives an annual appropriation of \$2.0 million cash funds from the Marijuana Tax Cash Fund, to which the request would add \$2.0 million General Fund on a one-time basis for FY 2020-21. The current appropriation is funding 11 out of 37 school districts that applied, and the Department estimates that the increase would allow the program to serve an additional eight to ten applicants with three-year grants starting in FY 2020-21. The Department has submitted BA6 as an evidence-based request.

BA7 CAREER DEVELOPMENT SUCCESS PROGRAM INCREASE: The Governor’s Office is requesting a one-time increase of \$2.0 million General Fund to expand the Career Development Success Program to pay incentives for the participating school districts and charter schools that encourage high school students to complete a qualified workforce program (increasing from \$5.0 million in FY 2019-20 to \$7.0 million in FY 2020-21. The requested \$2.0 million (one-time) increase would build on an ongoing increase of \$3.0 million that the General Assembly approved for FY 2019-20.

NON-PRIORITIZED ITEMS: The request includes increases totaling \$12,378 total funds (including \$8,462 General Fund) for items requested by other agencies that impact this department. The table below itemizes the two non-prioritized items requested for FY 2020-21.

NON-PRIORITIZED ITEMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
OIT Budget request package	\$9,849	\$5,933	\$1,505	\$2,411	\$0	0.0
DPA Annual fleet vehicle request	2,529	2,529	0	0	0	0.0
TOTAL	\$12,378	\$8,462	\$1,505	\$2,411	\$0	0.0

CENTRALLY APPROPRIATED ITEMS: The request includes an increase of \$2.4 million total funds (including \$1.1 million General Fund) related to employee benefits and other centrally appropriated items. The following table summarizes the requested changes.

CENTRALLY APPROPRIATED ITEMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Salary survey	\$1,076,326	\$345,293	\$175,092	\$134,441	\$421,500	0.0
Health, life, and dental	648,956	376,953	95,604	153,159	23,240	0.0
Legal services	325,305	188,040	128,918	8,347	0	0.0
Payments to OIT	249,301	107,001	37,120	105,180	0	0.0
AED	107,750	43,666	30,715	30,353	3,016	0.0
SAED	107,750	43,666	30,715	30,353	3,016	0.0
CORE operations	81,078	21,098	90,095	(30,115)	0	0.0
Paid family leave	67,392	57,379	0	10,013	0	0.0
Capitol Complex leased space	37,213	11,164	4,458	7,238	14,353	0.0
Short-term disability	3,776	1,535	1,058	1,040	143	0.0
Workers' compensation	(117,928)	(52,675)	(15,389)	(7,969)	(41,895)	0.0
Administrative law judge services	(92,183)	0	(76,272)	(15,911)	0	0.0
PERA Direct Distribution	(67,796)	(16,923)	(3,725)	868	(48,016)	0.0
Payment to risk management / property funds	(21,234)	(21,234)	0	0	0	0.0
Shift differential	(4,001)	(4,001)	0	0	0	0.0
TOTAL	\$2,401,705	\$1,100,962	\$498,389	\$426,997	\$375,357	0.0

ANNUALIZE PRIOR YEAR BUDGET ACTIONS: The request includes adjustments to reflect the FY 2020-21 impact of budget actions and decision items included in prior year Long Bill appropriations. The table below summarizes each annualization for FY 2020-21.

ANNUALIZE PRIOR YEAR BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 19-20 R4 Funding for school turnaround	\$117,194	\$117,194	\$0	\$0	\$0	0.0
FY 19-20 R3 Schools of choice	19,505	19,505	0	0	0	0.0
FY 19-20 R9 ELC educator talent priorities	(3,000,000)	(3,000,000)	0	0	0	0.0
FY 19-20 R5 CPP tax checkoff	(425,000)	0	(425,000)	0	0	0.0
FY 2019-20 Salary survey	(89,647)	(89,647)	0	0	0	0.0
Educator perception	(50,000)	(50,000)	0	0	0	0.0
TOTAL	(\$3,427,948)	(\$3,002,948)	(\$425,000)	\$0	\$0	0.0

ANNUALIZE PRIOR YEAR LEGISLATION: The request includes adjustments to reflect the FY 2020-21 impact of legislation passed in prior years, including the adjustments shown in the following table.

ANNUALIZE PRIOR YEAR LEGISLATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
HB 19-1262 Full-day kindergarten	\$9,841,065	\$9,841,065	\$0	\$0	\$0	0.0
HB 19-1055 Public School Capital Construction Financial Assistance	5,656,559	0	5,656,559	0	0	0.0
HB 19-1017 K5 Social and Emotional Health	2,456,886	0	2,456,886	0	0	0.6
HB 19-1132 School Incentives to Use Colorado Food and Produce	506,313	506,313	0	0	0	0.1
HB 19-1002 Leadership professional development for school principals	478,686	478,686	0	0	0	0.1
SB 18-200 PERA	250,459	80,346	40,750	31,283	98,080	0.0
HB 19-1277 Computer science grant program	250,000	250,000	0	0	0	0.0
SB 19-199 READ Act implementation	73,506	62,393	11,113	0	0	0.3
HB 19-1171 Expand Child Nutrition School Lunch Protection	14,376	14,376	0	0	0	0.0
SB 19-204 Public school local accountability systems	1,170	1,170	0	0	0	0.1
HB 19-1236 Workforce diploma pilot program	21	21	0	0	0	0.0
HB 18-1306 Improving educational stability for foster youth	0	0	0	0	0	0.0
SB 19-246 School finance	(20,000,000)	(20,000,000)	0	0	0	0.0
HB 19-1332 Disabled telephone users fund CTBL	(250,000)	0	0	(250,000)	0	0.0
HB 19-1120 Youth mental health education and suicide prevention	(69,842)	(69,842)	0	0	0	(0.3)
HB 18-1019 K12 accreditation weighted factors	(52,500)	(52,500)	0	0	0	0.0
SB 19-176 Expanding concurrent enrollment	(35,884)	(12,780)	(23,104)	0	0	(0.4)
HB 19-1110 Media literacy	(19,816)	(19,816)	0	0	0	0.0
SB 19-216 High school innovative learning pilot	(2,468)	(2,468)	0	0	0	0.0
TOTAL	(\$901,469)	(\$8,923,036)	\$8,142,204	(\$218,717)	\$98,080	0.5

SUMMARY OF ISSUES PRESENTED TO THE JOINT BUDGET COMMITTEE

CSDB PROGRAM REVIEW: In response to stakeholder concerns and discussions with the Joint Budget Committee during the 2018 Session, the Department of Education and the Colorado School for the Deaf and the Blind (CSDB) agreed to initiate an independent program review of the CSDB in 2018. The review team, convened in 2018, collected data and conducted the review from February 2019 to June 2019 and completed the report in August 2019. The report includes a number of recommendations to improve services at the school, requiring action by both the school and the Department of Education.

FACILITY SCHOOL CAPACITY AND FUNDING: Facility schools include day treatment centers, residential child care facilities, out of home placement facilities, and hospitals that provide educational services and are recognized as facility schools by the Facility Schools Board. The schools offer a continuum of services for students that, for a variety of reasons, local school districts are unable to serve. Although the Department reports continued demand for placements from school districts and other placement agencies, the number of facility schools and the statewide placement capacity has decreased markedly in recent years as facilities have closed. If the State wishes to maintain this continuum of services, legislative action may be necessary.

SCHOOL FINANCE ACT FUNDING PROJECTIONS: Current law requires the General Assembly to provide at least enough funding for school finance in FY 2020-21 to maintain the budget stabilization factor at no more than the dollar amount from FY 2019-20 (\$572.4 million based on the current FY 2019-20 appropriation). Based on current Legislative Council Staff estimates of revenues and pupil counts, maintaining the budget stabilization factor at \$572.4 million in FY 2020-21 would require an additional \$78.6 million in state funding above the current FY 2019-20 appropriation. As a result of the projected availability of additional cash funds for FY 2020-21, that amount includes a decrease of \$7.4 million General Fund that would be offset by an increase of \$86.0 million from cash fund sources.

UNIFORM MILL LEVY STAKEHOLDER FEEDBACK AND LEGISLATIVE RECOMMENDATIONS: For the past three years (starting with the FY 2017-18 budget process), the Committee has discussed taxpayer inequity in the local share of school finance and the resulting impacts on the state share of total program funding, the distribution of state funds for school finance, and the overall state budget. During the 2019 Session, the Committee discussed potential legislation seeking to address inequities in the school finance property tax system. The Committee tasked staff with gathering input on the legislative proposals and returning with recommendations based on that feedback. Based on the feedback received during the interim, staff is returning to the Committee with more detailed recommendations for legislation for the 2020 Session.

SCHOOL FINANCE BILL LOGISTICS: During the JBC Staff Budget Briefing on Department of Education programs outside of school finance, the Committee asked staff to provide information regarding the system and process for the annual school finance bill. Other than a deadline for final passage of the bill (generally set for the 101st day of the Session), there is no set process for the bill. Prior to 2011, the deadline schedule would have run the school finance bill ahead of the Long Bill. However, in recent years the schedule has allowed introduction to follow the Long Bill. The bill is generally, but not always, sponsored by the chairs of the Education Committees. To the extent that the General Assembly intends to add significant additional funding through the school finance bill, communication between the Joint Budget Committee, chamber leadership, and the leadership of the Education Committees may be necessary to ensure that funds remain available.

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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 2019-20 appropriation represents 1.2 percent of statewide operating appropriations and 0.4 percent of statewide General Fund appropriations.

FY 2019-20 APPROPRIATION AND FY 2020-21 REQUEST

GOVERNOR - LIEUTENANT GOVERNOR - STATE PLANNING AND BUDGETING						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2019-20 APPROPRIATION:						
SB 19-207 (Long Bill)	392,560,806	43,065,857	51,422,681	291,174,828	6,897,440	1,152.7
Other legislation	12,591,137	10,032,537	130,065	2,428,535	0	4.3
TOTAL	\$405,151,943	\$53,098,394	\$51,552,746	\$293,603,363	\$6,897,440	1,157.0
FY 2020-21 REQUESTED APPROPRIATION:						
FY 2019-20 Appropriation	\$405,151,943	\$53,098,394	\$51,552,746	\$293,603,363	\$6,897,440	1,157.0
OFFICE OF THE GOVERNOR						
R1 (GOV) Move education leadership funds	0	0	0	0	0	0.0
COLORADO ENERGY OFFICE						
R1 (CEO) Legal services for Energy Office	110,864	110,864	0	0	0	0.0
OFFICE OF INFORMATION TECHNOLOGY						
R1 (OIT) Colorado Digital Services	1,240,560	1,240,560	0	0	0	7.0
R2 (OIT) myColorado App	1,540,521	0	0	1,540,521	0	3.0
R3 (OIT) Statewide data sharing pilot	279,075	0	0	279,075	0	2.0
R4 (OIT) Customer-focused tools for IT	679,188	0	0	679,188	0	0.0
R5 (OIT) Disaster recovery staff	400,000	0	0	400,000	0	2.0
R6 (OIT) Improve network stability and connectivity	1,130,900	0	0	1,130,900	0	0.0
R7 (OIT) IT service and support management	1,250,000	0	0	1,250,000	0	0.0
R8 (OIT) Mainframe services reduction	(222,714)	0	0	(222,714)	0	0.0
R9 (OIT) Central admin reduction	(473,728)	0	0	(473,728)	0	(2.0)
R10 (OIT) Network services reduction	(209,000)	0	0	(209,000)	0	0.0
R11 (OIT) Long Bill reorganization	0	0	0	0	0	0.0
R12 (OIT) Applications reduction	(541,802)	(67,098)	(31,938)	(442,766)	0	(1.0)
R13 (OIT) Server management reduction	(1,945,120)	0	0	(1,945,120)	0	0.0
R14 (OIT) Voice and data reduction	(2,200,000)	0	(1,200,000)	(1,000,000)	0	0.0
OFFICE OF ECONOMIC DEVELOPMENT AND INTERNATIONAL TRADE						
R1 (OEDIT) Extend procurement technical assistance program ^a	220,000	0	220,000	0	0	0.0
R2 (OEDIT) Small business development centers	140,000	140,000	0	0	0	0.0
R3 (OEDIT) Extend rural jump start ^a	40,492	40,492	0	0	0	0.5
R4 (OEDIT) Add Outdoor Recreation Office line item	0	0	0	0	0	3.0
R5 (OEDIT) PTAC technical	(220,000)	(220,000)	0	0	0	0.0
R6 (OEDIT) Administrative funds technical	(4,585)	0	(2,435)	0	(2,150)	0.0
R7 (OEDIT) Creative district interest	10,786	0	10,786	0	0	0.0
OTHER CHANGES						
Nonprioritized requests	11,004,401	12,041	0	10,992,360	0	3.0
Centrally appropriated line items	6,171,437	1,632,911	(224,944)	4,968,626	(205,156)	0.0
Indirect cost assessment	97,177	0	(1,481)	99,908	(1,250)	0.0

GOVERNOR - LIEUTENANT GOVERNOR - STATE PLANNING AND BUDGETING

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Prior year budget action	(8,165,545)	(55,587)	0	(8,109,958)	0	11.0
Prior year legislation	(2,652,773)	(1,018,526)	(340,865)	(1,293,382)	0	(1.0)
TOTAL	\$412,832,077	\$54,914,051	\$49,981,869	\$301,247,273	\$6,688,884	1,184.5
INCREASE/(DECREASE)	\$7,680,134	\$1,815,657	(\$1,570,877)	\$7,643,910	(\$208,556)	27.5
Percentage Change	1.9%	3.4%	(3.0%)	2.6%	(3.0%)	2.4%

* Requests with this annotation require special legislation and is not requested to be a JBC-sponsored bill.

OFFICE OF THE GOVERNOR

R1 (GOV) MOVE EDUCATION LEADERSHIP FUNDS: The request includes a transfer of \$100,000 General Fund from the Lieutenant Governor’s Administration line item to the Governor’s Office Administration line item bring appropriations for the Education Leadership Council (ELC) in line with current operations. Under the prior administration, the ELC was managed by the Lieutenant Governor’s chief of staff, who assumed responsibility for coordinating meetings and working with Commission members to develop policy priorities. The Polis administration has chosen the senior education policy advisor for education in the Governor’s office to assume these responsibilities. Transferring funds from one line to the other will appropriately align the budget with the management of the programming

COLORADO ENERGY OFFICE

R1 (CEO) LEGAL SERVICES FOR ENERGY OFFICE: The request includes an increase of \$110,864 General Fund for anticipated legal service costs of the Colorado Energy Office’s (CEO’s) participation in Air Quality Control Commission and Public Utility Commission proceedings. CEO has a statutory right to intervene in Public Utility Commission proceedings involving gas or electric utilities and intervenes in Air Quality Control Commission proceedings when its interests are not adequately represented, at the discretion of the Commission. As described by the Department, the request for additional hours outside the new average billing methodology is necessary due to the rate at which legal service use has increased. Between FY 2016-17 and FY 2019-20, the CEO’s legal service hours have increased from 1,274 to 2,878 and its cost to provide has exceeded its appropriation by an average of \$54,000 during that period. The authority to engage with either commission is permissive, statute does not require it to participate.

OFFICE OF INFORMATION TECHNOLOGY

R1 (OIT) COLORADO DIGITAL SERVICES: The request includes an increase of \$1,240,560 General Fund and 7.0 FTE to continue the Colorado Digital Services program in FY 2020-21 and ongoing. As the new Administration was seated, it was clear that there have been fundamental problems embedded in the IT culture, which stemmed from such things as: unclear lines of responsibility and ownership, needing to increase accountability, and a need to change the culture in our departments regarding high-level high-dollar projects. To address these concerns, the Governor endeavored to create a program offering term-limited opportunities to bring in IT professionals modeled after Digital Services initiatives implemented by the federal government.

R2 (OIT) MYCOLORADO APP: The request includes requests an increase of \$1,949,096 total funds and 8.0 total FTE with \$1,540,521 Reappropriated Funds and 3.0 FTE to OIT and \$408,575 Cash Funds and 5.0 FTE for the Department of Revenue (DOR) in FY 2020-21 to provide the necessary resources to support and maintain the myColorado application and digital ID mobile driver license (mDL). As a part of Governor Polis’ new vision, the first

priority of these resources will be to support and socialize an mDL that meets the REAL ID Act standards. The second year impact for the request includes \$1,911,472 total funds and 8.0 FTE with \$1,526,412 Reappropriated Funds to OIT with 3.0 FTE and \$385,060 Cash Funds and 5.0 FTE for DOR in FY 2021-22 and ongoing

R3 (OIT) STATEWIDE DATA SHARING PILOT: The request includes an increase of \$279,075 reappropriated funds and 2.0 FTE in FY 2020-21, \$734,123 and 3.5 FTE in FY 2021-22 and \$1,069,471 and 5.0 FTE in FY 2022-23 and ongoing to support staff and tools within OIT to improve standard and systematic data management, governance, and sharing across state departments.

R4 (OIT) CUSTOMER FOCUSED TOOLS FOR IT: The request includes an increase of \$679,188 in FY 2020-21, and \$669,556 in FY 2021-22 and ongoing to support Customer Relationship Management (CRM) software and tools for financial planning and customer reporting. The source of funds is reappropriated funds allocated to user agencies. The request provides OIT IT Directors, IT Program and Portfolio Managers, senior leadership, service owners, and the finance office with specific tools that enhance customer experience through each interaction and support financial transparency.

R5 (OIT) DISASTER RECOVERY STAFF: The request includes \$400,000 reappropriated funds and 2.0 FTE in FY 2020-21, and \$390,594 and 2.0 FTE in FY 2021-22 and ongoing to support the development of IT Disaster Recovery plans for approximately 148 essential and critical applications and ensure business continuity across departments. OIT successfully completed and implemented the Backup Colorado project in June 2017 to provide a robust backup and recovery solution for all department critical applications. As part of Backup Colorado, all OIT-managed applications and associated data are now protected via backup and recovery enterprise solutions. OIT also established infrastructure redundancy and data replication across its two main data centers to ensure no loss of data in the event of a disaster. Despite the success of the Backup Colorado program, OIT does not have any dedicated staff to establish and maintain IT disaster recovery plans, as well as provide training and compliance sustainability. Without staff to maintain recovery plans and provide training, the state risks running afoul of federal requirements such as those from the IRS and those related to HIPAA.

R6 (OIT) IMPROVE NETWORK STABILITY AND CONNECTIVITY: The request includes an increase of \$1,130,900 in FY 2020-21, \$1,817,591 in FY 2021-22, and \$2,504,281 in FY 2022-23 and ongoing to expand the Colorado State Network (CSN) Circuits service currently within Common Policy. This funding will allow departments to take advantage of the redundancy and expansion capability now available through additional service providers. Costs associated with the service will continue to be budgeted and billed via OIT common policy based on the direct circuit costs incurred.

R7 (OIT) IT SERVICE AND SUPPORT MANAGEMENT: \$1,250,000 Reappropriated Funds in FY 2020-21 and beyond to support the purchase of licenses and ongoing maintenance for the upgraded and enhanced IT Service Management (ITSM) suite. This integrated tool will improve customer experience through a single hub for all customer needs and inquiries, faster processing with automated workflow, and better IT data with on demand analysis.

R8 (OIT) MAINFRAME SERVICES REDUCTION: The request includes a decrease of \$222,714 reappropriated funds in FY 2020-21 and ongoing to purchase, rather than lease, mainframe hardware utilized by several agencies. When OIT consolidated in 2008, the mainframe was being used by many state departments for legacy applications. Great efforts have been made in recent years to move those legacy applications off the mainframe. Currently, the mainframe supports twelve different state departments, however most of the utilization is tied to just three departments, the Colorado Department of Human Services (CDHS), Department of Revenue (DOR), and the Colorado Department of Labor and Employment (CDLE). OIT mainframe service managers continue on work to retire this service offering and eliminate the State's need for a mainframe.

R9 (OIT) CENTRAL ADMINISTRATION REDUCTION: The request includes a decrease of \$473,728 reappropriated funds and 2.0 FTE to remove the outdated Information Technology Service Management service catalog and suite, and eliminate redundant training offerings. The request to remove the service catalog and suite is dependent upon at least part of the Department's R4 Customer-focused tools for IT being approved, which is related to implementation of the IT Financial Tool. The reduction requested through this item will reduce the amount of funds allocated to state agencies through the Officer's common policy.

R10 (OIT) NETWORK SERVICES REDUCTION: The request includes a reduction for the appropriation to the Network Administration and Public Safety Communications Network (PSCN) appropriations within the Network services budget by \$209,000 reappropriated funds. Specifically, an annualization error from the Backup Colorado budget request makes up \$160,000 of the total budget reduction. OIT is proposing a \$49,000 reduction to PSCN travel and training dollars, because they are also considered low risk. OIT will attempt to reduce training expenditures related to tower re-certifications by taking advantage of "Train the Trainer" tower rescue safety programs and conduct re-certifications in house. The travel budget reduction would be an approximately 20% cut, leaving an adequate amount for required travel needs.

R11 (OIT) OIT LONG BILL REORGANIZATION: The request includes total budget neutral reorganization of the Office's Long Bill line item to align appropriations with broad categories of services provided. The reorganization is requested to allow for long-term trend analysis of major spending categories, increase flexibility needed to support efficient IT service delivery for departments, and to align an allocation of 5.0 FTE with their current job function.

R12 (OIT) APPLICATIONS REDUCTION: The request includes a decrease of \$541,802 total funds and 1.0 FTE, consisting of \$67,098 is General Fund, \$31,938 are Cash Funds, and \$442,766 are reappropriated funds. The request would reduce the budget for Skillsoft, a training program which is being underutilized. OIT is additionally proposing to keep the vacant Director of IT Applications position unfilled, because the position has not been filled for the past year, and the team has been able to manage daily operations without this resource.

R13 (OIT) SERVER MANAGEMENT REDUCTION: The request includes a decrease of \$1,945,120 reappropriated funds where OIT has identified annualization errors from Backup Colorado and Active Directory that need to be corrected. As a result of reducing these annualization errors, OIT is proposing a reduction to costs that should minimize any negative impact to external agency services.

R14 (OIT) VOICE AND DATA REDUCTION: The request includes a decrease of \$2,200,000 total funds, including \$1,200,000 cash funds and \$1,000,000 reappropriated funds. The reduction sought will eliminate a redundant cash fund appropriation related to a correction made by the Office in how telecommunication charges are assigned and a reduction in reappropriated fund spending authority to align it with expected revenue.

OFFICE OF ECONOMIC DEVELOPMENT AND INTERNATIONAL TRADE

R1 (OEDIT) EXTEND PROCUREMENT TECHNICAL ASSISTANCE PROGRAM: Requires a bill, which the Office is seeking from other members of the General Assembly and is not requested as a JBC bill. The request includes an increase of \$220,000 in ongoing funds for the Colorado Procurement Technical Assistance Center (PTAC) from the Procurement Technical Assistance Cash Fund. Colorado PTAC provides resources and consulting to local businesses applying for government contracts at the federal, state, and local levels. The Colorado PTAC has annually received \$220,000 in cash funds from the State of Colorado, drawing down matching funds from the Federal Government, since the passage of H.B. 14-1016, which expires after Fiscal Year 2019-20 (24-48.5-121, C.R.S.). Due to the Long

Bill being written to conform to current law, JBC staff communicated to the Office that the funding in this request should be included as an appropriation in the bill it is seeking.

R2 (OEDIT) SMALL BUSINESS DEVELOPMENT CENTERS: The request includes an increase of \$140,000 General Fund in FY 2020-21 and ongoing to support the Small Business Development Centers (SBDC) line item. SBDCs provide a variety of training and support services to aspiring entrepreneurs and small businesses across the state. This funding will enhance the business support and technical assistance provided by Colorado's SBDCs in rural Colorado, consistent with OEDIT's goal to enhance rural economic development. OSPB ranks this program at level 3 on the evidence continuum.

R3 (OEDIT) EXTEND RURAL JUMP START: Requires a bill, which the Office is seeking from other members of the General Assembly and is not requested as a JBC bill. The request includes an increase of \$40,492 in General Fund in FY 2020-21 to support 0.5 FTE to extend the Rural Jump-Start program. The program provides tax benefits to select businesses and their employees in rural areas of the state. The program has received \$80,983 annually from S.B. 15-282, which expires on December 31, 2020 (39-30.5-101, C.R.S.). Due to the Long Bill being written to conform to current law, JBC staff communicated to the Office that the funding in this request should be included as an appropriation in the bill it is seeking.

R4 (OEDIT) ADD OUTDOOR RECREATION OFFICE LINE ITEM: The request includes a transfer of \$370,000 General Fund and 3.0 FTE to a new line item for the Office of Outdoor Recreation. The request is to transfer \$150,000 General Fund from the Colorado Promotion – Other Program Costs line item and \$220,000 from the Global Business Development line item. This funding is already being allocated by OEDIT to the Office of Outdoor Recreation and thus the request is to reflect that appropriation in the Long Bill.

R5 (OEDIT) PROCUREMENT TECHNICAL ASSISTANT PROGRAM TECHNICAL: The request includes decrease of \$220,000 General Fund to the Economic Development Commission - General Economic Incentives & Marketing line item to correct a technical error. While subsequent fiscal year operation costs of the Procurement Technical Assistance Program have been funded through an annual statutory transfer, in FY 2014-15 the Long Bill provided a direct General Fund appropriation, which was never removed through the annualization process.

R6 (OEDIT) ADMINISTRATIVE FUNDS TECHNICAL: The request includes a decrease of \$4,585 in total funds from the Office's Administration line item, including \$2,435 in cash funds and \$2,150 in federal funds appropriated for administrative purposes. OEDIT's accounting team has indicated that OEDIT does not receive those funds and, therefore, proposes this reduction to align the Long Bill with OEDIT's actual expenditures.

R7 (OEDIT) CREATIVE DISTRICT INTEREST: The request includes a one-time increase of \$10,786 cash fund to support the Colorado Creative Districts program. The funding represents interest collected on loans made to creative districts. The Creative District program offers eligible districts access to project funding through the loan fund, tailored technical assistance, networking and training programs, and professional development.

OTHER CHANGES

NONPRIORITIZED REQUEST ITEMS: The request includes an increase of \$11,004,401 total funds, including \$12,041 General Fund, for items requested by other departments that impact the agencies covered in this briefing document. The following table summarizes each requested non-prioritized item.

NONPRIORITIZED REQUESTS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
DHS (R14) JAI operations & maintenance	\$6,627,766	\$0	\$0	\$6,627,766	\$0	0.0
HCPF (R6) Improve customer service	3,001,446	0	0	3,001,446	0	1.0
DHS (R15) Phone systems	917,525	0	0	917,525	0	0.0
DHS (R18) E-Health Record support	274,576	0	0	274,576	0	2.0
NAT (R1) OGCC E-filing system	147,840	0	0	147,840	0	0.0
DPA Annual fleet request for OIT	23,207	0	0	23,207	0	0.0
DPA Annual fleet vehicle request	12,203	12,203	0	0	0	0.0
OIT Budget request package	(162)	(162)	0	0	0	0.0
TOTAL	\$11,004,401	\$12,041	\$0	\$10,992,360	\$0	3.0

CENTRALLY APPROPRIATED LINE ITEMS: The request includes an increase of \$6,171,437 total funds, including \$1,632,911 General Fund, for adjustments to centrally appropriated line items, which is summarized below:

CENTRALLY APPROPRIATED LINE ITEMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Salary survey	\$2,263,480	\$246,454	\$63,580	\$1,907,362	\$46,084	0.0
Health, life, and dental	1,743,929	70,949	(75,005)	1,863,094	(115,109)	0.0
Payments to OIT	1,028,656	1,028,656	0	0	0	0.0
PERA AED	336,345	73,128	(84,211)	401,394	(53,966)	0.0
PERA SAED	336,345	73,128	(84,211)	401,394	(53,966)	0.0
(OIT) Leased space	241,243	0	0	241,243	0	0.0
(OIT) Risk management / property funds	121,327	0	0	121,327	0	0.0
Legal services	99,980	66,538	0	33,442	0	0.0
Risk management / property funds	56,080	28,040	0	28,040	0	0.0
(OIT) CORE	54,617	0	0	54,617	0	0.0
(OIT) Shift differential	40,466	0	0	40,466	0	0.0
CORE	19,330	0	3,093	13,144	3,093	0.0
Capitol Complex leased space	17,506	13,286	0	4,220	0	0.0
(OIT) Capitol Complex leased space	12,954	0	0	12,954	0	0.0
Short-term disability	9,876	1,665	(3,052)	13,131	(1,868)	0.0
(OIT) Legal services	4,750	0	0	4,750	0	0.0
PERA Direct Distribution	(112,775)	40,047	(45,138)	(78,260)	(29,424)	0.0
(OIT) Workers' compensation	(89,843)	0	0	(89,843)	0	0.0
Workers' compensation	(12,829)	(8,980)	0	(3,849)	0	0.0
TOTAL	\$6,171,437	\$1,632,911	(\$224,944)	\$4,968,626	(\$205,156)	0.0

INDIRECT COST ASSESSMENT: The request includes an increase of \$97,177 total funds for both departmental and statewide indirect cost assessments. The following table summarizes each requested indirect cost assessment adjustment by agency.

INDIRECT COST ASSESSMENT						
DIVISION	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Office of Information Technology	\$99,908	\$0	\$0	\$99,908	\$0	0.0
Office of Economic Development	(1,436)	0	(1,436)	0	0	0.0
Colorado Energy Office	(1,250)	0	0	0	(1,250)	0.0
Office of the Governor	(45)	0	(45)	0	0	0.0
TOTAL	\$97,177	\$0	(\$1,481)	\$99,908	(\$1,250)	0.0

ANNUALIZE PRIOR YEAR BUDGET ACTION: The request includes a decrease of \$8,165,545 total funds, including \$55,587 General Fund, for adjustments related to prior year budget actions, primarily decision items. The following table summarizes each annualization.

PRIOR YEAR BUDGET ACTION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
(OIT) FY19-20 GenTax	\$760,091	\$0	\$0	\$760,091	\$0	7.0
Prior year salary survey	579,038	3,164	0	575,874	0	0.0
(OIT) FY19-20 OS and productivity suite	441,122	0	0	441,122	0	0.0
(OIT) FY19-20 UI management operating	413,335	0	0	413,335	0	4.0
(OIT) FY19-20 Enterprise data integration	270,594	0	0	270,594	0	0.0
(OIT) HCPF FY19-20 CBMS PEAK	160,909	0	0	160,909	0	0.0
(OIT) FY19-20 Operations and administration center relocation	60,685	0	0	60,685	0	0.5
(OEDIT) Leased space contract escalator	6,124	6,124	0	0	0	0.0
(OIT) FY19-20 Medicaid enterprise operating costs	(5,185,340)	0	0	(5,185,340)	0	0.0
(OIT) FY19-20 Securing IT operations	(2,437,623)	0	0	(2,437,623)	0	0.0
(OIT) FY19-20 DOC DeCORuM maintenance	(834,144)	0	0	(834,144)	0	0.0
(OIT) HCPF FY19-20 Local administration transfer	(801,240)	0	0	(801,240)	0	0.0
(OIT) FY19-20 Transform customer experience	(796,000)	0	0	(796,000)	0	0.0
(OIT) Prior year salary survey	(643,141)	(3,164)	0	(639,977)	0	0.0
(OIT) FY19-20 Optimize self-service capabilities	(60,620)	0	0	(60,620)	0	0.0
(OEDIT) Rural jump start	(40,492)	(40,492)	0	0	0	(0.5)
(OIT) FY19-20 Essential database support	(37,624)	0	0	(37,624)	0	0.0
(OEDIT) PTAC supplemental	(21,219)	(21,219)	0	0	0	0.0
TOTAL	(\$8,165,545)	(\$55,587)	\$0	(\$8,109,958)	\$0	11.0

ANNUALIZE PRIOR YEAR LEGISLATION: The request includes a decrease of \$2,652,773 total funds, including a decrease of \$1,018,526 General Fund, for adjustments related to prior year legislation. The following table summarizes each annualization.

PRIOR YEAR LEGISLATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
SB 18-200 PERA	\$515,199	\$4,971	\$0	\$510,228	\$0	0.0
SB19-005 Import prescription medication	296,160	0	0	296,160	0	0.0
SB18-1299 Local Government Retirement plan technical correction	16,590	0	0	16,590	0	0.0

PRIOR YEAR LEGISLATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
SB19-006 E-Sales and Use tax	(1,250,000)	(433,000)	0	(817,000)	0	0.0
SB19-251 Requirements of OIT	(590,497)	(590,497)	0	0	0	0.0
SB19-073 System for advance medical directives	(581,631)	0	0	(581,631)	0	0.0
SB19-223 Procedural competency	(344,884)	0	0	(344,884)	0	0.1
HB14-1016 Procurement technical assistance center	(220,000)	0	(220,000)	0	0	0.0
SB19-235 Automatic voter registration	(136,240)	0	0	(136,240)	0	0.0
HB19-1287 Treatment for opioids	(127,595)	0	0	(127,595)	0	(1.1)
HB19-1309 Mobile home park act	(121,945)	0	(120,865)	(1,080)	0	0.0
SB19-178 Subsidize adoption	(60,204)	0	0	(60,204)	0	0.0
SB19-143 Parole Changes	(25,200)	0	0	(25,200)	0	0.0
SB19-256 Electronic documents	(16,590)	0	0	(16,590)	0	0.0
SB19-165 Increase Parole Board	(5,936)	0	0	(5,936)	0	0.0
TOTAL	(\$2,652,773)	(\$1,018,526)	(\$340,865)	(\$1,293,382)	\$0	(1.0)

SUMMARY OF ISSUES PRESENTED TO THE JOINT BUDGET COMMITTEE

INITIATIVES TO IMPROVE INFORMATION TECHNOLOGY CUSTOMER SERVICE EXPERIENCE: Provides a summary of three of the Office of Information Technology's budget requests that provide it with tools to improve its ability to manage customer interactions and improve the perception of service from agency's required to utilize their services. The Requests discussed in the issue include: R4 Customer-focused Tools for Common Policy, R7 Information Technology Service and Support Management, and R11 OIT Long Bill Reorganization.

R1 (OIT) COLORADO DIGITAL SERVICES: A discussion of the request for an increase of \$1,240,560 General Fund and 7.0 FTE to continue the Colorado Digital Services program in FY 2020-21 and ongoing. As the new Administration was seated, it was clear that there have been fundamental problems embedded in the IT culture, which stemmed from such things as: unclear lines of responsibility and ownership, needing to increase accountability, and a need to change the culture in our departments regarding high-level high-dollar projects. To address these concerns, the Governor endeavored to create a program offering term-limited opportunities to bring in IT professionals modeled after Digital Services initiatives implemented by the federal government.

R2 (OEDIT) SMALL BUSINESS DEVELOPMENT CENTERS: Discusses the request for an increase of \$140,000 General Fund in FY 2020-21 and ongoing to support the Small Business Development Centers (SBDC) line item. SBDCs provide a variety of training and support services to aspiring entrepreneurs and small businesses across the state. This funding will enhance the business support and technical assistance provided by Colorado's SBDCs in rural Colorado, consistent with OEDIT's goal to enhance rural economic development. OSPB ranks this program at level 3 on the evidence continuum.

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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 2019-20 appropriation represents approximately 32.9 percent of statewide operating appropriations and 25.8 percent of statewide General Fund appropriations.

FY 2019-20 APPROPRIATION AND FY 2020-21 REQUEST

DEPARTMENT OF HEALTH CARE POLICY AND FINANCING						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2019-20 APPROPRIATION:						
SB 19-207 (Long Bill)	10,657,855,447	3,136,842,180	1,385,028,692	93,615,672	6,042,368,903	532.8
Other legislation	31,206,417	14,528,084	1,262,406	0	15,415,927	11.8
TOTAL	\$10,689,061,864	\$3,151,370,264	\$1,386,291,098	\$93,615,672	\$6,057,784,830	544.6
FY 2020-21 REQUESTED APPROPRIATION:						
FY 2019-20 Appropriation	\$10,689,061,864	3,151,370,264	\$1,386,291,098	\$93,615,672	\$6,057,784,830	544.6
R1 Medical Services Premiums	307,654,186	118,712,084	111,034,880	0	77,907,222	0.0
R2 Behavioral Health	41,588,549	13,337,312	7,561,171	0	20,690,066	0.0
R3 Child Health Plan Plus	8,856,952	25,551,305	1,690,167	0	(18,384,520)	0.0
R4 Medicare Modernization Act	17,929,806	17,929,806	0	0	0	0.0
R5 Office of Community Living	35,370,073	17,697,932	(489,128)	0	18,161,269	0.0
R6 Customer service	3,428,079	1,046,792	552,719	8	1,828,560	4.3
R7 Pharmacy pricing and technology	4,561,775	1,152,570	654,693	0	2,754,512	5.0
R8 Accountability and compliance resources	3,085,585	658,086	194,286	0	2,233,213	11.5
R9 Bundled payments	743,065	63,224	68,307	0	611,534	1.9
R10 Provider rates	2,090,599	538,753	266,277	0	1,285,569	0.0
R11 Substance use disorder patient placement and benefit implementation	(85,566,035)	(16,622,834)	(5,519,687)	0	(63,423,514)	0.0
R12 Work number verification	(22,577,733)	(3,791,252)	(1,436,052)	0	(17,350,429)	0.0
R13 Long-term care utilization management	1,746,531	431,632	5,002	0	1,309,897	0.0
R14 Enhanced care and condition management	433,636	143,099	73,715	0	216,822	1.0
R15 Medicaid recovery and third party liability	(12,301,943)	(3,468,482)	2,074,120	0	(10,907,581)	5.8
R16 Case management and state-only programs	402,372	(69,366)	0	0	471,738	3.8
R17 Program capacity for older adults	558,020	184,146	94,864	0	279,010	0.9
R18 Public school health services expansion	75,000	0	0	0	75,000	0.0
R19 Leased space	111,119	46,070	9,490	0	55,559	0.0
R20 Safety net provider payments	0	0	0	0	0	0.0
Annualize HB 18-1136 Residential and inpatient SUD treatment	173,762,995	34,119,290	11,481,214	0	128,162,491	0.0
Annualize prior year budget actions	28,953,507	15,670,229	(798,578)	117,389	13,964,467	0.0
Public school health services forecast	11,599,440	(1)	5,799,719	0	5,799,722	0.0
Centrally appropriated items	2,523,227	1,277,178	229,341	(233,072)	1,249,780	0.0
Human Services programs	2,042,194	1,021,082	0	0	1,021,112	0.0
Transfers to other state agencies	572,194	243,792	0	0	328,402	0.0
NP Paid family leave	505,041	246,802	2,518	757	254,964	0.0

DEPARTMENT OF HEALTH CARE POLICY AND FINANCING

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
NP OIT Budget request package	116,209	53,696	5,774	0	56,739	0.0
Other	44,779	1,617	10,356	2	32,804	0.0
TOTAL	\$11,217,371,086	\$3,377,544,826	\$1,519,856,266	\$93,500,756	\$6,226,469,238	578.8
INCREASE/(DECREASE)	\$528,309,222	\$226,174,562	\$133,565,168	(\$114,916)	\$168,684,408	34.2
Percentage Change	4.9%	7.2%	9.6%	(0.1%)	2.8%	6.3%

R1 MEDICAL SERVICES PREMIUMS: The Department requests a net increase of \$307.7 million total funds, including \$118.7 million General Fund, for projected changes in caseload, per capita expenditures, and fund sources for the Medical Services Premiums line item.

R2 BEHAVIORAL HEALTH PROGRAMS: The Department requests a net increase of \$41.6 million total funds, including an increase of \$13.3 million

R3 CHILD HEALTH PLAN PLUS: The Department requests a net increase of \$8.9 million total funds, including \$25.6 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 an increase of \$17.9 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 \$35.4 million total funds, including \$17.7 million General Fund, for projected changes in caseload, per capita expenditures, and fund sources for services for people with intellectual and developmental disabilities.

R6 CUSTOMER SERVICE: The Department requests \$3.4 million total funds, including \$1.0 million General Fund, and 4.3 FTE for additional technology, staff, and consulting services for the Member Contact Center that handles customer service calls and chats.

- Technology - \$3.0 million total funds, including \$906,003 General Fund, to increase the range of questions that artificial intelligence can answer in chat, reduce staff time spent querying external systems by integrating key member data (such as claims and prior authorization requests) with the Customer Relations Management software, enhance survey tools for collecting member feedback, and purchase workload management software that helps schedule staff based on demand.
- Staff - \$351,633 total funds, including \$116,039 General Fund, for 4.5 additional call center positions in FY 20-21 and FY 21-22, at which point the Department would reevaluate the progress of technology solutions and the need for ongoing staff.
- Consulting services - \$75,000 total funds, including \$24,750 General Fund, to study consolidating member contact points with the goal of a single phone number for all needs that would route calls to the appropriate party. The request is related to HCPF services, but with an eye toward potentially including other state public assistance programs in the future.

R7 PHARMACY PRICING AND TECHNOLOGY: The Department requests \$4.6 million total funds, including \$1.2 General Fund, and 5.0 FTE for initiatives to ensure appropriate utilization of drugs and to control pharmacy and physician administered drug expenditures.

- Prescription drug rate setting – \$124,813 total funds, including \$41,191 General Fund, and 1.0 FTE, for a different methodology for pricing new drugs when the Average Acquisition Cost is not known. Beginning in FY 2021-22 the Department would need an additional \$250,000 total funds, including \$82,500 General Fund, for contractor costs for the initiative.
- Physician administered drug rate setting – \$138,000 total funds, including \$20,752 General Fund, for a different methodology for pricing physician administered drugs. The amount required increases to \$300,000 total funds and \$99,000 General Fund in FY 2021-22,
- Prescription Drug Monitoring Program – \$907,142 total funds, including \$89,866 General Fund, to integrate data from the Prescription Drug Monitoring Program into the Department's pharmacy claims processing system. ***This requires a statutory change to allow the Department access to the statutorily restricted Prescription Drug Monitoring Program.***
- Prescriber tool true-up – \$2.9 million total funds, including \$833,910 General Fund, primarily for higher than expected costs for a prescriber tool required by S.B. 18-266 (Controlling Medicaid Costs, sponsored by the JBC) that will help providers identify the most cost effective medications based on diagnosis information, but including \$406,800 total funds and \$24,258 General Fund to expand the scope of the prescriber tool to integrate enrollment and eligibility information for other public benefits that may improve health outcomes for the patient. An associated supplemental will be submitted in January for \$7.1 million total funds, including \$1.4 million General Fund, in FY 2019-20. The supplemental includes \$1.8 million federal funds for additional development costs and \$5.3 million total funds and \$1.4 million General Fund for delays in achieving the projected savings from implementing the prescriber tool.
- Administration – \$506,150 total funds, including \$167,031 General Fund, and 4.0 FTE to address pharmacy appeals claims and expand the capacity of the Department to study and pursue pharmacy cost containment initiatives.

R8 ACCOUNTABILITY AND COMPLIANCE RESOURCES: The Department requests \$3.1 total funds, including \$658,086 General Fund, and 11.5 FTE to address operational compliance and oversight deficiencies, ensure quality, and improve benefit management. The request crosses multiple programs.

R8 Accountability and Compliance Resources					
	FTE	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	FEDERAL FUNDS
Operational Compliance					
Long-Term Services and Supports					
Single Entry Point financial monitoring	1.0	\$97,177	\$48,587	\$0	\$48,590
Case Management Agency program monitoring	1.0	82,506	41,250	0	41,256
Provider enrollment processing and claims research	1.0	90,927	45,462	0	45,465
Wage pass-through monitoring	1.0	116,081	58,039	0	58,042
Cost Allocation and Reporting					
Cost allocation by match rate and funding source	1.0	102,436	34,829	16,389	51,218
Documenting ACC/similar costs per fed requirements	1.0	102,435	34,828	16,389	51,218
State plan amendments, rule drafting, regulatory research	1.0	109,831	37,342	17,573	54,916
<i>Subtotal - Operational Compliance</i>	<i>7.0</i>	<i>701,393</i>	<i>300,337</i>	<i>50,351</i>	<i>350,705</i>
Quality Assurance					
County scorecard and performance	1.0	166,081	56,467	26,573	83,041
MPRRAC					
Rate review support	1.0	97,177	33,040	15,548	48,589
Contract surveys and analysis	0.0	250,000	125,000	0	125,000

R8 Accountability and Compliance Resources					
	FTE	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	FEDERAL FUNDS
Negotiating and forecasting prices for contract services	1.0	85,670	29,128	13,707	42,835
Configuring (defining and coordinating) MMIS changes	0.0	1,785,264	114,114	88,107	1,583,043
<i>Subtotal - Quality Assurance</i>	<i>3.0</i>	<i>2,384,192</i>	<i>357,749</i>	<i>143,935</i>	<i>1,882,508</i>
Benefit Management					
Children's Basic Health Plan (CHP+)					
Benefit redesign	1.0	90,930	0	29,206	61,724
Improving health outcomes and performance measures	1.0	90,929		29,206	61,723
Offset to CHP+ Administration	0.0	(181,859)	0	(58,412)	(123,447)
<i>Subtotal - Benefit Management</i>	<i>2.0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
TOTAL	12.0	\$3,085,585	\$658,086	\$194,286	\$2,233,213

R9 BUNDLED PAYMENTS: The Department requests \$743,065 total funds, including \$63,224 General Fund, and 1.9 FTE for administrative costs to implement bundled payments for episodes of care. Initially, the Department plans to target maternity care, but the funding would allow the Department to explore bundled payments for other episodes of care in future years.

R10 PROVIDER RATES: The Department requests \$2.1 million total funds, including \$538,753 General Fund, for changes to provider rates. *The proposed modification to nursing home rates would require a statutory change.*

R10 Provider Rate Adjustments					
Rate	Proposed Change	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	FEDERAL FUNDS
Personal Care and Homemaker	2.75% inflation	\$4,534,519	\$2,267,259	\$0	\$2,267,260
Alternative care facility	6.4%	3,693,258	1,846,629	0	1,846,629
Adult day programs	19.0%	3,444,422	1,722,211	0	1,722,211
Behavioral health fee-for-service (mostly impacts RCCFs)	Rebalance to within 80-100% benchmark	1,586,971	875,964	(20,264)	731,271
Habilitation in Residential Child Care Facilities	Differentiate rates based on support need	532,362	266,181	0	266,181
Family planning	Pay evaluation and management consistent with other family planning	97,092	9,709	0	87,383
Ambulatory surgical centers	Add services otherwise paid at hospital	0	0	0	0
Nursing home	Bill to remove statutory 3% increase and for FY 20-21 instead provide 0.29%	(18,967,828)	(9,483,914)	0	(9,483,914)
Anesthesia	Reduce to Medicare	(5,977,532)	(1,789,672)	(320,397)	(3,867,463)
In-home dialysis	Align reimbursable units with Medicare	(929,537)	(292,415)	(34,471)	(602,651)
Durable medical equipment	Rebalance to within 80-100% Medicare	(49,244)	(17,432)	(3,733)	(28,079)
Subtotal - Targeted Adjustments		(\$12,035,517)	(\$4,595,480)	(\$378,865)	(\$7,061,172)
Across-the-board adjustment	0.29%	14,126,117	5,134,233	645,142	8,346,742
TOTAL		\$2,090,600	\$538,753	\$266,277	\$1,285,570

R11 SUBSTANCE USE DISORDER PATIENT PLACEMENT AND BENEFIT IMPLEMENTATION: The Department requests a decrease of \$85.6 million total funds, including a reduction of \$16.6 million General Fund, to account for slower development of provider capacity to offer the benefit than originally projected. An associated supplemental will be submitted in January 2020 for \$80,000 total funds, including \$26,400 General Fund, to contract for a patient placement referral tool to ensure clients are able to access the benefit in an appropriate setting.

R12 WORK NUMBER VERIFICATION: The Department requests a net reduction of \$22.6 million total funds, including a decrease of \$3.8 million General Fund, for implementing a system that allows for automated income verification at enrollment for a portion of applications where data is available. The Department projects this will reduce the number of people initially determined eligible for Medicaid and CHP+ who are later determined ineligible, as well as county administrative time to verify income. The request assumes system implementation January 1, 2021, and the projected net savings approximately doubles in FY 2021-22 to \$46.2 million total funds, including \$7.7 million General Fund.

R13 LONG-TERM CARE UTILIZATION AND MANAGEMENT: The Department requests \$1.7 million total funds, including \$431,632 General Fund, to expand a contract for utilization management to include reviews of in-home skilled care authorizations within the participant directed programs (In-Home Support Services and Consumer Directed Attendant Support Services).

R14 HIGH COST CONDITION MANAGEMENT: The Department requests \$433,636 total funds, including \$143,099 General Fund, and 1.0 FTE for coordinating care for people with a high cost diagnosis of chronic pain, anxiety, or depression and to deploy interactive web and mobile software designed to help people manage these conditions.

R15 MEDICAID RECOVERY AND THIRD PARTY LIABILITY: The Department requests a net decrease of \$12.3 million total funds, including \$3.5 million General Fund, and an increase of 5.8 FTE for initiatives to increase tort and casualty recoveries, avoid claims when a third party is liable, and use artificial intelligence to identify and recover improper payments.

R16 CASE MANAGEMENT AND STATE-ONLY PROGRAMS: The request includes a net increase of \$402,372 total funds, including a decrease of \$69,366 General Fund, and 3.8 FTE to: implement increased programmatic oversight and management, increase funding transparency, and address audit findings.

R17 PROGRAM CAPACITY FOR OLDER ADULTS: The Department requests \$558,020 total funds, including \$184,146 General Fund, and 0.9 FTE for oversight of both the Program of All-Inclusive Care for the Elderly (PACE) and nursing homes. Of the total, \$294,820 total funds and \$97,291 General Fund and the 0.9 FTE are to compensate for a decrease in federal oversight audits of PACE facilities, to contract for a satisfaction survey, and to create performance measures for PACE. The remaining \$263,200 total funds and \$86,856 General Fund is for contract resources to study potential performance-based reimbursement options for nursing homes to replace the current statutory cost-based reimbursement. Finally, *the Department proposes legislation to make budget-neutral technical changes to the nursing home rate statutes.*

R18 PUBLIC SCHOOL HEALTH SERVICES EXPANSION: The Department requests \$75,000 federal funds for administrative costs to expand the school health services that are allowed to claim a federal match through Medicaid beyond those included within an Individualized Education Program (IEP) or Individualized Family Service Plan (IFSP) to include the Medicaid portion of services to the whole school population, such as health screenings.

R19 LEASED SPACE: The Department requests \$111,119 total funds, including \$46,070 General Fund, for leased space costs at 303 E. 17th Ave. An associated supplemental will be submitted in January for \$72,035 total funds, including \$29,865 General Fund for higher costs in FY 2019-20. The payment includes a negotiated fixed rate plus a variable amount for the Department's share of operating costs. The request is for inflationary costs with no change in the square footage occupied by the Department.

R20 SAFETY NET PROVIDER PAYMENTS: The Department requests a net \$0 change to move money between line items to better reflect money spent for the Colorado Indigent Care Program.

ANNUALIZE HB 18-1136 RESIDENTIAL AND INPATIENT SUD TREATMENT: The request includes \$173.8 million total funds, including \$34.1 million General Fund, to expand Medicaid benefits to include inpatient and residential substance use disorder treatment and medical detoxification services as required by H.B. 18-1136 (Pettersen/Priola & Jahn).

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

The largest increases are for previously approved provider rate increases that either started after the first of the fiscal year and/or had lagging costs due to delays between when services are billed and paid (includes FY 19-20 R13 Provider rates, SB 19-238 Wages and accountability home care, FY 19-20 Participant directed personal care and homemaker rates, and SB 19-209 PACE Program funding methodology). The next largest changes are for ongoing information technology projects involving systems related to eligibility, enrollment, benefits authorization, and claims processing (includes FY 19-20 R12 Medicaid enterprise operations, SB 16-192/FY 18-19 R17 Single assessment tool, and FY 19-20 NP OeHI operating).

Annualize Prior Year Budget Actions						
	Total	GF	CF	RF	FF	FTE
FY 19-20 R13 Provider rates	\$7,647,178	\$3,248,157	\$148,624	\$0	\$4,250,397	0.0
SB 19-238 Wages and accountability home care	7,178,000	3,620,249	0	0	3,557,751	0.0
FY 19-20 R12 Medicaid enterprise operations	6,563,485	2,399,407	513,326	0	3,650,752	0.2
FY 19-20 Participant directed personal care and homemaker rates	6,454,701	3,227,351	0	0	3,227,350	0.0
FY 19-20 NP OeHI operating	4,507,691	2,411,350	0	0	2,096,341	0.3
FY 19-20 R6 Local administration transformation	3,806,273	1,207,420	365,141	111,939	2,121,773	0.5
SB 19-209 PACE Program funding methodology	1,339,954	669,977	0	0	669,977	0.0
SB 19-005 Import prescription drugs from Canada	985,162	985,162	0	0	0	0.9
FY 19-20 NP CBMS-PEAK	364,321	59,446	294,318	669	9,888	0.0
FY 19-20 R15 Operational compliance and oversight	355,986	56,240	106,506	0	193,240	0.5
FY 19-20 Breast and cervical cancer cash fund	350,530	0	118,775	0	231,755	0.0
SB 15-011/SB 19-197 Pilot spinal cord alternate medicine	324,817	164,025	0	0	160,792	0.0
HB 19-1210 Local government minimum wage	297,875	148,938	0	0	148,937	0.9
SB 18-200 PERA	561,287	248,084	18,117	5,441	289,645	0.0
FY 19-20 R11 APCD True up	135,422	135,422	0	0	0	0.0
FY 18-19 12 Month contraceptive supply	118,809	2,868	42,729	0	73,212	0.0
SB 19-195 Child and youth behavioral health system	98,676	58,008	0	0	40,668	1.1
FY 19-20 NP Transfer home modification child waiver	14,231	7,116	0	0	7,115	0.0
FY 18-19 R18 Cost allocation vendor consolidation	7,475	2,449	1,288	0	3,738	0.0
HB 19-1287 Treatment opioids and substance use disorder	7,064	2,403	1,129	0	3,532	0.2
FY 19-20 R8 Benefits and tech advisory committee	2,276	842	296	0	1,138	0.2
FY 19-20 R16 Employment first initiatives	2,079	(289,618)	291,697	0	0	0.2
FY 19-20 NP Salesforce	1,037	518	0	0	519	0.0
SB 16-192/FY 18-19 R17 Single assessment tool	(3,199,999)	(1,600,000)	0	0	(1,599,999)	0.0
HB 18-1326 Transition from institutional setting	(2,881,664)	(1,440,829)	0	0	(1,440,835)	0.0
FY 19-20 Comprehensive waiver enrollments	(1,770,579)	2,114,711	(3,000,000)	0	(885,290)	0.0
FY 19-20 R10 Customer experience	(993,724)	(321,867)	(174,995)	0	(496,862)	0.2
FY 19-20 NP CO Choice Transitions	(443,850)	(221,925)	0	0	(221,925)	0.0
FY 19-20 R7 Payment reform hospitals	(400,150)	21,643	11,382	0	(433,175)	0.2
HB 19-1302 Cancer treatment license plate surcharge	(350,530)	0	(118,775)	0	(231,755)	0.0
FY 19-20 R14 Office of Community Living governance	(349,011)	(93,679)	0	0	(255,332)	0.1
FY 18-19 R8 Medicaid savings initiatives	(238,891)	(393,731)	666,416	(660)	(510,916)	0.0
FY 19-20 State Innovation Model	(202,434)	(202,434)	0	0	0	(1.5)

Annualize Prior Year Budget Actions						
	Total	GF	CF	RF	FF	FTE
HB 19-1269 Mental health parity insurance	(188,109)	(63,957)	(30,097)	0	(94,055)	(1.0)
FY 18-19 R19 IDD Waiver consolidation	(177,000)	(88,500)	0	0	(88,500)	0.0
FY 17-18 R10/BA9 Pueblo Regional Center corrective action	(235,361)	(117,680)	0	0	(117,681)	(3.0)
HB 19-1004 Affordable health coverage option	(150,000)	(150,000)	0	0	0	0.0
SB 19-222 Individuals at risk of institutionalization	(150,000)	(51,000)	(24,000)	0	(75,000)	0.0
FY 19-20 R7 Adult LTHH/PDN clinical assessment tool	(149,920)	(74,960)	0	0	(74,960)	0.0
HB 19-1038 Dental services for pregnant women on CHP+	(149,786)	44,883	(18,806)	0	(175,863)	0.0
FY 18-19 R10 Drug cost containment	(71,710)	(22,206)	(11,649)	0	(37,855)	0.0
FY 19-20 CDPHE Technical correction to reconcile	(35,477)	(17,740)	0	0	(17,737)	0.0
HB 18-1328 Redesign residential child health care waiver	(29,500)	(14,750)	0	0	(14,750)	0.0
FY 19-20 Leap year	(2,754)	(1,377)	0	0	(1,377)	0.0
Prior year salary survey	(373)	(187)	0	0	(186)	0.0
TOTAL	\$28,953,507	\$15,670,229	(\$798,578)	\$117,389	\$13,964,467	0.0

PUBLIC SCHOOL HEALTH SERVICES FORECAST: The request includes \$11,599,440 total funds for projected changes in certified public expenditures by local school districts and boards of cooperative education services (BOCES) for services to Medicaid children with an Individualized Education Program (IEP) or Individualized Family Service Plan (IFSP) that are eligible for federal matching funds.

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; supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund; shift differential; salary survey; workers' compensation; legal services; administrative law judges; payment to risk management and property funds; Capitol complex leased space; payments to the Governor's Office of Information Technology (OIT); and CORE operations.

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 STATE AGENCIES: The Department requests \$572,194 total funds, including \$243,792 General Fund, for transfers to programs administered by other departments, primarily for the Facility Survey and Certification program in the Department of Public Health and Environment.

NP PAID FAMILY LEAVE: The Department requests \$505,041 total funds, including \$246,802 General Fund, for the Department's share of the statewide paid family leave proposal.

NP OIT BUDGET REQUEST PACKAGE: The Department requests \$116,209 total funds, including \$53,696 for the Department's share of the statewide OIT budget request package.

OTHER: The Department requests \$44,779 total funds, including \$1,617 General Fund for a new forecast of tobacco tax revenues available to finance the Children's Basic Health Plan and changes to the cost allocation for the Colorado Benefits Management System.

SUPPLEMENTALS

SET ASIDE FOR SUPPLEMENTALS: The Governor's budget letter includes a set aside in FY 2019-20 of \$43.8 million General Fund for potential supplementals for the Department of Health Care Policy and Financing, including \$42.3 million for the most recent forecast of enrollment and expenditures and \$1.5 million for the FY 2019-20 impact of discretionary requests. Although the Governor's official supplemental request is not due until January 2020, the budget request for the Department includes projected FY 2019-20 impacts associated with the following requests.

FY 2019-20 Set-Aside for Supplementals					
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
R1 Medical Services Premiums	64,206,386	36,885,502	42,906,264	0	(15,585,380)
R2 Behavioral Health	(15,654,741)	(2,733,519)	(985,814)	0	(11,935,408)
R3 Children's Basic Health Plan	(3,536,486)	0	(737,600)	0	(2,798,886)
R4 Medicare Modernization Act	9,321,829	9,321,829	0	0	0
R5 Office of Community Living	(2,658,717)	(1,133,637)	(579,579)	0	(945,501)
R7 Pharmacy pricing and technology	7,135,879	1,408,842	325,528	0	5,401,509
R11 Substance use disorder patient placement and benefit implementation	80,000	26,400	13,600	0	40,000
R19 Leased space	72,035	29,865	6,152	0	36,018
Total	\$58,966,185	\$43,805,282	\$40,948,551	\$0	(\$25,787,648)

Due to timing issues there were some discrepancies between the set aside identified in the Governor's letter and the supplemental needs identified in the Department's request. This mostly impacted the total funds; the difference in General Fund was nominal. According to OSPB, the amounts identified in the Department's request and reflected in the table above are what the Governor intended to propose.

POTENTIAL LEGISLATION

- In *R7 Pharmacy pricing and technology* the Department proposes allowing the Department to access restricted data in the Prescription Drug Monitoring Program (PDMP) to help the Department better understand the full impact of pharmacy policies, coordinate care, and enforce compliance with federal requirements that providers check the PDMP before prescribing a controlled substance.
- In *R10 Provider rates* the Department proposes eliminating a statutory formula that annually increases nursing home rates by the lesser of actual costs or 3 percent above the prior year General Fund.
- In *R17 Program capacity for older adults* the Department proposes legislation to make budget-neutral technical changes to the nursing home rate statutes.

SUMMARY OF ISSUES PRESENTED TO THE JOINT BUDGET COMMITTEE

EXECUTIVE DIRECTOR'S OFFICE, MEDICAL SERVICES PREMIUMS, INDIGENT CARE PROGRAMS, AND OTHER MEDICAL PROGRAMS 12/09/19

FORECAST TRENDS: Requests R1 through R5 are based on the Department's most recent forecasts of enrollment and expenditures under current law and policy and account for over 77 percent of the new total funds and over 85 percent of the new General Fund proposed. 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.

LONG-RANGE FINANCIAL PLAN: The Department submitted a long-range financial plan that identifies risk factors for the budget, potential changes in Colorado's healthcare landscape, and emerging trends that could impact expenditures and needed investments. The plan also projects that an economic shock similar to FY 2002-03 could increase expenditures \$678.6 million total funds, including \$174.9 million General Fund, in one year with elevated expenditures persisting for several years thereafter.

LONG-TERM SERVICES AND SUPPORTS: Long-term services and supports represent 47 percent of Department General Fund expenditures and 27 percent of total fund expenditures. To control costs the Department proposes centralized reviews of service authorizations for skilled home care in participant directed services and studying alternative payment methods for nursing home rates.

COMMUNITY FIRST CHOICE: The Community First Choice option in federal law provides an additional 6 percent federal match for certain long-term services and supports that a state provides as benefits for all Medicaid clients demonstrating need. Implementing Community First Choice in Colorado could increase utilization, particularly of high cost participant directed services, and there is uncertainty about the net fiscal impact.

PROVIDER RATES: This issue brief discusses proposed changes in provider rates. Through *R10 Provider rates* the Department requests a net increase of \$2.1 million total funds, including \$538,753 General Fund, for both positive and negative changes to provider rates. Through *R8 Accountability and compliance resources* the Department proposes resources to ensure rate increases are passed through to wages and to support the S.B. 15-228 rate review process. Through *R9 Bundled payments* the Department proposes bundled payments for maternity services.

PHARMACY: The Department initiatives to contain pharmaceutical costs through changes to rate setting, prescription drug monitoring, technology that directs providers and clients to the most efficacious and cost effective options, additional administrative staff, and importing prescription drugs pursuant to S.B. 19-005.

MEDICAID BEHAVIORAL HEALTH COMMUNITY PROGRAMS 12/10/19

OVERVIEW OF DEPARTMENT'S FY 2020-21 REQUEST FOR BEHAVIORAL HEALTH COMMUNITY PROGRAMS: The Department's total request for FY 2020-21 represents a \$128.2 million (17.7 percent) increase in total funds, including an increase of \$30.3 million General Fund. The Department's projections for FY 2020-21 are based on a slight growth in caseload (2.0 percent) and per capita rates (4.5 percent) over the revised estimate for FY 2019-20, as well as the addition of the Medicaid substance use disorder benefit beginning July 1, 2020.

LEVERAGING MEDICAID FUNDING TO IMPROVE BEHAVIORAL HEALTHCARE: This issue brief provides an overview of the Department's R11 request related to substance use disorder (SUD) treatment services. The request includes two components: a decrease in funding related to the expansion of the SUD benefit required by H.B. 18-1136 (Substance Use Disorder Treatment) and increase in funding for the creation of a patient placement tool, which would guide placement in the appropriate level of SUD treatment.

OFFICE OF COMMUNITY LIVING 12/12/19

R5 OFFICE OF COMMUNITY LIVING CASELOAD: The department's budget request includes adjustments to the annual appropriations that fund services to individuals with intellectual and developmental disabilities.

SERVICES FOR CHILDREN WITH IDD: Access to services and supports by families with children with intellectual and developmental disabilities can be complicated and overwhelming. Services and supports are available through the Children's Extensive Services and Children's Habilitation Residential Program Medicaid waivers, and through the Family Services and Supports Program.

PUBLIC OPTION AND REINSURANCE 12/18/19

HEALTH INSURANCE PUBLIC OPTION: The Department of Regulatory Agencies' Division of Insurance and the Department of Health Care Policy and Financing have collaborated to present a recommendation on how the State of Colorado should pursue a public option for health insurance coverage. The plan takes a public-private partnership approach that will require private insurance carriers to provide public option plans approved by the State.

REINSURANCE: The Governor requests \$60.0 million more General Fund for the reinsurance program authorized by H.B. 19-1168. With the request and changes in the forecast, the General Fund impact of reinsurance is estimated at \$184.6 million, or \$164.5 million more than the \$20.1 million dollar impact identified in the Legislative Council Staff Fiscal Note for the bill.

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Department of Higher Education

The Department of Higher Education is responsible for higher education and vocational training programs in the state. The Department's FY 2019-20 appropriation represents approximately 15.0 percent of statewide operating appropriations and 9.1 percent of statewide General Fund appropriations.

FY 2019-20 APPROPRIATION AND FY 2020-21 REQUEST

DEPARTMENT OF HIGHER EDUCATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2019-20 APPROPRIATION:						
S.B. 19-207 (FY 2019-20 Long Bill)	4,867,932,187	1,108,869,602	2,832,661,687	900,516,058	25,884,840	26,297.8
Other legislation	7,906,360	3,836,043	3,600,000	470,317	0	6.0
TOTAL	\$4,875,838,547	\$1,112,705,645	\$2,836,261,687	\$900,986,375	\$25,884,840	26,303.8
FY 2020-21 REQUESTED APPROPRIATION:						
FY 2019-20 Appropriation	\$4,875,838,547	1,112,705,645	\$2,836,261,687	\$900,986,375	\$25,884,840	26,303.8
R1 State funding increase for public higher education	46,716,223	26,297,478	0	20,418,745	0	0.0
R2 Tuition spending authority	94,223,846	0	94,223,846	0	0	0.0
R3 Fort Lewis Native American Tuition Waiver	1,869,734	1,869,734	0	0	0	0.0
R4 College credit for work experience	204,180	204,180	0	0	0	1.0
R5 Accountability dashboard	165,436	165,436	0	0	0	1.5
R6 Area technical college grant program	3,171,650	3,171,650	0	0	0	0.0
R7 Chief educational equity officer	150,950	150,950	0	0	0	1.0
R8 Division of Private Occupational Schools	200,000	0	200,000	0	0	0.0
R9 Early childhood talent pipeline scholarship	4,311,785	4,311,785	0	0	0	1.0
R10 Loan forgiveness for early childhood educators	544,358	544,358	0	0	0	1.5
R11 Colorado Opportunity Scholarship Initiative	3,000,000	3,000,000	0	0	0	6.0
BA1 Get on Your Feet Colorado	14,076,245	14,076,245	0	0	0	0.0
HC1 Financial sustainability for historic preservation	999,970	0	(30)	1,000,000	0	0.0
HC2 Community museum cash funds for earned revenue	121,895	0	121,895	0	0	0.0
NP1 OIT budget request package	(5,835)	0	(5,495)	(340)	0	0.0
NP2 Paid family leave	1,401,371	1,401,371	0	0	0	0.0
Auraria Higher Education Center Adjustment	469,411	0	0	469,411	0	0.0
Centrally appropriated line items	267,804	142,672	132,889	(44,844)	37,087	0.0
Lease purchase payment adjustments	141,319	103,023	(100,698)	138,994	0	0.0
WICHE fee increase	7,000	0	0	7,000	0	0.0
Annualize prior year budget action	(389,044)	(389,044)	795	0	(795)	(0.4)
Annualize prior year legislation	(270,268)	216,853	(250,970)	(245,713)	9,562	(0.0)
TOTAL	\$5,047,216,577	\$1,167,972,336	\$2,930,583,919	\$922,729,628	\$25,930,694	26,315.4
INCREASE/(DECREASE)	\$171,378,030	\$55,266,691	\$94,322,232	\$21,743,253	\$45,854	11.6
Percentage Change	3.5%	5.0%	3.3%	2.4%	0.2%	0.0%

R1 STATE FUNDING INCREASE FOR PUBLIC HIGHER EDUCATION The request includes an increase of \$26,297,278 General Fund allocated among public institutions of higher education (state governing boards, local district colleges, and area technical colleges) and financial aid. The request includes: (1) an overall increase of \$21,258,091 (2.5 percent) for student stipends, fee-for-service contracts, and grants for the public governing boards, allocated based on the H.B.

14-1319 funding model; and (2) an increase of \$4,996,241 for financial aid, reflecting the statutory requirements that financial aid increase at the same rate as support for the governing boards. The request also includes \$43,146 to align stipend amounts for students attending private institutions with stipends for students at the public institutions, as required by statute.

As requested, the state-operated boards would receive increases that range from 1.1 percent to 5.8 percent based on the distribution of institutional enrollment and degrees awarded in actual FY 2018-19 and various other adjustments to the model. Specialty education programs (such as the medical school), local district colleges, and area technical colleges receive the average increase. The Department proposes that governing board tuition for resident undergraduates be restricted to an increase of 3.0 percent, associated with this increase (R2).

R2 TUITION SPENDING AUTHORITY: The request holds resident undergraduate tuition to an increase of 3.0 percent for FY 2020-21. The request includes \$94.2 million in cash funds spending authority for state public institutions' tuition revenue for resident and nonresident students. The request proposes that Long Bill footnotes cap undergraduate resident tuition increases, with no restrictions on non-resident or graduate tuition or mandatory fees.

R3 FORT LEWIS NATIVE AMERICAN TUITION WAIVER: The request includes an increase of \$1,869,734 General Fund (9.5 percent) for the Fort Lewis College Native American tuition waiver. This will bring total waiver payments to \$21,498,777 General Fund. Waiver payments are mandated by Section 23-52-105 (1)(b)(I), C.R.S., which requires the General Assembly to fund 100 percent of the tuition obligations for qualifying Native American students attending Fort Lewis College. Funding for the tuition waiver is made one year in arrears and is calculated based on the prior year enrollment estimates.

R4 COLLEGE CREDIT FOR WORK EXPERIENCE: The request includes \$204,180 General Fund in FY 2020-21 and \$144,620 in FY 2021-22 to adopt and implement a plan for awarding academic credit for prior work-based learning experiences. This amount includes a one-time appropriation of \$60,000 to contract with a subject matter expert and \$144,620 in funding for one term-limited program manager FTE (through 2021-22) to coordinate work with the subject matter expert, institutions, and industry representatives. To expand access to prior learning assessment credits, the Department proposes engaging in an in-depth effort to create crosswalks linking a variety of work-based learning experiences to guaranteed transfer course content areas, credits, and credentials. *Staff note: The Interim Committee on Higher Education Attainability has been authorized to introduce a bill on this topic with a similar fiscal note.*

R5 ACCOUNTABILITY DASHBOARD: The request includes \$165,436 General Fund 1.5 FTE in FY 2020-21 and \$156,691 in FY 2021-22 to fund 1.5 term-limited FTE in the Department's data and research division. These FTE will be responsible for developing public-facing data metrics and accompanying tools in order to improve institutional accountability and make higher education data more accessible.

R6 AREA TECHNICAL COLLEGE GRANT PROGRAM: The request includes a one-time appropriation of \$3,171,650 General Fund for FY 2020-21 to complete two single-phase capital expansion projects at the Technical College of the Rockies and Emily Griffith Technical College. State funding will be matched with \$4,267,213 institutional cash funds and federal funds, which do not require spending authority. The investments will fund a Healthcare Education and Innovation Center at the Technical College of the Rockies and Outdoor Welding Space at Emily Griffith Technical College.

R7 CHIEF EDUCATIONAL EQUITY OFFICER: The request includes \$150,950 General Fund and 1.0 FTE in FY 2020-21 and beyond for a new Chief Educational Equity Officer position. The Department indicates that it hopes to onboard the position in March 2020 based on a supplemental appropriation. Colorado has the largest attainment gap between white and Latinx residents of any state. This position will build on momentum created through Lumina grant

support and will be responsible for administering a diversity, inclusion, and equity curriculum and mobilizing equity champions at institutions across the state.

R8 DIVISION OF PRIVATE OCCUPATIONAL SCHOOLS: The request includes \$200,000 cash funds spending authority in FY 2020-21, annualizing to \$100,000 cash funds spending authority for the subsequent three fiscal years, to enable the Division of Private Occupational Schools to implement a comprehensive IT solution that will increase the quality and efficiency of the Division's workflow. The Division regulates over 300 private occupational schools and continues to collect school information mostly in paper format, which is then transcribed into outdated databases. In 2016 the Division issued an RFP for a new information and tracking system to manage its workflow processes, but the bids were too high and did not meet the Division's needs. In 2019, all public and private schools wishing to be eligible for tuition dollars through the federal Workforce Innovation and Opportunity Act must provide information and report on outcomes on the state's Eligible Trainer Provider List. DPOS proposes to link to and use the same technology, thereby reducing the burden on participating private businesses. The Division anticipates that with an automated system the time required for a school to seek approval can be reduced up to 50 percent and will likely be reduced by 70 percent once schools are familiar with the process. It currently requires 2 months to 1 year for a school to complete the approval process.

R9 EARLY CHILDHOOD TALENT PIPELINE SCHOLARSHIP: The request includes \$4,311,785 General Fund and 1.0 FTE in FY 2020-21 for early childhood educator scholarships. The request proposes that this amount would *decline* over subsequent years to \$2,873,543 in FY 2024-25 as the amount for Request R10 (early childhood educator loan forgiveness) increases. The request indicates that in FY 2017-18, there were 1,022 students in early childhood educator-related undergraduate credential programs who had a financial aid application on file. The average cost-of-attendance per student outstanding after Pell awards, state need-based awards, and expected family contributions in FY 2017-18 was \$12,898. The Department proposes to allocate the funds to institutions of higher education based on the number of students at each institution who are Pell eligible and pursuing degrees under certain instructional codes (early childhood education and teaching, education/teaching of individuals in early childhood special education programs, teacher assistant/aide, teacher education for multiple levels). Institutions would then package aid for eligible students using their usual practices, reducing or eliminating an amount up to the student's full cost of attendance. Based on the number of individuals reported eligible in 2018, the average grant amount would be \$4,219. The request includes adding 1.0 FTE for a researcher to study the impact of the scholarships. The request would require new legislation.

R10 LOAN FORGIVENESS FOR EARLY CHILDHOOD EDUCATORS: The request includes \$544,358 General Fund in FY 2021 to fund loan forgiveness to address early childhood educator shortages. The Department also requests 1.5 FTE in FY 2020-21 and ongoing to administer the program. 50 early childhood education associate's degree holders and 50 bachelor's degree holders currently employed as early childhood educators will be eligible for up to \$3,000 in loan forgiveness annually for up to four years (associates degree holders) and up to \$5,000 in loan forgiveness annually for up to five years (bachelor degree holders). The request increases to \$937,303 in FY 2021-22 and continues to increase annually up to up to \$1,987,303 in FY 2024-25 and ongoing. Approximately 70 percent of Colorado child care center directors report that finding qualified educators is a top challenge they face, and the Department of Labor and Employment expects demand to grow 33-43 percent through 2025; yet many professionals in the field indicate that pursuing any type of post-secondary education can be challenge, and 75 percent reported that they would require tuition assistance to pursue higher education. The request would require new legislation.

R11 COLORADO OPPORTUNITY SCHOLARSHIP INITIATIVE: The request includes an increase of \$3.0 million in General Fund in FY 2020-21 and ongoing for the Colorado Opportunity Scholarship Initiative (COSI) to increase state and local community investment in students' higher education attainment and enhance support services to students. The request would increase the total funding for COSI to \$10.0 million per year. The Department is also

pursuing a related statutory change that would enable it to increase the share of its funding for support program grants. The request reflects potential increases in expenditures and awards of \$221,640 for administration, \$1.7 million for support program grants, and \$2.1 million for matching scholarships, resulting in total annual outlays of approximately \$13.8 million if the changes are approved. Since these increases would exceed the total annual appropriation, the overall proposal reflects a planned gradual spend-down of COSI reserves. *The Interim Committee on Making Higher Education Attainable has been authorized to introduce a bill on this topic with a related appropriation of \$5.0 million General Fund in the introduced bill.*

BA1 GET ON YOUR FEET COLORADO: The request includes \$14,076,245 General fund and 3.0 FTE in FY 2020-21 to launch a loan repayment program for Colorado residents who complete an undergraduate (associate or bachelor) degree at one of the state’s public institutions of higher education and begin their career in Colorado. The one-time appropriation would establish a fund from which loan repayment benefits would be paid to eligible students over three years and would support program administration. The request would enable up to 5,300 eligible Colorado graduates to receive loan repayment for up to two years with an average of \$1,500 annually per recipient. The program is intended to incent degree completion and provide support to recent graduates as they launch their careers. The program would require new legislation (anticipated through non-JBC bill sponsors).

HC1 FINANCIAL SUSTAINABILITY FOR HISTORIC PRESERVATION: The request includes \$1,000,000 reappropriated funds in FY 2020-21, \$930,632 in FY 2021-22, and \$1,000,000 in FY 2022-23 and ongoing to provide relief for History Colorado’s annual Certificate of Participation (COP) payments. History Colorado’s COP payments are scheduled to increase stepwise from approximately \$3.0 million currently to \$4.9 million by 2040. The original forecast on which History Colorado’s COP payment schedule was based in 2009 have not materialized, resulting in a structural imbalance between the agency’s revenues and expenses.

The request requires a statutory change to Section 23-31-901, C.R.S. et. seq. that provides for an annual \$20.0 million General Fund transfer to the National Western Center Trust Fund for purposes of making COP payments for the National Western Center and the Capitol Complex Master Plan Implementation Fund. The request proposes to divert \$1.0 million from amounts that would otherwise go to the Capitol Complex Master Plan Implementation Fund, so that, starting in FY 2020-21, funding for the Capitol Complex Master Plan Implementation Fund would be reduced by \$1.0 million, while funding for History Colorado COP payments would be increased by the same amount. The chart below reflects the proposed payment schedule through FY 2023-24. Funding similar to FY 2023-24 would continue through FY 2039.

Fiscal Year	Total Budgeted	NWC Debt Service	Capitol Complex	History Colorado	Total Allocated
FY2020	\$ 20,000,000	\$ 14,047,870	\$ 5,952,130	\$ 0	\$ 20,000,000
FY2021	\$ 20,000,000	\$ 18,696,574	\$ 303,426	\$ 1,000,000	\$ 20,000,000
FY2022	\$ 20,000,000	\$ 19,069,368	\$ 0	\$ 930,632	\$ 20,000,000
FY2023	\$ 20,000,000	\$ 18,097,791	\$ 902,209	\$ 1,000,000	\$ 20,000,000
FY2024	\$ 20,000,000	\$ 18,096,915	\$ 903,085	\$ 1,000,000	\$ 20,000,000

HC2 COMMUNITY MUSEUM CASH FUNDS FOR EARNED REVENUE: The request includes an increase of \$121,895 cash funds spending authority in FY 2020-21 for earned revenue at the community museums. The request notes that \$1,589,044 General Fund added in FY 2017-18 annualizes in FY 2020-21 (to \$1,200,000 General Fund) based on the expectation that the Community Museums will have developed more sustainable earned revenue programs that can be used to backfill the reduced General Fund.

NP1 OIT BUDGET REQUEST PACKAGE: The request includes the Department's share of the Governor's Office of Information Technology's budget package adjustments.

NP2 PAID FAMILY LEAVE: THE REQUEST INCLUDES A PROPOSED STATEWIDE COMMON POLICY INCREASE FOR PAID FAMILY LEAVE.

AURARIA HIGHER EDUCATION CENTER ADJUSTMENT: The request increases spending authority for the Auraria Higher Education Center by \$469,411 for funds received from the institutions operating on the Auraria campus (University of Colorado – Denver, Metropolitan State University of Denver, and the Community College of Denver).

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 adjustment	\$315,158	\$21,952	\$200,424	\$51,693	\$41,089	0.0
AED adjustment	75,603	32,079	28,119	(9,211)	24,616	0.0
SAED adjustment	75,603	32,079	28,119	(9,211)	24,616	0.0
CORE adjustment	65,288	0	19,056	46,232	0	0.0
PERA Direct Distribution	60,601	22,632	(27,058)	24,867	40,160	0.0
Health, life, and dental adjustment	25,867	32,922	84,815	2,364	(94,234)	0.0
Legal services adjustment	2,484	0	0	2,484	0	0.0
Short-term disability adjustment	1,800	1,008	224	(272)	840	0.0
Payment to risk management / property funds adjustment	(202,267)	0	(64,969)	(137,298)	0	0.0
Payments to OIT adjustment	(144,425)	0	(136,017)	(8,408)	0	0.0
Workers' compensation adjustment	(7,112)	0	972	(8,084)	0	0.0
ALJ adjustment	(796)	0	(796)	0	0	0.0
TOTAL	\$267,804	\$142,672	\$132,889	(\$44,844)	\$37,087	0.0

LEASE PURCHASE PAYMENT ADJUSTMENTS: The request includes annual technical adjustments to three lease purchase obligations: the University of Colorado Health Sciences Center at Fitzsimons lease purchase authorized by H.B. 03-1256; the Higher Education Federal Mineral Lease Revenues lease purchase that supported the construction of various higher education capital construction projects in 2008; and the lease purchase for the new History Colorado Center authorized in 2008.

WICHE FEE INCREASE: The request includes an inflationary adjustment to address fee increases for the Western Interstate Commission on Higher Education, which provides research services and runs inter-state student exchange programs used by the department and public institutions of higher education.

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

ANNUALIZE PRIOR YEAR BUDGET ACTION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Annualize prior year salary survey	\$0	\$0	\$795	\$0	(\$795)	0.0
DHE-reflected base FTE for AHEC	0	0	0	0	0	(0.4)
FY 2017-18 HC1 Community Museum Revitalization	(389,044)	(389,044)	0	0	0	0.0
TOTAL	(\$389,044)	(\$389,044)	\$795	\$0	(\$795)	(0.4)

ANNUALIZE PRIOR YEAR LEGISLATION: The request includes adjustments for the second- and third-year impact of prior year legislation.

ANNUALIZE PRIOR YEAR LEGISLATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
SB 15-211 Depreciation Lease Equivalent Adjustment	\$1,015,354	\$1,015,354	\$0	\$0	\$0	0.0
SB 19-003 Educator Loan Forgiveness	493,443	493,443	0	0	0	0.1
SB 18-200 Eliminate PERA unfunded liability	75,853	5,276	49,030	11,985	9,562	0.0
SB 19-231 Colorado Second Chance Scholarship	4,788	4,788	0	0	0	0.2
HB 19-1006 Wildfire Mitigation Wild and Urban Interface Areas	(1,000,000)	(1,000,000)	0	0	0	0.0
HB 19-1264 Conservation Easement Tax Credit Modifications	(500,000)	(250,000)	0	(250,000)	0	0.0
SB 19-001 Expand Medication-assisted Treatment Pilot Program	(300,000)	0	(300,000)	0	0	0.0
SB 19-190 Growing Great Teachers	(44,310)	(44,310)	0	0	0	(0.4)
HB 19-1294 Apprenticeship credit	(15,000)	0	0	(15,000)	0	0.0
HB 19-1202 Food Systems Advisory Council	(396)	(7,698)	0	7,302	0	0.1
TOTAL	(\$270,268)	\$216,853	(\$250,970)	(\$245,713)	\$9,562	(0.0)

SUMMARY OF ISSUES PRESENTED TO THE JOINT BUDGET COMMITTEE

UPDATING THE HIGHER EDUCATION FUNDING MODEL: This issue discusses the Department’s response to S.B. 19-095, which required a five year review of the higher education funding formula adopted under H.B. 14-1319. The H.B. 14-1319 model allocates all state funds for the higher education governing boards each year based on student stipends for resident undergraduate students and various factors related to student completions and each institution’s role and mission. The Department’s proposal would allocate new funds and reallocate 10 percent of the existing base funding for the governing boards based on factors for operational support, completions, equity-focused enrollments, and graduation rates and improvements. The request indicates that it is the Department’s intent to reallocate all funds through the new model in future years.

REQUESTS R1 AND R2 AND THE RISING COST OF HIGHER EDUCATION: The Department’s Request R1 provides a 2.5 percent increase for governing boards. Its R2 request proposes that resident undergraduate tuition increases be capped at 3.0 percent. This is a lower figure than the Department would have proposed in the past, given the modest request for state funding increases.

EARLY CHILDHOOD EDUCATOR INITIATIVES: Requests R9 and R10 would provide \$4.9 million General Fund for new scholarships and a loan forgiveness program for early childhood educators. This is one of a number of requests included in the Departments of Education, Higher Education, Labor and Employment, and Human Services related to the need for additional early childhood educators in the state. The initiatives in the Department of Higher Education award funds for individuals who are pursuing or have been awarded an associate’s or bachelor’s degree. Early childhood educators do not require a postsecondary education.

STUDENT DEBT AND BA1 GET ON YOUR FEET COLORADO: Request BA1 includes \$14.1 million for a student loan repayment program entitled Get on Your Feet Colorado. The proposed initiative would subsidize loan repayments for two-years for new graduates of public higher education institutions who are enrolled in a federal income-based repayment loan program. The request is presented as a temporary initiative; however it will be administratively complex. Without extensive publicity, actual utilization for this program is likely to be far below the estimates included in the request. With extensive publicity, it could potentially be higher.

HISTORY COLORADO AND REQUEST HC1: History Colorado remains in a tenuous financial position. The Executive Request includes a request for \$1.0 million to help support its annual certificate of participation payments for the History Colorado Center.

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Department of Human Services

The Department of Human Services is responsible for the administration and supervision of all non-medical public assistance and welfare programs in the state. The Department's FY 2019-20 appropriation represents approximately 7.2 percent of statewide operating appropriations and 8.6 percent of statewide General Fund appropriations.

FY 2019-20 APPROPRIATION AND FY 2020-21 REQUEST

DEPARTMENT OF HUMAN SERVICES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2019-20 APPROPRIATION:						
SB 19-207 (Long Bill)	2,305,389,929	1,033,037,078	431,621,749	203,762,670	636,968,432	5,132.3
Other legislation	39,172,052	10,262,856	8,385,334	10,469,440	10,054,422	(1.4)
TOTAL	\$2,344,561,981	\$1,043,299,934	\$440,007,083	\$214,232,110	\$647,022,854	5,130.9
FY 2020-21 REQUESTED APPROPRIATION:						
FY 2019-20 Appropriation	\$2,344,561,981	1,043,299,934	\$440,007,083	\$214,232,110	\$647,022,854	5,130.9
R1 Improving child care quality	5,619,496	2,809,748	0	0	2,809,748	7.2
R2 Early intervention caseload	3,231,940	3,231,940	0	0	0	0.0
R3 Colorado Child Care Assistance Program	6,762,446	940,292	2,666,581	0	3,155,573	0.0
R4 L2 operating and staffing	4,819,669	4,819,669	0	0	0	42.3
R5a Drug detection devices	1,016,000	1,016,000	0	0	0	10.0
R5b Splitting Lookout Mountain into distinct facilities	747,748	747,748	0	0	0	7.0
R5c Youth services supervisor salary increases	1,170,411	1,170,411	0	0	0	0.0
R5d Youth services day reporting	725,000	725,000	0	0	0	0.0
R5e Youth services candidate assessment	75,000	75,000	0	0	0	0.0
R6 Family First Prevention Services Act and Trails	3,575,996	(3,376,547)	0	0	6,952,543	12.4
R7a Youth facilities refurbishment and safety	682,192	682,192	0	0	0	0.0
R7b Homelike environment at Lookout	908,321	908,321	0	0	0	0.0
R8 Scholarships for early childhood educators	600,000	500,000	0	0	100,000	0.9
R9 Evidence based home visiting	521,605	521,605	0	0	0	0.9
R10 Child support pass through	800,182	800,182	0	0	0	0.0
R11 Respite care task force	374,770	374,770	0	0	0	0.0
R12 Subsidized training and employment	4,000,000	0	0	0	4,000,000	0.0
R13 County child welfare staffing, phase 6	3,062,702	2,250,324	306,270	0	506,108	0.0
R14 Joint agency interoperability	12,099,423	2,326,384	0	9,507,438	265,601	0.0
R15 Human resource staffing	1,079,852	477,265	27,082	431,514	143,991	7.7
R16 Child welfare provider rate increase	2,549,481	1,223,751	509,896	0	815,834	0.0
R17 Records and Reports Fund	648,048	422,847	225,201	0	0	6.0
R18 Electronic health record staffing	274,576	274,576	0	0	0	0.0
R19 Phones	917,525	917,525	0	0	0	0.0
R20 Child welfare legal representation	10,295,646	0	10,295,646	0	0	0.0
R21 Youth services expenditure alignment	(3,222,298)	(3,082,683)	0	(139,615)	0	0.0
R22 Medicaid funding adjustment	(1,900,000)	0	0	(1,900,000)	0	0.0
R23 Leased space adjustment	(48,558)	0	0	(48,558)	0	0.0
R24 Old age pension adjustment	(22,268,490)	0	(22,268,490)	0	0	0.0
R25 Substance use treatment	(2,800,000)	(1,300,000)	0	(1,500,000)	0	0.0
R26 Veteran Community Living Centers reserves	0	(3,469,922)	3,469,922	0	0	0.0
R27 Colorado Child Care Assistance Program intrastate redistribution	(1,500,000)	0	0	0	(1,500,000)	0.0
R28 Post Affordable Care Act	(1,284,000)	(647,000)	0	(637,000)	0	0.0

DEPARTMENT OF HUMAN SERVICES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
R29 Reduce duplicative activities	(380,000)	0	(380,000)	0	0	0.0
R30 Gambling evaluation funding	(50,000)	0	(50,000)	0	0	0.0
R31 Resource and referral funding reduction	(630,350)	(315,175)	0	0	(315,175)	0.0
R32 Realign regional center funding	600,000	600,000	0	0	0	0.0
R33 Older Coloradans Cash Fund	0	(3,000,000)	3,000,000	0	0	0.0
R34 Mental health technical correction	0	0	0	0	0	0.0
R35 Common provider rate increase	4,647,651	2,721,608	738,969	52,868	1,134,206	0.0
Annualize prior year budget actions	6,653,140	6,136,253	(182,333)	11,557	687,663	(9.6)
Annualize prior year legislation	(19,783,094)	5,375,487	(1,732,468)	(9,715,750)	(13,710,363)	2.6
Centrally appropriated line item	8,464,952	4,557,238	139,382	2,986,932	781,400	0.0
Non-prioritized request items	2,100,069	62,269	6,357	1,997,640	33,803	0.0
Indirect cost assessment	1,913,954	0	136,587	1,233,877	543,490	0.0
Technical adjustments	(207,695)	7,849	(258,894)	0	43,350	(15.3)
TOTAL	\$2,381,425,291	\$1,074,784,861	\$436,656,791	\$216,513,013	\$653,470,626	5,203.0
INCREASE/(DECREASE)	\$36,863,310	\$31,484,927	(\$3,350,292)	\$2,280,903	\$6,447,772	72.1
Percentage Change	1.6%	3.0%	(0.8%)	1.1%	1.0%	1.4%

R1 IMPROVING CHILD CARE QUALITY: The request includes \$5,619,496 total funds, including \$2,809,748 General Fund, and 7.2 FTE in FY 2020-21. This request can be broken into three distinct parts: quality improvement, licensing, and provider recruitment. Of the \$4,658,308 total funds requested for quality improvement, \$4.5 million will be allocated to the state's Early Childhood Councils, which are created by Section 26-6.5-103 (1), C.R.S. The Department will use the remaining \$158,308 total funds and 1.8 FTE requested for quality improvement to oversee local and county practices, and to provide technical assistance and training to county departments of human services and child care programs. The funding for licensing will be used by the Department. The funding for provider recruitment will be allocated to Early Childhood Councils. This request annualizes to \$5,637,598 total funds, including \$2,818,799 General Fund, and 8.0 FTE in FY 2021-22 and beyond.

R1 IMPROVING CHILD CARE QUALITY (FY 2020-21)		
CATEGORY	TOTAL FUNDS	FTE
Quality improvement	\$4,658,308	1.8
Licensing	461,188	5.4
Provider recruitment	500,000	0.0
Total	\$5,619,496	7.2

R2 EARLY INTERVENTION CASELOAD: The request includes \$3,231,940 General Fund in FY 2020-21, annualizing to \$4,973,412 in FY 2021-22 and beyond, to address the cost of an estimated 3.7 percent increase in caseload growth in the Early Intervention program. Additionally, the Department indicates that caseload growth has been higher than expected in FY 2019-20 and is planning to submit a supplemental request to address the cost increase. The Department will also submit an RFI concerning Early Intervention caseload growth by January 1, 2020.

R3 COLORADO CHILD CARE ASSISTANCE PROGRAM: The request includes \$6,762,446 total funds, including \$940,292 General Fund, in FY 2020-21 for Colorado Child Care Assistance Program (CCCAP) direct services. This request will annualize to \$8.7 million total funds in FY 2021-22, primarily because of an increase in cash funds.

R4 L2 OPERATING AND STAFFING: The request includes \$4,819,669 General Fund and 42.3 FTE in FY 2020-21 to operate and staff the new L2 High Security Forensic Unit at the Colorado Mental Health Institute at Pueblo (CMHIP). The 24-bed L2 expansion was funded through an FY 2017-18 capital request and is expected to be open for patient occupancy on October 1, 2020. The FY 2020-21 operating request includes partial year funding, and the Department anticipates full-year costs of \$6.1 million and 61.8 FTE in FY 2021-22.

R5a DRUG DETECTION DEVICES: The request includes an increase of \$1,016,000 General Fund and 10.0 FTE in FY 2020-21, annualizing to \$1,016,200 in FY 2021-22 and beyond, to purchase drug detection wands for three of the ten youth services centers, hire full-time equivalent employees to operate the drug detection wands, and contract for drug detection canines at all ten youth services centers.

R5b SPLITTING LOOKOUT MOUNTAIN INTO DISTINCT FACILITIES: The request includes an increase of \$747,748 General Fund and 7.0 FTE, in FY 2020-21 and beyond, to create four unique facilities on the Lookout Mountain campus.

R5c YOUTH SERVICES SUPERVISOR SALARY INCREASES: The request includes an increase of \$1,170,411 General Fund in FY 2020-21, annualizing to \$1,073,259 in FY 2021-22 and beyond, to address compression pay issues that resulted from the approval of the Department's FY 2019-20 R2 Compensation for Direct Care Employees budget request.

R5d YOUTH SERVICES DAY REPORTING: The request includes an increase of \$725,000 General Fund in FY 2020-21, annualizing to \$815,000 General Fund in FY 2021-22 and beyond, to implement a day reporting program to support a reduction in youth recidivism rates.

R5e YOUTH SERVICES CANDIDATE ASSESSMENT: The request includes an increase of \$75,000 General Fund in FY 2020-21 and beyond to implement an applicant screening tool for all classifications of staff who work in Division of Services facilities or interact directly with youth.

R6 FAMILY FIRST PREVENTION SERVICES ACT AND TRAILS: The request includes a net increase of \$3,575,996 total funds, including a decrease of \$3,376,547 General Fund, and an increase of 12.4 FTE in FY 2020-21, annualizing to \$3,563,769 total funds, including a decrease of \$3,382,660 General Fund, in FY 2021-22 and beyond to implement aspects of the federal Family First Prevention Services Act.

R7a YOUTH FACILITIES REFURBISHMENT AND SAFETY: The request includes a one-time increase of \$682,192 General Fund in FY 2020-21 to improve the safety and security of several facilities by installing night lights in sleeping rooms and enhancing the security of sleeping room windows by installing metal panels.

R7b HOMELIKE ENVIRONMENT AT LOOKOUT: The request includes a one-time increase of \$908,321 General Fund in FY 2020-21 to upgrade amenities at the Lookout Mountain Youth Services facility.

R8 SCHOLARSHIPS FOR EARLY CHILDHOOD EDUCATORS: The request includes \$600,000 total funds, including \$500,000 General Fund, and 0.9 FTE in FY 2020-21 and beyond to fund a contract with the Early Childhood Council Leadership Association (ECCLA) to provide scholarships to individuals pursuing a career in early childhood education.

R9 EVIDENCE BASED HOME VISITING: The request includes \$521,605 General fund and 0.9 FTE in FY 2020-21, annualizing to \$588,996 General Fund and 1.0 FTE in 2021-22 and beyond, to expand the Healthy Steps and Home Instruction for Parents of Preschool Youngsters evidence-based programs. These programs serve communities and families with risk factors associated with low kindergarten readiness.

R10 CHILD SUPPORT PASS THROUGH: The request includes \$800,182 General Fund in FY 2020-21 and beyond to ensure sufficient funding is available to continue the Child Support Pass-through Program, which was enacted in S.B. 15-012 (Colorado Works Pass-through Child Support Payment). The Department indicates that it will also submit a supplemental request to address a program funding shortfall in FY 2019-20.

R11 RESPITE CARE TASK FORCE: The request includes \$374,770 General Fund in FY 2020-21 and FY 2021-22 to complete the implementation of the recommendations of the Respite Care Task Force, pursuant to Section 26-1-702, C.R.S., and to ensure sufficient funding for respite services.

R12 SUBSIDIZED TRAINING AND EMPLOYMENT: The request includes \$4,000,000 federal Temporary Assistance for Needy Families (TANF) funds for FY 2020-21 and beyond to continue funding the Colorado Works Subsidized Training and Employment Program, created in Section 26-2-706.6 (9), C.R.S. This program provides employers with wage subsidies to encourage the hiring of TANF recipients so that they may gain on-the-job experience and earned income. The Colorado Works Subsidized Training and Employment Program contributes to Colorado meeting its federally required Work Participation Rate, which affects the state's TANF distribution.

R13 COUNTY CHILD WELFARE STAFF PHASE 6: The request includes an increase of \$3,062,702 total funds, including \$2,250,324 General Fund, in FY 2020-21, annualizing to \$2,862,702 total funds, including \$2,102,964 General Fund in FY 2021-22 and beyond, to increase county level child welfare staffing in response to the Child Welfare Workload Study performed by the Office of the State Auditor in 2014.

R14 JOINT AGENCY INTEROPERABILITY: The request includes \$12,099,423 total funds, including \$2,326,384 General Fund, in FY 2020-21 and beyond to fund the operations and maintenance of the Joint Agency Interoperability Project. The Department also requests roll-forward spending authority for \$795,113 into FY 2021-22. The Joint Agency Interoperability Project enables systems or applications to exchange information to allow the Department, county employees, and external partners to better coordinate services provided to children, youth, and families in Colorado.

R15 HUMAN RESOURCE STAFFING: The request includes an increase of \$1,079,852 total funds, including \$477,265 General Fund, and 7.7 FTE in 2020-21, annualizing to \$859,048 total funds, including \$472,476 General Fund, and \$8.0 FTE in FY 2021-22 and beyond, to increase the number of human resources professionals in the Department.

R16 CHILD WELFARE PROVIDER RATE INCREASE: The request includes an increase of \$2,549,481 total funds, including \$1,223,751 General Fund, in 2020-21 and beyond, to implement out-of-home placement provider rate increases required by H.B. 17-1292 (Child Welfare Provider Rates) and S.B. 18-254 (Child Welfare Reform).

R17 RECORDS AND REPORTS FUND: The request includes \$648,048 total funds, including \$422,847 General Fund, and 6.0 FTE in FY 2020-21 and beyond to support background checks for individuals and entities that work with children or at-risk adults, as well as funding support for the appeals process of the Child and Adult Mistreatment Dispute Review Section. The Department indicates that it will also submit a supplemental request to address a program funding shortfall in FY 2019-20.

R18 ELECTRONIC HEALTH RECORD STAFFING: The request includes \$274,576 General Fund in FY 2020-21 to contract for 2.0 FTE Governor's Office of Information Technology (OIT) programmers to support the Office of Behavioral Health's electronic records systems.

R19 PHONES: The request includes \$917,525 General Fund to upgrade the phone system at the Colorado Mental Health Institute of Pueblo and at Division of Youth Services facilities.

R20 CHILD WELFARE LEGAL REPRESENTATION: The request includes an increase of \$10,295,646 cash funds from the Title IV-E Administrative Cost Cash Fund in FY 2020-21 and beyond to implement the provisions of S.B. 19-258.

R21 YOUTH SERVICES EXPENDITURE ALIGNMENT: The request includes a decrease of \$3,222,298 total funds, including \$3,082,683 General Fund, in 2020-21 and beyond, to account for a lower caseload forecast of committed youth and savings from contract facility closures.

R22 CHILD WELFARE MEDICAID FUNDING ADJUSTMENT: The request includes a decrease of \$1,900,000 Medicaid reappropriated funds in 2020-21 and beyond to align spending authority with Medicaid utilization.

R23 LEASED SPACE ADJUSTMENT: The request includes a reduction of \$48,558 reappropriated funds for leased space for the Grand Junction Regional Center Administrative Office. The Department obtained a lease at a lower cost than expected.

R24 OLD AGE PENSION ADJUSTMENT: The request includes a reduction of \$22,268,490 cash funds from the Old Age Pension Fund in FY 2020-21 and beyond to reflect the decrease in caseload and to align the appropriation with actual and projected expenditures for the Old Age Pension Cash Assistance Program.

R25 SUBSTANCE USE TREATMENT: The request includes a reduction of \$2,800,000 total funds, including \$1,300,000 General Fund, for substance use treatment services. The Office of Behavioral Health (OBH) provides funding to Managed Service Organizations (MSOs) to provide substance use treatment to individuals who are indigent. With the addition of inpatient and residential substance use treatment as a Medicaid benefit beginning in FY 2020-21 (pursuant to H.B. 18-1136), the Department anticipates a reduced demand for services provided by OBH.

R26 VETERANS COMMUNITY LIVING CENTERS RESERVES: The request includes a decrease of \$3,469,922 General Fund with a corresponding increase in cash fund spending authority from the Central Fund for Veterans Community Living Centers.

R27 COLORADO CHILD CARE ASSISTANCE PROGRAM INTRASTATE REDISTRIBUTION: The request includes a reduction of \$1,500,000 federal Child Care Development Funds from the Intrastate Redistribution line item in FY 2020-21 and beyond. The Intrastate Redistribution line item was established in FY 2018-19 to ensure the Department had the CCDF spending authority to implement federal requirements related to regulations under the Child Care and Development Block Grant Act of 2014.

R28 POST AFFORDABLE CARE ACT: The request includes a reduction of \$1,284,000 total funds, including \$647,000 General Fund, for OBH programs that are underutilized as a result of expanded Medicaid coverage and benefits provided under the Affordable Care Act. The reductions include:

- \$637,000 reappropriated funds for the High Risk Pregnant Women program;
- \$247,000 General Fund for the Short-Term Intensive Remedial Treatment (STIRT) program; and
- \$400,000 General Fund for the Community Transition Services program.

R29 REDUCE DUPLICATIVE ACTIVITIES: The request includes a reduction of \$380,000 cash funds from the Persistent Drunk Driver Cash Fund. Of this amount, \$115,000 is for contracted marketing expenses, which are duplicative of the Colorado Department of Transportation's impaired driving campaigns, and \$265,000 is for withdrawal management funding provided to MSOs, which the Department believes can be replaced by federal grant dollars.

R30 GAMBLING EVALUATION FUNDING: The Department's request includes a reduction of \$50,000 cash funds to eliminate funding for the evaluation of the gambling addiction program. Senate Bill 18-191 (Local Government Limited Gaming Impact Fund) appropriated \$50,000 to the Department in FYs 2018-19 and 2019-20 to develop a

plan for a gambling addiction program. This plan is due by March 1, 2020, so the funding is no longer needed in FY 2020-21.

R31 RESOURCE AND REFERRAL FUNDING REDUCTION: The request includes a reduction of \$630,350 total funds, including \$315,175 General Fund, in FY 2020-21 and beyond to offset a portion of the Department's R1 request. This reduction affects 16 local service agencies across the state that currently offer Child Care Resource and Referral (CCR&R) services for their communities.

R32 REALIGN REGIONAL CENTER FUNDING: The request includes an increase of \$600,000 General Fund to cover the costs of room and board that exceed resident payments at the Grand Junction and Pueblo Regional Centers. In addition, the request includes a realignment of appropriations for the three regional centers.

R33 OLDER COLORADANS CASH FUND: The request includes a net zero refinance of \$3,000,000 General Fund with \$3,000,000 cash fund from the Older Coloradans Cash Fund, created in Section 26-11-205.5 (5)(a), C.R.S. This request is a result of approximately \$30.9 million additional funds received in the Older Coloradans Cash Fund from the Senior Citizen and Disabled Veteran Property Tax Exemption fund during FY 2018-19 and FY 2019-20. Refinancing will have no impact on the total amount available for senior funding in FY 2020-21.

R34 MENTAL HEALTH TECHNICAL CORRECTION: The request includes net neutral transfers of General Fund between line items related to the Forensic Services appropriations and the electronic health record appropriations.

R35 COMMUNITY PROVIDER RATE INCREASE: The request includes an increase of \$4,647,651 total funds, including \$2,721,608 General Fund, in 2020-21 and beyond for an across-the-board increase of 0.5 percent for community providers.

ANNUALIZE PRIOR YEAR BUDGET ACTIONS: The request includes a number of changes to annualize funding decisions made through the prior year Long Bill.

ANNUALIZE PRIOR YEAR LEGISLATION: The request includes adjustments related to prior year legislation.

CENTRALLY APPROPRIATED LINE ITEMS: For line items addressed in this briefing, the request includes adjustments for 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; workers' compensation; legal services; administrative law judges; and payment to risk management and property funds.

NON-PRIORITIZED REQUEST ITEMS: The request includes spending authority for common policy line items and reappropriated funds spending authority included as prioritized requests in other departments.

INDIRECT COST ASSESSMENT: The request includes adjustments for the assessment of indirect costs associated with the operations of the Department.

TECHNICAL ADJUSTMENT: The request includes various technical adjustments to align the Department's FY 2019-20 base appropriation request with the actual appropriation.

SUMMARY OF ISSUES PRESENTED TO THE JOINT BUDGET COMMITTEE

R14 JOINT AGENCY INTEROPERABILITY: The Department requests an increase of \$12,099,423 total funds, including \$2,326,384 General Fund, \$9,507,438 reappropriated funds, and \$265,601 federal funds, in FY 2020-21 and ongoing for funding operations and maintenance of the Joint Agency Interoperability Project (JAI Project). The Department also requests roll-forward spending authority for \$795,113 into FY 2021-22. The JAI Project enables systems or applications to exchange information to allow the Department, county employees, and external partners to better coordinate services provided to children, youth, and families in Colorado.

CHILD WELFARE SYSTEM REFORM (UPDATE): Joint Budget Committee-sponsored S.B. 18-254 (Child Welfare Reforms) made significant changes to Colorado's child welfare system and the associated funding, including: providing targeted provider rate increases for a period of four years to foster and congregate care providers and requiring the creation of a funding model specifically to forecast future child welfare system costs..

COUNTY CHILD WELFARE STAFF: Senate Bill 15-242 (Child Welfare Staff) appropriated funding to be allocated to the counties specifically for the purpose of increasing county child welfare case aide, case worker, and supervisor FTE. The Department's FY 2020-21 R13 County Child Welfare Staffing is the sixth of several budget requests to increase funding for this purpose.

CHILD WELFARE EXPENDITURES AUDIT: General Fund appropriations to line items in the Division of Child Welfare have increased by 21.8 percent over the past six years; however, the Department does not collect the level of county expenditure data necessary to determine if the funding appropriated to the Division of Child Welfare is yielding improved health and well-being outcomes for the children and families served in Colorado's child welfare system.

DECISION ITEMS AFFECTING THE CHILD CARE DEVELOPMENT FUND: The Department submitted five decision items (R1, R3, R8, R27, and R31) affecting the Child Care Development Fund for FY 2020-21. The cumulative impact of these five decision items is a request for \$10.9 million total funds, including \$3.9 million General Fund, \$2.7 million cash funds, and \$4.3 million federal funds, and 7.2 FTE. The Department requests that the majority of this funding as ongoing.

REQUESTED APPROPRIATIONS AFFECTING THE CHILD CARE DEVELOPMENT FUND						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
R1 Improving child care quality	\$5,619,496	\$2,809,748	\$0	\$0	\$2,809,748	7.2
R3 Colorado Child Care Assistance Program	6,762,446	940,292	2,666,581	0	3,155,573	0.0
R8 Scholarships for early childhood educators	600,000	500,000	0	0	100,000	0.9
R27 Colorado Child Care Assistance Program intrastate redistribution	(1,500,000)	0	0	0	(1,500,000)	0.0
R31 Resource and referral funding	(630,350)	(315,175)	0	0	(315,175)	0.0
TOTAL	\$10,851,592	\$3,934,865	\$2,666,581	\$0	\$4,250,146	8.1

FEDERAL RULES CHANGES TO SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM: The federal government has proposed a new rule for the work requirements for the Supplemental Nutrition Assistance Program (SNAP), which is expected to take effect April 1, 2020. This briefing issue provides a summary of this rule and its impact.

COURT ORDERS CONCERNING COMPETENCY: For over a decade, the Department of Human Services and the General Assembly have been working to address issues related to competency evaluation and restoration services. This issue brief provides an overview of these services, trends, capacity, and related legal proceedings.

VETERANS COMMUNITY LIVING CENTERS: The Department requests a refinance of General Fund currently appropriated to the Veterans Community Living Centers with cash funds from the Central Fund for Veterans Community Living Centers.

RURAL INTERPRETATION SERVICES PROGRAM: The Rural Interpretation Services Program pilot was created through a budget action by the Joint Budget Committee during the FY 2018-19 budget process. Its intent is to increase access to American Sign Language/English interpreting services in rural areas of the State for individuals who are deaf, hard of hearing, and deafblind.

R33 OLDER COLORADANS CASH FUND: The Department requests to refinance \$3.0 million General fund in the State Funding for Senior Services line item with \$3.0 million cash funds in FY 2020-21. This request is a result of approximately \$30.9 million additional funds received in the Older Coloradans Cash Fund, created in Section 26-11-205.5 (5)(a), C.R.S., from the Senior Citizen and Disabled Veteran Property Tax Exemption fund during FY 2018-19 and FY 2019-20. Refinancing will have no impact on the total amount available for senior funding in FY 2020-21.

CREATING A HOMELIKE ENVIRONMENT AT LOOKOUT MOUNTAIN YOUTH SERVICES CENTER: The Division of Youth Services provides for the care and supervision of youth ages 10 to 21 who are detained on a pretrial basis and youth committed by district courts to the custody of the Department of Human Services. As part of the required reform of youth services, the Department implemented a pilot program at Lookout Mountain Youth Services Center that included the creation of a homelike unit with 24 beds. The unit received multiple upgrades, including new paint, furniture, floorings, and fixtures. The Department is requesting funding to expand the program throughout the facility.

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Judicial Department

The Judicial Department interprets and administers the law, resolves disputes, and supervises adult and juvenile offenders on probation. The Judicial Branch also includes seven independent agencies. The four largest agencies provide legal representation for children, juveniles, or indigent adult defendants in certain types of cases. The Independent Ethics Commission provides advice and guidance on ethics-related matters concerning public officers, members of the General Assembly, local government officials, and government employees. The Office of the Child Protection Ombudsman receives, investigates, and seeks resolution of complaints concerning child protection services and makes recommendations to improve such services. The Office Public Guardianship operates a pilot program in Denver that provides guardianship services for incapacitated and indigent adults who lack resources and family or friends who can serve as guardians. The Department's FY 2019-20 appropriation represents 2.6 percent of statewide operating appropriations and 5.1 percent of statewide General Fund appropriations.

FY 2019-20 APPROPRIATION AND FY 2020-21 REQUEST

JUDICIAL DEPARTMENT						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2019-20 APPROPRIATION:						
SB 19-207	828,240,408	605,277,326	168,839,189	49,698,893	4,425,000	4,799.4
Other Legislation	12,283,393	10,857,166	1,426,227	0	0	70.4
TOTAL	\$840,523,801	\$616,134,492	\$170,265,416	\$49,698,893	\$4,425,000	4,869.8
FY 2020-21 REQUESTED APPROPRIATION:						
FY 2019-20 Appropriation	\$840,523,801	616,134,492	\$170,265,416	\$49,698,893	\$4,425,000	4,869.8
JUD R1 Judicial budget adjustments	(500,000)	(500,000)	0	0	0	0.0
JUD R2 Magistrates	2,451,736	2,451,736	0	0	0	24.0
JUD R3 Additional probation officers	1,128,947	1,128,947	0	0	0	15.9
JUD R4 Contract management office	480,896	480,896	0	0	0	6.0
JUD R5 Language translators	287,798	287,798	0	0	0	1.0
JUD R6 Adult diversion program expansion	473,705	473,705	0	0	0	0.0
JUD R7 Class C and D county judge FTE adjustment	246,197	246,197	0	0	0	1.3
JUD R8 Behavioral health FTE	86,610	86,610	0	0	0	1.0
JUD R9 Courthouse capital	2,273,235	2,273,235	0	0	0	0.0
JUD R10 IT data center equipment replacement	3,304,029	3,304,029	0	0	0	0.0
JUD R11 Technical adjustments for S.B. 19-108 and S.B. 19-223	166,935	166,935	0	0	0	2.1
JUD R12 Offender treatment & services CF spending authority adjustment	850,102	0	760,000	90,102	0	0.0
JUD R13 Increase spending authority for Family-friendly Court Program grants	44,057	0	44,057	0	0	0.0
JUD R14 Carr Center lease adjustment/controlled maintenance request	(3,704,331)	(61,137)	(3,252,690)	(390,504)	0	0.0
JUD R15 Fleet vehicles	(2,622)	(2,622)	0	0	0	0.0
JUD R16 Technical adjustments	789,224	(46,631)	500,000	335,855	0	1.0
JUD (unnumbered request) Salary survey	1,652,028	1,502,423	149,605	0	0	0.0
OSPD R1 Staffing needs	5,482,908	5,482,908	0	0	0	54.7
OSPD R2 IT	754,745	754,745	0	0	0	2.7
OSPD R3 Social workers	551,940	551,940	0	0	0	8.2
OSPD R4 Mandated costs	431,712	431,712	0	0	0	0.0
OSPD R5 Leases	357,103	357,103	0	0	0	0.0
OSPD R6 Golden courtroom staffing	115,941	115,941	0	0	0	1.6
OADC R1 Caseload increase	4,202,859	4,202,859	0	0	0	0.0

JUDICIAL DEPARTMENT						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
OADC R2 Coordinator of adjunct services	122,049	122,049	0	0	0	1.0
OADC R3 Staff accountant	116,373	116,373	0	0	0	1.0
OADC R4 Programs analyst	117,653	117,653	0	0	0	1.0
OADC R5 Operating adjustments	57,545	57,545	0	0	0	0.0
OADC R6 COLA-based contractor hourly rate increase	2,383,172	2,383,172	0	0	0	0.0
OADC (unnumbered request) Salary increase for OADC executive director.	7,449	7,449	0	0	0	0.0
OCR R1 Caseload/workload adjustment	728,805	728,805	0	0	0	0.0
OCR R2 New staff attorney	171,858	171,858	0	0	0	1.0
OCR R3 Common compensation plan	53,230	53,230	0	0	0	0.0
OCR R4 Make deputy director and IS manager full time	61,776	61,776	0	0	0	0.4
OCR R5 Increase training	20,000	20,000	0	0	0	0.0
OCR R6 Title IV-E funding	1,481,902	0	0	1,481,902	0	0.0
OCR R7 Court-appointed counsel rate increase	1,145,367	1,145,367	0	0	0	0.0
ORPC R1 Increase in number of and costs per appointment	2,338,493	2,338,493	0	0	0	0.0
ORPC R2 Common compensation plan - attorneys	81,043	81,043	0	0	0	0.0
ORPC R3 Common compensation plan - other staff	55,575	55,575	0	0	0	0.0
ORPC R4 Title IV-E legal representation	4,528,038	0	0	4,528,038	0	0.0
ORPC R5 Social work pilot program continuation	318,240	318,240	0	0	0	0.0
ORPC R6 Social work coordinator	130,826	130,826	0	0	0	1.0
ORPC R7 Carrie Ann Lucas fellowship	173,522	173,522	0	0	0	1.0
ORPC R8 Contractor rate increase	999,670	999,670	0	0	0	0.0
ORPC R9 Operating expenses	27,968	27,968	0	0	0	0.0
ORPC R10 Training	46,000	28,000	18,000	0	0	0.0
OCPO R1 Salary increases	35,749	35,749	0	0	0	0.0
OCPO R2 External assistance with communication	42,000	42,000	0	0	0	0.0
CDAC R1 District attorney mandated costs	109,851	79,851	30,000	0	0	0.0
Annualize prior budget actions	11,929,945	11,375,572	554,373	0	0	13.0
Annualize prior legislation	2,398,996	2,535,884	(136,888)	0	0	37.2
Community provider rate	366,937	83,005	82,014	201,918	0	0.0
Non-prioritized requests	73,450	73,450	0	0	0	0.0
Centrally appropriated line items	(3,136,628)	(2,840,206)	(296,422)	0	0	0.0
TOTAL	\$889,428,960	\$660,340,291	\$168,717,465	\$55,946,204	\$4,425,000	5,045.9
INCREASE/(DECREASE)	\$48,905,159	\$44,205,799	(\$1,547,951)	\$6,247,311	\$0	176.1
Percentage Change	5.8%	7.2%	(0.9%)	12.6%	0.0%	3.6%

In the preceding table:

- "JUD" indicates a request from the Chief Justice for the courts or for probation programs;
- "OSPD" indicates a request from the Office of the State Public Defender;
- "OADC" indicates a request from the Office of the Alternate Defense Counsel;
- "OCR" indicates a request from the Office of the Child's Representative;
- "ORPC" indicates a request from the Office of the Respondent Parents' Counsel;
- "OCPO" indicates a request from the Office of the Child Protection Ombudsman;

- "IEC" indicates a request from the Independent Ethics Commission;
- "OPG" indicates a request from the Office of Public Guardianship; and
- "CDAC" indicates a request from the Colorado District Attorneys' Council.

Requests from the Main Judicial Department (Courts and Probation)

- **JUD R1 JUDICIAL BUDGET ADJUSTMENTS:** The Judicial Department requests that its General Fund appropriations be reduced by \$500,000 for FY 2020-21 and subsequent years, a reduction achieved by (1) reducing expenditures for its executive management training program by \$480,000 total funds, comprised of reductions of \$23,944 General Fund and \$456,056 cash fund from the Judicial Stabilization Cash Fund. It will then use the freed cash funds to replace \$456,056 of General Fund that is currently appropriated to the Trial Courts program. The combined General Fund reduction is \$480,000. In addition it will reduce its General Fund appropriation for Administration and Technology by \$20,000.

JUD R2 MAGISTRATES: The Judicial Department requests \$2,451,736 General Fund for 8.0 FTE new magistrates and 16.0 FTE support staff. The request adds judicial officers in the eight counties with the most critical need for county court judicial officers as shown in the following table. All of these counties are less than 85 percent fully staffed, based on the Department's court staffing model: In the second year, the cost is \$2,119,675 General Fund. This request is the subject of the third Issue.

JUD R3 ADDITIONAL PROBATION OFFICERS. The Judicial Department requests \$1,128,947 General Fund for 15.9 FTE for Probation Programs for additional probation officers, supervisors, and staff to achieve a statewide staffing level of 89.0 percent.

JUD R4 CONTRACT MANAGEMENT OFFICE: The Judicial Department requests \$480,896 General Fund to add 6.0 FTE who will assist in the procurement and management of judicial-department contracts statewide. The Department plans to assign 4.0 of these FTE to a newly created central contract management unit, while 1.0 FTE would serve as an additional purchasing agent and 1.0 FTE would serve as the Systems Administrator for a new procurement contract management and payment system that a software vendor is currently developing and customizing for the Department. The Department's current contracting and procurement process is decentralized, with most duties assigned to employees in the 22 judicial districts, who must balance their normal programmatic duties with their contract and procurement duties, which include coordinating background checks, verifying insurance requirements, renewing contracts, and maintaining contract records.

JUD R5 Language translators: The Judicial Department requests 1.0 FTE and \$287,798 General Fund for a court translator FTE for the Translation Department at the Department's main Denver office, which currently has 2.0 FTE translators. Of the total cost, \$71,964 is for the new employee and \$210,000 is for additional work by contract translators. Translators translate from English into other languages such things as Judicial Department forms, advisements, waivers, case management orders, handbooks, brochures, flyers, etc.

JUD R6 Adult diversion program expansion: The State Diversion Advisory Committee, acting through the Judicial Department, requests \$473,705 General Fund to increase funding for existing diversion programs across the state and to provide funding to expand a diversion program to an additional district. The program currently receives a \$400,000 General Fund appropriation. Since the passage of H.B. 13-1156, which created and funded the adult diversion grant program, the funding for diversion grants has remained constant at \$400,000 while the number of applications for funding has grown. This request would increase funding for existing programs and allow the expansion of the program to another district.

JUD R7 Class C and D county judge FTE adjustment: The Judicial Department requests \$246,197 General Fund and 1.3 FTE for the Trial Court Programs to fund increased payments to Class C and D county judges that have resulted from (1) caseload/workload growth and (2) a revision to the methodology used to compute the fractional appointments of county judges in small counties. Class C and D counties are the smallest counties in the state.

JUD R8 BEHAVIORAL HEALTH FTE: The Judicial Department requests \$86,610 General Fund and 1.0 FTE for a Court Programs Analyst II position to support the coordination of the Bridges Program throughout the state. This request is the subject of the second Issue.

JUD R9 COURTHOUSE CAPITAL: The Judicial Department requests \$2,273,235 General Fund to address required infrastructure and furnishing needs in county courthouses. Colorado counties provide and maintain courtrooms and other court facilities, while the State provides the furnishings, infrastructure, and court staffing. This request will pay for infrastructure and courthouse furnishings in expanded, remodeled, or new facilities, and for replacement or refurbishment of existing furniture that is no longer useable or will soon become unusable if not repaired. A courthouse capital appropriation appears in the Long Bill every year but the Department does not treat it as a base appropriation off which adjustments are to be made. For FY 2019-20, the General Fund portion of this appropriation equaled \$2,618,698, so this request is in fact a reduction compared with last year's request. As the following table shows, over half this request is the State's portion of the cost of furnishing the new courthouse in Huerfano County that will open in FY20-21. Note that county decisions to open and remodel courts, which are dependent upon county resources, drive this appropriation.

JUD R9 COURTHOUSE CAPITAL								
DISTRICT	LOCATION	PROJECT	ARCHITECT	AUDIO VISUAL	FURNISHING	TECHNOLOGY	NETWORK	TOTAL
2	Denver	Mobile shelving	\$0	0	\$26,500	\$0	\$0	\$26,500
3	Huerfano	New courthouse	235,246	385,531	1,018	303,894	298,666	1,224,355
18	Centennial	New courtroom and other remodel	0	45,000	478,050	15,095	9,570	547,715
19	Weld	Expand conference room	200	4,000	60,700	650	15,670	81,220
19	Weld	Two additional courtrooms	0	1,000	227,100	24,800	23,140	276,040
20	Boulder	Jail courtroom reconfiguration	0	16,000	85,800	0	15,605	117,405
Total			\$235,446	\$451,531	\$879,168	\$344,439	\$362,651	\$2,273,235

JUD R10 IT DATA CENTER EQUIPMENT REPLACEMENT: The Judicial Department requests \$3,304,029 General Fund in FY 2020-21 and \$1,995,079 General Fund in FY 2021-22 for the replacement of critical enterprise IT equipment that is housed in its primary production data center and its disaster recovery center. In FY 2020-21, the Department would replace its IBM iSeries servers and its NetApp storage array servers, while in FY 2021-22 it would replace its virtualized computer servers.

The Department indicates that its midrange iSeries servers are the foundation of its IT infrastructure. They are the primary database servers that store information for all Department case management and e-filing systems, as well as the Colorado Integrated Criminal Justice Information System (CICJIS), public access system, and numerous interagency data exchange systems. The servers were purchased in 2016 with a five year maintenance agreement and must be replaced in FY 2020-21. The Department notes that the industry standard for replacement equipment is every three to five years.

The Department also indicates that the FY 2020-21 replacement of midrange iSeries servers necessitates the upgrade

of two NetApp primary storage array servers, which are also a critical component of the Department's infrastructure and are used to store documents for the Department's case management and e-filing systems and are used to replicate data between the Department's two data centers, minimizing downtime in the event of a data center outage. These storage array servers are also five years old.

The Department also states that in FY 2021-22 it must upgrade its virtualized computer servers which run the Department's IT infrastructure services and applications such as a statewide phone system, statewide authentication and access control, case management and e-filing systems, public and government access system, interagency data exchange systems, and back office systems.

According to the Judicial Department, if its servers are used into their sixth year, which is well above the industry standard, it will increase the Department's risk of hardware failures and service disruption.

JUD R11 TECHNICAL ADJUSTMENTS FOR S.B. 19-108 AND S.B. 19-223: The Judicial Department requests \$166,935 General Fund and 2.1 FTE to correct appropriation errors in S.B.19-108 and S.B.19-223. These are both requests that the Department could have submitted in January 2020 as budget amendments for FY 2020-21 and coupled them with supplemental requests for FY 2019-20. Instead, the FY 2020-21 portion of these requests is being submitted now with the FY 2019-20 supplementals coming in January.

SENATE BILL 19-108 (JUVENILE JUSTICE REFORM) ADJUSTMENT: This bill contains a \$68,598 General Fund, 0.8 FTE appropriated for FY 2019-20 to the *Probation Programs* line item within the Judicial Department. The amount was correct, but the appropriation should have been to the *Trial Court Program* line item. A correction to that FY 2019-20 appropriation will, staff presumes, be requested in January. With this request, the Judicial Department is requesting that the FY 2020-21 annualization of S.B. 19-108 be moved from the Judicial Department's *Probation Programs* line item to the *Trial Court Program* line item.

SENATE BILL 19-223 (ACTIONS RELATED TO COMPETENCY TO PROCEED) ADJUSTMENT: This bill contains an appropriation clause that is inconsistent with the final Legislative Council staff fiscal note. The difference is due to procedural considerations rather than legislative disagreement with the costs identified in the fiscal note. The bill was introduced in the House on April 25, 2019 and passed unamended through the House Judiciary Committee on April 26th. On April 27 the House Appropriations Committee voted unanimously to adopt an amendment that revised the appropriations clause so that it would be consistent with the revised Fiscal Note available on that date. Given the limited time left in the legislative session and the number of bills remaining on the Senate calendar, a return trip to the Senate to resolve differences between the houses could have jeopardize passage. So when the bill came up for second reading in the House on April 29, bill sponsor Rep. Weissman moved that the House reject the Appropriations Committee Report to avoid a trip back to the Senate. The bill then passed House second and third reading unamended and was later signed into law.

Had the House Appropriations Committee amendment to S.B. 19-223 survived, the bill would have contained a FY 2019-20 appropriation to the Judicial Department that was \$173,645 General Fund and 2.1 FTE higher. With this request, the Judicial Department asks for an appropriation of the FY 2020-21 General Fund and FTE annualization of the FY 2019-20 appropriation that should have been in that bill.

JUD R12 OFFENDER TREATMENT & SERVICES CF SPENDING AUTHORITY ADJUSTMENT: The Judicial Department requests an appropriation \$850,102 total funds comprised of \$460,000 cash funds from the Alcohol and Drug Driving Safety Program Fund, \$300,000 cash funds from the Offender Treatment and Services Cash Fund and \$90,102 reappropriated funds for the Offender Treatment and Services appropriation. The \$460,000 cash funds increase will be transferred to Denver County where it will be used to treat probationers, but the transfer will be offset

by a reduction of transfers to Denver from the Offender Treatment and Services Cash fund, which frees those Offender Treatment and Services dollars for use by Judicial's probation department. In addition \$300,000 of Correctional Treatment Cash Fund dollars will be used to develop a cloud-based procure to pay solution to automate and streamline the issuance, delivery and invoicing of probation services agreement and non-agreement orders through a single system The Correctional Treatment Board's FY21 spending plan also includes an additional \$90,102 to fund probation programs that are part of the local treatment board funding projects.

JUD R13 INCREASE SPENDING AUTHORITY FOR FAMILY-FRIENDLY COURT PROGRAM GRANTS: The Judicial Department requests a \$44,057 increase in cash fund appropriations for Family-friendly Court program grants from the Family-friendly Court Program Cash Fund. This increase will help the Department meet the need for court-related child care and for supervised visitation and exchange programs.

Background: The Family Friendly Court Program is funded with a \$1.00 surcharge on traffic violations. It makes grants to judicial districts to help them provide two types of services for people with children: (1) Provide quality child care in or near a courthouse or through vouchers for private childcare services for families attending court proceedings. (2) Provides a location when a parent can spend supervised parenting time with a child and where a child can be transferred from one parent to another. The programs also helps families connect with relevant community services, such as youth mentoring, crime and dropout prevention, employment counseling and training, financial management, legal counseling, and substance abuse programs.

JUD R14 CARR CENTER LEASE ADJUSTMENT/CONTROLLED MAINTENANCE REQUEST: This is a multipart request:

- The Judicial Department requests that (1) its annual cash fund deposit into the Justice Center Maintenance Fund (the "Maintenance Fund") be reduced by \$3,100,000 million (from \$4.6 million to \$1.5 million) and (2) controlled maintenance expenditures from the Maintenance Fund be reduced by \$500,000 from \$1,788,538 to \$1,288,538. The expenditure portion of the request exceeds projected controlled maintenance expenditures by \$437,175. The Department requests this additional spending authority as a precaution in case of an unexpected expenditure, such as the premature failure of an item that is on the controlled maintenance schedule but is not scheduled for replacement for several more years. In all likelihood this additional spending authority will expire unused, but its availability could avoid an interim supplemental for an emergency expenditure or a late-in-the session supplemental.

Background: Senate Bill 18-267 established the Justice Center Maintenance Fund to pay for future controlled maintenance and other maintenance needs of the Carr Justice Center. Appropriations to the Maintenance Fund come from the Justice Center Cash Fund, with appropriations set at a constant level that will pay for fluctuating future maintenance needs that are foreseen in an annual report submitted by the Judicial Department. The FY 2019-20 Long Bill made a large initial deposit (\$4.6 million) into the Maintenance Fund that is to be followed in subsequent years by lower payments. The FY 2019-20 Long Bill also includes a \$1.8 million appropriation from the Maintenance Fund to pay for FY 2019-20 controlled maintenance.

- The Judicial Department requests that its debt service payment on the Carr center be reduced by \$152,690 total funds, comprised of \$109,497 less General Fund, \$152,690 less cash funds, and \$109,497 more reappropriated funds.

Background: The Judicial Department makes regular debt service payments on the Certificates of Participation that financed the building of the Carr Center; these payments will equal \$21.7 million in FY 2020-21 and will last until FY 2045-46. Part of this payment comes from a declining federal subsidy available through the American Recovery

and Reinvestment Act (ARRA), which appears as cash funds in the Long Bill, part is cash funds from other sources, a declining portion is General Fund, and part is reappropriated funds that originate as lease payments by the Department of Law and other state agencies that lease space in the Carr Center.

JUD R15 FLEET VEHICLES: The Judicial Department requests a net decrease of \$2,622 General Fund for vehicle expenses. It requests permission to acquire two leased vehicles through the State Fleet Management program, which will increase the Department's fleet from approximately 39 to 41 vehicles. The new vehicles will be used by employees who currently use personal vehicles for Department business and are compensated for that use at the rate of 51¢ per mile. The increased lease costs will be more than offset by reduced payments to employees; the additional vehicles will allow the Department to reduce its vehicle-related expenditures by an estimated \$2,622 General Fund.

JUD R16 TECHNICAL ADJUSTMENTS: The Judicial Department requests six adjustments that are designed to increase Long Bill transparency. On net, the changes reduce General Fund (GF) appropriations by \$46,631 but there is no real GF decrease because the relevant part of R16 asks that \$46,631 of GF appropriated to the Judicial Department and then transferred as reappropriated funds to the Department of Corrections (DOC) be replaced with a direct GF appropriation to the DOC. The \$500,000 cash funds increase shown for R16 adjusts the Long Bill's informational appropriation to the Office of Attorney Regulations Counsel. Other requested adjustments for R16 move appropriations from one Judicial line item to another in order to more accurately show where appropriations or FTE are used. The additional 1.0 FTE shown for R16 corrects an inaccurate FTE count in the Long Bill. The increase of reappropriated funds shown for F16 reflects increases that are in the Correctional Treatment Board's FY 2020-21 spending plan. This last change may be somewhat more that technical and will be discussed more thoroughly during figure setting.

JUD (UNNUMBERED REQUEST) SALARY SURVEY: The Judicial Department requests \$1,652,028 total funds (\$1,502,423 General Fund) to increase the pay of 1,100 employees in 21 of its job classes by an average 3.8%. The request reflects recommendations in the Department's annual salary survey, which is produced by Segal Waters, a third-party compensation consulting company that also produced the Department's FY 2019-20 Annual Compensation Report. The Segal Waters report found that among the Department's job classes, 21 have salary ranges that are more than three percent below comparable salaries elsewhere. The consultant recommended increases of 2 percent to 10 percent for these job classes. Based on this recommendation, the Judicial Department proposes to increase the salaries of all employees in each of these affected classes by the recommended percentage for the class and also move the salary range for the class upward by the recommended percentage. These salary increases are in addition to the common policy 2 percent merit increases that the Judicial Department requests for all its employees. The merit increase is in place of the 2 percent salary survey increase being requested for Executive Branch agencies.

Requests from Office of the State Public Defender (OSPD)

OSPD R1 OSPD STAFFING NEEDS: The OSPD requests 54.7 FTE and \$5,482,909, General Fund for FY 2020-21, annualized to 59.6 FTE and \$5,467,628 for FY 2021-22 and subsequent years, to address staffing and funding requirements necessary to comply with constitutional, statutory and obligations for indigent defense. When fully staffed, the request includes 36.0 Deputy State Public Defenders, 12.0 Investigators, 9.0 Administrative Assistants and 2.6 Central Office.

OSPD R2 IT: The OSPD requests 2.7 FTE and \$754,745 General Fund for FY 2020-21, annualizing to 3.0 FTE and \$674,975 for FY 2021-22 and subsequent years, to address staffing and funding requirements necessary to support information technology (IT) needs for the Office:

- Impact of electronic discovery on OSPD infrastructure, \$426,470 annually;
- Integration with the Colorado District Attorney's Council (CDAC) eDiscovery system, \$81,390 onetime in FY

2020-21;

- IT Support, 2.7 FTE and \$204,633 in FY 2020-21 annualizing to 3.0 FTE and \$206,253 in FY 2021-22 and subsequent years;
- Security, \$42,252 in FY 2020-21 and on-going.

OSPD R3 SOCIAL WORKERS: The OSPD requests 8.2 FTE and \$551,940 General Fund for FY 2020-21, annualizing to 9.0 FTE and \$543,530 for FY 2021-22 and on-going. The request would fund 1.0 Supervising Social Worker and 8.0 Licensed Social Workers.

OSPD R4 MANDATED COSTS: The OSPD requests an additional \$431,712 General Fund for its Mandated Costs line item for FY 2020-21 and \$519,402 for FY 2021-22 and subsequent years.

Background: Mandated costs are costs associated with activities, events, and services that accompany court cases that are required in statute and/or the U.S. and Colorado Constitutions to ensure a fair and speedy trial, and to ensure the right to legal representation.

OSPD R5 LEASES: The OSPD requests \$431,712 General Fund for FY 2020-21, annualizing to \$519,402 for FY 2021-22 and subsequent years, for lease expense that are increasing due to Colorado's tighter office market.

OSPD R6 GOLDEN COURTROOM STAFFING: The OSPD requests 1.6 FTE and \$115,941 General Fund for FY 2020-21, annualizing to 1.6 FTE and \$103,541 for FY 2021-22 and subsequent years, to address staffing and funding needs for an additional criminal court in the 1st Judicial District. The request includes 1.0 trial attorney FTE, 0.3 investigator FTE and 0.3 administrative staff FTE. When S.B. 19-043 (the Judges bill) was enacted, it included additional funding for the OSPD to staff the criminal courts that were created. Based on information provided by main Judicial, the OSPD believed that the new judgeship in the 1st Judicial District would handle probate cases only, which would not require OSPD staff. The fiscal note for S.B. 19-043 stated that any changes the projected number of criminal courts could alter the OSPD's staffing needs. Shortly after S.B. 19-043 went into effect, the OSPD was notified by the Chief Judge in the 1st Judicial District that their new judge would handle a mixed docket that includes criminal cases. This request is to staff the criminal cases in that court.

Requests from Office of the Alternate Defense Counsel (OADC)

OADC R1 CASELOAD INCREASE: The OADC requests \$4,202,859 General Fund for the Agency's projected caseload increase for FY 2020-21, comprised of \$3,933,370 for its *Conflict-of-interest Contracts* line item and \$269,489 for its *Mandated Costs* line item. The agency projects that its caseload will rise by 10.5% from 27,072 cases in FY 2019-20 to 29,923 in FY 2020-21.

OADC R2 COORDINATOR OF ADJUNCT SERVICES: The OADC requests \$122,049 General Fund and 1.0 FTE to hire a Coordinator of Adjunct Services who will coordinate the work of the contract investigators, paralegals, legal researchers, social workers, and case assistants who work in conjunction with OADC contract attorneys to defend clients. These providers of adjunct services account for 30 percent of the hours billed by OADC contractors; contract attorneys account for the remaining 70 percent. This arrangement saves money by substituting lower priced adjunct time for work that would otherwise be done by higher priced attorneys. Identifying and recruiting providers of these support services takes time and effort, especially in rural areas, time that existing staff cannot spare without diminishing the other important work that they do, according to the OADC. In addition to building and maintaining a list of available contractors, the Adjunct Coordinator would make sure contract attorneys received the most qualified support person at the lowest hourly rate for any given task. Additional Coordinator duties would include maintaining

the OADC's eLibrary, which attorneys draw upon as they prepare cases. The Coordinator would add new material, cull outdated items, and ensure the continuing usefulness of this support resource.

OADC R3 STAFF ACCOUNTANT: The OADC requests \$116,373 and 1.0 FTE to add a Staff Accountant, a position will assist with what the OADC describes as overburdened areas within the Financial Division. The position will assist the Billing Administrator with contractor invoice review, entry corrections, billing correspondence, state warrant reconciliations, and regular billing audits to ensure compliance with OADC payment directives; and assist the Chief Financial Officer with monthly year-end journal entries, CORE budget entries, payroll reconciliations, and OSA audit requests. The position will also help with operational functions within the Division including procurement card tracking, staff and contractor travel coordination, review, process, audit internal reimbursements, cash receipt processing, and office motor pool administration. Two current employees have been handling these function since 1996 and 2004 and the number of transactions they must process has grown by over 400 percent since 2004 due to caseload growth. The OASD worries that it will burn out its two longest tenured staff members unless they receive assistance.

OADC R4 PROGRAMS ANALYST: The OADC requests 1.0 FTE and \$117,653 General Fund to add a Programs Analyst and \$5,000 General Fund for an online analytics software program to be used by the programs analyst. The OADC says that it needs this individual to increase its ability to perform essential analysis of the available data for oversight, evaluations, and forecasting functions.

OADC R5 OPERATING ADJUSTMENTS: The OADC requests \$57,545 General Fund for operating expenses for FY 2020-21, comprised of

Two operating expense increases that will continue in future years:

- \$1,045 for land-line phones in the OADC's offices,
- \$6,500 for 50 Westlaw licenses, which are used by attorney contractors for legal research.

Two one-time, non-base building operating expense increases:

- \$40,000 to build out two additional offices within the Agency's current office space to house the additional FTE who will be added if requests R3 and R4 are approved.
- \$10,000 to integrate an online tool that helps contract attorneys identify, review, and rate experts for OADC cases into the Office's web-based billing system (CAAPS), which contractors also utilize.

OADC R6 COLA-BASED CONTRACTOR HOURLY RATE INCREASE: The OADC requests \$2,383,172 General Fund for a 5 percent rate increase for its contractors. This request is the subject of the first Issue.

OADC (unnumbered request) Salary Increase for the OADC executive director: (This request comes directly from the Office of the Alternative Defense Counsel Commission, which oversees the OADC). The Commission requests an additional General Fund appropriation of \$9,091 for a salary increase for the Executive Director of the OADC. [This sum equals a salary increase of $\$7,449 \times (1 + 10\% + 10.4\% + 1.45\% + 0.19\%)$ for PERA, Medicare, and Short Term Disability.] A Long Bill footnote currently sets the OADC Director's salary equal to the salary of a district court judge (\$173,248 annually for FY 2019-20). The same judicial-salary footnote also sets the salaries of the directors of the Office of the Child's Representative and the Office of the Respondent Parents' Counsel equal to that of a district court judge. However, the salary of the State Public Defender is set by the same footnote equal to that of an associate judge of the Court of Appeals (\$180,697 annually for FY 2019-20, \$184,311 annually for FY 2019-20 if judges receive the 2 percent raise that Main Judicial is requesting). The increase will have to be adjusted to take account of the salary survey increase that the JBC may approve for FY 2020-21.

Members of the Commission have met with JBC staff and, while comparing a list of the duties and responsibilities of the State Public Defender with the duties and responsibilities of the Executive Director of the OADC, have asserted that the work of the OADC Director is sufficiently broad and complex to make it the equivalent of the work of the State Public Defender. As a consequence, the Commission says, the two should be paid equally. The Commission acknowledges that the Office of the State Public Defender has 889 FTE compared to 16 in the Office of the Alternate Defense Counsel, but says that the selection, evaluation, renewal, and termination process for the 700 OADC contractors is as complex a management task as that faced by the State Public Defender. In addition, with the passage of S.B. 18-203, the OADC's responsibilities also include evaluation of attorney contractors who do public defense work for municipalities around the state if those municipalities decide to contract with the OADC for evaluation services. Furthermore, the work that OADC contractors do is the same as that done by attorneys in the Office of the State Public Defender, representing adults and juveniles who are charged with all types of crimes, ranging from death penalty cases to jailable traffic offenses.

Requests from Office of the Childs Representative (OCR)

OCR R1 CASELOAD/WORKLOAD ADJUSTMENT: The OCR requests an increase of \$728,805 General Fund for its Court Appointed Counsel (CAC) appropriation to pay for a projected increase in its caseload and workload.

OCR R2 NEW STAFF ATTORNEY: The OCR requests \$171,858 General Fund and 1.0 FTE for an additional Staff Attorney who will sustain and expand OCR's programming, litigation support, and oversight for contract attorneys. In response to the OCR's 2018 performance audit, the JBC added 2.0 non-attorney FTE to the OCR's staff last year. With this request the OCR seeks to add an additional attorney to its staff, which will increase its attorney count from 4 to 5 (a count that includes the Executive and Deputy Directors). This new attorney would take over some of the tasks currently performed by the Executive and Deputy Director, allowing them to focus more time on planning, coordinating, enhancing, and streamlining OCR's programs. The new staff attorney would also spearhead such projects as the expansion of OCR's litigation support opportunities and the development of supports for case types other than Dependency and Neglect. The new staff attorney would also take on some of the OCR's external committee commitments, allowing more in-depth participation in those committees.

OCR R3 COMMON COMPENSATION PLAN: The OCR requests an additional \$53,230 General Fund to increase the salaries and benefits of three of its employees who, it believes, are paid less than similar employees elsewhere within the Judicial Branch. The salaries of these employees are based on the common compensation plan that was approved by the JBC last year. In two cases, the OCR proposes to change the employee's job classification and increase the salary. In the third case it proposes to move the employee further up the salary range for the class. (*Background:* The common compensation plan was jointly submitted in November 2018 by the OADC, the OCR and the ORPC in response to a 2017 JBC request. As approved by the JBC, the plan establishes salary ranges for the three agencies that are based on salary ranges for comparable jobs in the main Judicial Department, the Executive Branch, and the Office of the State Public Defender.)

OCR R4 MAKE DEPUTY DIRECTOR AND IS MANAGER FULL TIME. The OCR requests \$61,776 General Fund and 0.4 FTE so that the FTE allocation and pay for its Deputy Director and its IS Manager can both be increased from 0.8 FTE to 1.0 FTE, thus converting both from part time to full time.

OCR R5 Increase training: The OCR requests \$20,000 General Fund for training of its contractors. The increase will provide sufficient funding for its training program and make up for a recent loss of federal training dollars (\$20,000 federal funds that primarily supported OCR's annual statewide conference for Guardians ad Litem). Federal and state law require Guardians ad Litem appointed in Dependency and Neglect proceeding to receive training appropriate to the role. The OCR considers adequate training to be a key factor in ensuring high quality representation.

OCR R6 TITLE IV-E FUNDING: The OCR requests authorization to spend up to \$1,481,902 of Reappropriated Title IV-E funds received from the Colorado Department of Human Services (DHS) pursuant to S.B. 19-258. Federal guidance has made clear that these funds must be used to expand and enhance existing attorney services. The OCR states that it "plans to use these dollars to expand and enhance its litigation and social service professional support programs. Through these additional funds, children will benefit from holistic representation by attorneys whose advocacy is informed by the expertise of social service professionals and enhanced by direct assistance from legal experts in topics such as sibling connections and placement, education law, housing, and public benefits." The OCR asks that the new appropriations be included as part of its existing *Operating Expenses* and *Court-appointed Counsel* line items.

Background:

- Title IV-E is the source of federal funding for foster care;
- The Department of Human Services (DHS) is the state's Title IV-E agency;
- S.B. 19-258 is a JBC bill that requires the DHS to claim Title IV-E administrative costs for independent legal representation of children and parents when the child is a candidate for Title IV-E foster care or is in foster care;
- A recent policy change by the U.S. Department of Health and Human Services enables the state to claim legal representation costs;
- Federal reimbursement is deposited in the *Title IV-E Administrative Cost Cash Fund* at DHS and reappropriated to the OCR and the ORPC.

OCR R7 COURT-APPOINTED COUNSEL RATE INCREASE: In conjunction with the OADC and the ORPC, the OCR requests \$1,145,367 to increase the hourly rate paid to its contract attorneys, social service professionals (SSPs), and paralegals by approximately 5 percent. This request is the subject of the first Issue.

Requests from the Office of the Respondent Parents' Counsel (ORPC)

ORPC R1 INCREASE IN NUMBER OF AND COSTS PER APPOINTMENT: The ORPC requests \$2,338,493 General Fund for increases in Court-Appointed Counsel (\$1,902,892) and Mandated Costs (\$435,601) appropriations to pay for projected increases in the number of appointments and costs per appointment.

ORPC R2 COMMON COMPENSATION PLAN—ATTORNEYS: The ORPC requests \$81,043 to increase the salary and benefits of four attorneys on its staff who, it believes, are paid less than similar attorney employees elsewhere within the Judicial Branch. These employees are within the class salary range for staff attorneys in the common compensation plan, but the Office believes they should move up within the range. The ORPC plans to submit a supplemental in January requesting that these increases be funded this year. (*Background:* The common compensation plan establishes salary ranges at the OADC, the OCR and the ORPC that are based on salary ranges for comparable jobs in the main Judicial Department, the Executive Branch, and the Office of the State Public Defender.)

ORPC R3 COMMON COMPENSATION PLAN—OTHER STAFF: The ORPC requests \$55,575 to increase the salary and benefits of four non-attorney staff members who, it believes, are paid less than similar employees elsewhere within the Judicial Branch. In three cases, the Office proposes to change the job classification of the employee and increase the salary. In the fourth case, the Office proposes to move the employee further up within the salary range the employee's job classification.

In addition the ORPC has submitted a letter from the Chairperson for the Office of the Respondent Parents' Counsel, which is appointed by the Chief Justice and has oversight of the ORPC. The letter urges the JBC to "approve

establishing a salary range between a District Court Judge and a Court of Appeals Judge for the ORPC Executive Director, Melissa Thompson." The Letter is reproduced in Appendix I.

ORPC R4 TITLE IV-E LEGAL REPRESENTATION: The ORPC requests authorization to spend up to \$4,528,038 of Reappropriated Title IV-E funds received from the Colorado Department of Human Services (DHS) pursuant to S.B. 19-258, which is approximately 3 times the appropriation sought by the OCR. As noted earlier, federal guidance has made clear that these funds must be used to expand and enhance existing attorney services. The ORPC states that it will use this appropriation to "deliver evidence-based legal interventions to parents and to move the child welfare system so that removal of a child from his or her home is reserved for the most extreme circumstances. A hallmark of such a child welfare system is through allowing parents to have early access to high quality legal representation—with the optimal goal that parents have legal representation from the first moment a family faces child welfare intervention."

The ORPC asks that the new appropriations be presented as an informational appropriation on a new Long Bill line item titled "IV-E Legal Representation." The Office indicates that it will submit a FY 2019-20 supplemental request for this item.

ORPC R5 SOCIAL WORK PILOT PROGRAM CONTINUATION: The ORPC requests \$318,240 to fund the ongoing work of social workers who completed a multiyear Social Worker Pilot Program in three judicial districts. The ORPC asserts that national research has shown that an interdisciplinary model of parent representation in child welfare cases reduces the time that children spend in out of home care and speeds transitions to permanency. An initial assessment of the Social Worker Pilot Program shows similarly positive outcomes that support the continuation of an interdisciplinary model of representation for indigent parents.

ORPC R6 SOCIAL WORK COORDINATOR: The ORPC requests 1.0 FTE and \$130,826 General Fund increase to create the position of Social Worker Outreach Coordinator. The position will promote the ORPC's legislative mandate to improve the quality of appointed legal representation for parents in dependency and neglect proceedings by providing respondent parent attorneys across Colorado with access to social work resources, high quality training, and pilot programs that enhance representation.

ORPC R7 CARRIE ANN LUCAS FELLOWSHIP: The ORPC requests 1.0 FTE and \$173,522 General Fund to create the Carrie Ann Lucas Fellowship, named after Carrie Ann Lucas,¹ a nationally known advocate for disabled parents who worked for the ORPC and died last February after living with a rare form of muscular dystrophy for three decades. Though Ms. Lucas had planned to go into ministry, she changed course and went to law school after struggling to adopt her disabled niece, a 9-year-old then in foster care. Running into resistance due to discrimination based on her own disability, Ms. Lucas successfully fought for adoption with the help of a court-appointed special advocate. The ORPC observes that parents with disabilities in child welfare cases lose their parental rights at higher rates than non-disabled parents and children with disabilities become legal orphans at higher rates than non-disabled children.

To honor Ms. Lucas' memory and to ensure that her work continues, the ORPC requests funding for the creation of the Carrie Ann Lucas Fellowship, which will be filled by the Carrie Ann Lucas Fellow, who will be selected by the ORPC. This Fellow will be a specialist in legal matters related to disabled parents and will

- Write and conduct research on related topics,

¹ Numerous articles on Ms. Lucas are available online, including this NY Times obituary: <https://www.nytimes.com/2019/02/27/obituaries/carrie-ann-lucas-dead.html>.

- Consult with attorneys who represent parents with disabilities or have children with disabilities,
- Help the ORPC recruit and train more attorneys to engage in parent representation, and
- Create and maintain a Carrie Ann Lucas portal on the ORPC website to house information about Ms. Lucas and her work as well as resources for parents with disabilities and those who represent them.

The Carrie Ann Lucas Fellow will be a permanent state employee who receives state benefits. The Fellow will be an attorney whose salary falls in the class range for ORPC staff attorneys. The ORPC has requested an appropriation sufficient to pay the Fellow a salary at the midpoint of the staff-attorney range (\$133,056) so it can hire an experienced attorney.

ORPC R8 CONTRACTOR RATE INCREASE: The ORPC requests \$1,115,181 General Fund, including \$1,048,491 for Court-Appointed Counsel and \$66,690 for Mandated Costs for a 5% increase of the hourly rates paid to contract attorneys, paralegals, investigators, family advocates, and social workers. The ORPC will update the estimate and consider the need to submit a budget amendment as more information becomes available. This request is the subject of the first issue.

ORPC R9 Operating expenses: The ORPC requests \$27,968 additional General Fund for increased operating expenses:

- Renewal at an increased price of the Office's 3-year contract with Westlaw. The ORPC provides Westlaw to its contract attorneys at no charge.
- Renewal at an increased price of the RTD EcoPasses that it provides to its employees, and
- Software licenses for Westlaw Drafting Assistant (used by contract attorneys), SPSS (for statistical analysis), DocuSign (for electronic signing of documents), SkillShare (for training ORPC staff), and Survey Monkey (for conducting internet surveys of ORPC contractors).

The ORPC will submit a FY 2019-20 Supplemental request related to these items.

ORPC R10 Training: The ORPC requests that its appropriation for training be increased by \$46,000 total funds, comprised of \$28,000 General Fund and \$18,000 cash funds. The General Fund increase is to offset the recent loss of grant funds and to pay for the training of an increasing numbers of attorneys and other professionals. The cash fund increase will allow the Office to expend the additional training fees it anticipates collecting. The Office anticipates that it will submit a supplemental request to increase cash fund spending authority in FY 2019-20.

Requests from Office of the Child Protection Ombudsman (OCPO)

OCPO R1 SALARY INCREASES: The OCPO requests \$35,749 General Fund to increase the salaries of six of the eight people it employs. With these increases, the OCPO hopes to improve recruitment and retention of employees. Though the OCPO is not part of the common compensation plan of the OADC, OCR, and ORPC, it sets salaries in a similar manner, identifying Judicial Department job classifications that are appropriate for its own employees and paying salaries within the Judicial Department range for that classification. The OCPO requests funding to move three of its employees up within the salary range for their existing job classification and, recognizing that the responsibilities and requirements of three other employees have grown, requests funding to pay those employees higher salaries corresponding to Judicial Department job classifications with greater responsibility and higher salary ranges.

OCPO R2 EXTERNAL ASSISTANCE WITH COMMUNICATION: The OCPO requests \$42,000 General Fund on an ongoing basis to engage a local communications firm that will help it connect with outside stakeholders and citizens and help make them aware of the CPO's services, its findings, and the guidance it provides. The Agency points to the

Legislature’s stated intent that it provide those involved in the State’s child-protection system with "a well-publicized, easily accessible, and transparent grievance process for voicing their concerns about the child protection system as well as being responsible for responding to those concerns in a timely and appropriate manner." (Section 19-3.3-101 (1)(e), C.R.S.) It also points to its statutory responsibilities “to help educate the public concerning child maltreatment and the role of the community in strengthening families and keeping children safe,” and “to promote best practices and effective programs relating to a publicly funded child protection system” (Section 19-3.3-101 (2)(c) and (d), C.R.S.).

The communications firm that the OCPO intends to engage has developed a strategic plan that will promote the Office to stakeholders and citizens in a low cost but effective fashion that takes advantage of social media, videos, e-newsletters and a training toolkit for professionals and mandatory reports, and other ideas. The OCPO notes that this plan costs about a third as much as a full-time public relations employee.

Requests from the Colorado District Attorneys' Council

CDAC R1 DISTRICT ATTORNEY MANDATED COSTS: The Colorado District Attorney’s Council requests the following increase for *District Attorney Mandated Costs*, a line item that reimburses district attorneys for part of the mandated costs they incur during prosecution. [For more information see Appendix C, Judicial request for information #3.]

DISTRICT ATTORNEYS' MANDATED COSTS REQUEST			
	GENERAL FUND	CASH FUNDS	TOTAL FUNDS
2019-20 Appropriation	\$2,491,686	\$170,000	\$2,661,686
Requested increase	<u>79,851</u>	<u>30,000</u>	<u>109,851</u>
2020-21 Request	\$2,571,537	\$200,000	\$2,771,537
Percent change	3.2%	17.6%	4.1%

Other Judicial Branch Changes

ANNUALIZE PRIOR YEAR BUDGET ACTIONS: The request includes the following adjustments for annualization of prior year budget actions:

ANNUALIZE PRIOR BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2019-20 Merit pay	\$10,845,222	\$10,291,305	\$553,917	\$0	\$0	0.0
FY 2019-20 Salary survey	5,734,170	5,712,825	21,345	0	0	0.0
FY 19-20 JUD R2 Add probation officers and supporting staff	1,195,454	1,195,454	0	0	0	12.5
FY 19-20 OSPD R2 Refinance Denver criminal court grant	15,496	15,496	0	0	0	0.3
FY 19-20 ORPC R2 Staff attorney	6,012	6,012	0	0	0	0.0
FY 19-20 ORPC R4 Programs Analyst	3,733	3,733	0	0	0	0.0
FY 19-20 OSPD R4 IT security	3,686	3,686	0	0	0	0.1
FY 19-20 ORPC R3 Administrative Specialist	3,064	3,064	0	0	0	0.0
FY 19-20 JUD R4 Audio visual technical staff and administrative support	2,258	2,258	0	0	0	0.0
FY 19-20 ORPC R5 Compensation plan alignment	166	166	0	0	0	0.0
FY 19-20 JUD R10 and BA5 Courthouse capital	(4,135,390)	(4,135,390)	0	0	0	0.0
FY 19-20 JUD Salary Survey	(1,142,149)	(1,121,260)	(20,889)	0	0	0.0
FY 17-18 ORPC BA2 Social Worker Pilot Program	(302,640)	(302,640)	0	0	0	0.0
FY 19-20 OADC R3 Operating expense increase	(106,500)	(106,500)	0	0	0	0.0
FY 19-20 OCR R2 Two programs and compliance analyst positions	(90,598)	(90,598)	0	0	0	0.0
FY 19-20 JUD R5 Distance learning specialists	(60,677)	(60,677)	0	0	0	0.0

ANNUALIZE PRIOR BUDGET ACTIONS

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 19-20 OCR R4 Increase Operating Appropriation	(22,857)	(22,857)	0	0	0	0.0
FY 19-20 JUD R7 Centralized Legal Research Team	(13,374)	(13,374)	0	0	0	0.0
FY 19-20 OADC R2 Social worker outreach coordinator	(3,473)	(3,473)	0	0	0	0.0
FY 19-20 OSPD R3 Arapahoe courtroom staffing	(1,658)	(1,658)	0	0	0	0.1
TOTAL	\$11,929,945	\$11,375,572	\$554,373	\$0	\$0	13.0

ANNUALIZE PRIOR YEAR LEGISLATION: The request includes the following adjustments for annualization of prior year legislation:

ANNUALIZE PRIOR LEGISLATION

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
SB 18-200 PERA	\$1,830,971	\$1,742,676	\$88,295	\$0	\$0	0.0
SB 19-043 Increase number of district court judges	500,159	500,159	0	0	0	27.2
HB 19-1263 Offense level for controlled substance possession	433,809	433,809	0	0	0	7.2
HB 19-1229 Preservation of abandoned estate documents	153,377	153,377	0	0	0	0.3
HB 19-1177 Extreme risk protection orders	119,392	119,392	0	0	0	0.0
SB 19-108 Juvenile justice reform	275	275	0	0	0	0.0
HB 19-1310 Interest on orders of restitution	(220,480)	0	(220,480)	0	0	0.0
SB 19-223 Competency to proceed	(182,027)	(182,027)	0	0	0	0.6
HB 19-1045 Office of Public Guardianship	(163,589)	(163,589)	0	0	0	1.5
SB 19-030 Remediating improper guilty pleas	(65,926)	(65,926)	0	0	0	0.3
HB 19-1275 Criminal record sealing	(4,428)	275	(4,703)	0	0	0.0
HB 19-1316 Modernize marriage laws for minors	(2,250)	(2,250)	0	0	0	0.0
SB 18- 203 Conflict free representation in municipal courts	(287)	(287)	0	0	0	0.1
TOTAL	\$2,398,996	\$2,535,884	(\$136,888)	\$0	\$0	37.2

COMMUNITY PROVIDER RATE: The request includes \$366,937 total funds (\$83,005 General Fund) for a one percent community provider rate increase.

NON-PRIORITIZED DECISION ITEMS: The request includes \$73,450 General Fund for the non-prioritized request "OIT Budget Packet."

CENTRALLY APPROPRIATED LINE ITEMS: The request includes the following adjustments to central appropriations:

CENTRALLY APPROPRIATED LINE ITEMS

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Health, life, and dental	\$3,278,608	\$3,258,271	\$20,337	\$0	\$0	0.0
Salary survey for judges	1,501,939	1,501,939	0	0	0	0.0
SAED adjustment	1,239,835	1,266,726	(26,891)	0	0	0.0
AED adjustment	1,061,681	1,088,572	(26,891)	0	0	0.0
CORE adjustment	659,607	659,607	0	0	0	0.0
Payments to OIT adjustment	636,870	636,870	0	0	0	0.0
Short-term disability adjustment	13,469	13,977	(508)	0	0	0.0
Merit pay adjustment	(4,614,459)	(4,420,758)	(193,701)	0	0	0.0
Salary survey adjustment	(4,508,081)	(4,508,081)	0	0	0	0.0
PERA Direct Distribution	(2,069,199)	(2,000,431)	(68,768)	0	0	0.0
Payment to risk management / property funds adjustment	(190,300)	(190,300)	0	0	0	0.0

CENTRALLY APPROPRIATED LINE ITEMS

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Legal services adjustment	(72,360)	(72,360)	0	0	0	0.0
Workers' compensation adjustment	(59,487)	(59,487)	0	0	0	0.0
Vehicle lease payments adjustment	(14,751)	(14,751)	0	0	0	0.0
TOTAL	(\$3,136,628)	(\$2,840,206)	(\$296,422)	\$0	\$0	0.0

**SUMMARY OF ISSUES PRESENTED TO THE
JOINT BUDGET COMMITTEE**

CONTRACTOR RATE INCREASES: The Office of the Alternate Defense Council, the Office of the Child’s Representative, and the Office of the Respondent Parents Council, request a 5 percent increase for the rates that they pay to the attorneys who represent the clients that these agencies serve. They request a similar increase for the paralegals, investigators, social workers and other contractors who support the work of these attorneys. In combination the three requests total \$4,528,209 General Fund. In support of this request, the agencies point to recent salary increases awarded to state employees, the higher billing rates charged by private-sector attorneys, and the higher rates the federal government pays to contract attorneys.

S.B. 18-249 AND S.B. 18-251: During the 2018 session, the General Assembly enacted two bills, S.B. 18-249 and S.B. 18-251, that were designed to help people with mental health problems who become involved in the criminal justice system. The programs those bills created may require some adjustments. The pilot Mental Health Criminal Justice Diversion Grant Program established by S.B. 18-249 has too few participants for a valid assessment of program effectiveness by the time the pilot's final report is due in 2021. To increase program enrollment, the pilot should expand to at least one more jurisdiction without increasing appropriations, which requires statutory change. The Bridges Program established by S.B. 18-251 is having trouble hiring contract Court Liaisons and may need to hire state employees to act as Liaisons. In addition, the Judicial Department has requested an additional staff person for the program.

JUDICIAL OFFICER STAFFING: The Judicial Department has requested \$2,451,736 General Fund for 8.0 FTE new county court magistrates and 16.0 FTE support staff. The request responds to the substantial increase in workload that county courts have recently experienced. The increase became apparent when a 2010 workload study for county court judges was updated in 2018. There may be another surprise staffing shortfall next year when the District Court workload study is updated.

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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 2019-20 appropriation represents approximately 0.8 percent of statewide operating appropriations and 0.2 percent of statewide General Fund appropriations.

FY 2019-20 APPROPRIATION AND FY 2020-21 REQUEST

DEPARTMENT OF LABOR AND EMPLOYMENT						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2019-20 APPROPRIATION:						
SB 19-207 (FY 2019-20 Long Bill)	270,584,244	24,423,131	82,605,146	9,842,733	153,713,234	1,289.0
Other legislation	1,384,865	1,096,752	38,113	250,000	0	3.8
TOTAL	\$271,969,109	\$25,519,883	\$82,643,259	\$10,092,733	\$153,713,234	1,292.8
FY 2020-21 REQUESTED APPROPRIATION:						
FY 2019-20 Appropriation	\$271,969,109	25,519,883	\$82,643,259	\$10,092,733	\$153,713,234	1,292.8
R1 Expand access to work based learning	1,200,000	0	1,200,000	0	0	0.0
R2 My Colorado Journey	750,000	750,000	0	0	0	0.0
R3 School to Work Alliance Program	(191,617)	0	0	(191,617)	0	0.0
R4 Federal Social Security reimbursements	(178,043)	0	0	0	(178,043)	0.0
R5 Business Enterprise Cash Fund spending authority	(200,000)	0	(200,000)	0	0	0.0
R6 0.5 Percent statewide provider rate increase	35,698	34,004	0	0	1,694	0.0
NP1 Annual fleet vehicle request	564	0	564	0	0	0.0
NP2 FY 20-21 OIT budget request package	19,851	994	14,197	0	4,660	0.0
NP4 Paid family leave	545,397	33,965	205,957	0	305,475	0.0
Annualize prior year budget action	(2,650,822)	2,508	(2,650,690)	0	(2,640)	0.3
Annualize prior year legislation	(712,959)	(1,429,314)	249,772	250,000	216,583	0.5
Centrally appropriated line items	(487,352)	(237,105)	(794,999)	(299,485)	844,237	0.0
TOTAL	\$270,099,826	\$24,674,935	\$80,668,060	\$9,851,631	\$154,905,200	1,293.6
INCREASE/(DECREASE)	(\$1,869,283)	(\$844,948)	(\$1,975,199)	(\$241,102)	\$1,191,966	0.8
Percentage Change	(0.7%)	(3.3%)	(2.4%)	(2.4%)	0.8%	0.1%

R1 EXPAND ACCESS TO WORK BASED LEARNING: The Department requests an increase of \$1.2 million cash funds from the Employment Support Fund for FY 2020-21 for training and supportive service costs for work-based learning opportunities and to develop new work-based learning opportunities with businesses. The initiative would distribute \$100,000 to each of the State's ten local workforce boards with an additional \$200,000 total available to the boards for initiatives related to increasing the early childhood educator workforce. The initiative would serve between 240 and 1,200 individuals based on subsidies of \$1,000 to \$5,000 per client. The subsidies would be provided to clients and/or businesses to cover costs of childcare, travel, work equipment and other supports not covered by employers and to provide incentives for businesses to offer paid work-based learning experiences.

R2 MY COLORADO JOURNEY: The Department requests \$750,000 General Fund in FY 2020-21 to support the further develop, maintenance, and success of My Colorado Journey, an online platform that will provide personalized

information to Coloradans to help them make better career and education planning decisions. The Colorado Workforce Development Council has been leading a multi-agency task for comprised of the Department of Higher Education, the Department of Labor and Employment, and the Department of Human Services to envision and develop My Colorado Journey. The website will replace College in Colorado, a counseling tool used by some school districts for which federal funding ended on June 30, 2019.

The new website has been in discussion and development for the last two years, and the initial tool, which is now live at www.mycoloradojourney.com, has thus far been funded through grants. The Department received \$2.3 million in grant support in FY 2019-20 and has \$1.4 million in commitments for FY 2020-21. The website is being developed and targeted for the use of counseling professionals in schools, county workforce centers, and county departments of human services. The vision for this new website is that it will incorporate a cross-departmental “databank” that will ultimately enable the State to track the impact of education and training of Coloradoans on their employment and earnings.

Although the request is for a single year of funding, it appears that ongoing funding of \$1.2 to \$1.5 million will be required from participating departments and/or the General Fund.

R3 SCHOOL TO WORK ALLIANCE PROGRAM : The Department requests a decrease of \$191,617 reappropriated funds from school districts for the School to Work Alliance Program (SWAP) line item to more accurately reflect anticipated spending based on actual expenditures. SWAP currently serves 97 districts and 3,525 special education students (out of the 26,902 special education students in grades 9-12). The Department has continuous spending authority for these reappropriated funds pursuant to Section 8-84-105 (b.5).

R4 FEDERAL SOCIAL SECURITY REIMBURSEMENTS: The Department requests a reduction of \$178,043 in federal fund for the Federal Social Security Reimbursements line item in FY 2020-21 and ongoing. This reduction reflects an anticipated decrease in revenue in federal Social Security Reimbursement for the Ticket to Work Program. These funds are included in the Long Bill for informational purposes only.

R5 BUSINESS ENTERPRISE CASH FUNDS SPENDING AUTHORITY: The Department requests a reduction of \$200,000 in FY 2020-21 and ongoing for the Business Enterprise Program Cash Fund to more accurately reflect the level of actual expenditures for the program. The Department has consistently reverted spending authority in each of the last three fiscal years, so the request reflects “right sizing” of spending authority without unduly constraining the program should expenditures rise unexpectedly in FY 2020-21.

R6 0.5 PERCENT STATEWIDE PROVIDER RATE INCREASE: The Department requests \$35,698 total funds, including \$34,004 federal funds in FY 2020-21, for services provided by the nine independent living centers across the state. This aligns with a proposed statewide provider rate increase of 0.5 percent.

NP1 ANNUAL FLEET VEHICLE REQUEST: The request includes the Department’s share of the Department of Personnel’s annual fleet vehicle request.

NP2 FY 20-21 OIT BUDGET REQUEST PACKAGE. The request includes the Department’s share of the Governor’s Office of Information Technology’s budget package adjustments.

NP4 PAID FAMILY LEAVE: The request includes a proposed statewide common policy increase for paid family leave.

ANNUALIZE PRIOR YEAR BUDGET ACTION: The request includes the second- and later-year impact of prior year budget actions.

ANNUALIZE PRIOR YEAR BUDGET ACTION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2019-20 NP1 DPA postage increase	\$79,000	\$0	\$79,000	\$0	\$0	0.0
FY 2019-20 NP7 Employment First request	11,766	2,506	0	0	9,260	0.3
Annualize FY 2013-14 and FY 2015-16 UI technology initiatives	(2,313,988)	0	(2,313,988)	0	0	0.0
FY 2019-20 R5 Replacement of legacy field audit system for UI	(410,000)	0	(410,000)	0	0	0.0
Annualize prior year salary survey	(17,600)	2	(5,702)	0	(11,900)	0.0
TOTAL	(\$2,650,822)	\$2,508	(\$2,650,690)	\$0	(\$2,640)	0.3

ANNUALIZE PRIOR YEAR LEGISLATION: The request includes the following adjustments for the second-year impact of prior year legislation.

ANNUALIZE PRIOR YEAR LEGISLATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
SB 18-200 Eliminate PERA Unfunded Liability	\$441,498	\$41,380	\$183,535	\$0	\$216,583	0.0
HB 19-1210 Local Government Minimum Wage	75,689	0	75,689	0	0	1.0
SB 19-085 Equal Pay for Equal Work	48,245	48,245	0	0	0	0.6
HB 19-1314 Just Transitions	2,594	2,594	0	0	0	0.2
HB 15-1230 Innovative Industry Workforce Development	(605,407)	(605,407)	0	0	0	(1.3)
HB 19-1107 Employment Support Job Retention Services	(500,000)	(750,000)	0	250,000	0	0.5
SB 19-188 Family and Medical Leave Insurance	(165,488)	(165,488)	0	0	0	(0.5)
HB 19-1025 Limits of Job Criminal Inquiry	(9,452)	0	(9,452)	0	0	(0.1)
SB 19-171 Apprenticeships and Vocational Technical Training	(638)	(638)	0	0	0	0.1
TOTAL	(\$712,959)	(\$1,429,314)	\$249,772	\$250,000	\$216,583	0.5

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

CENTRALLY APPROPRIATED LINE ITEMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Salary survey adjustment	\$1,774,154	\$110,488	\$659,891	\$10,079	\$993,696	0.0
Health, life, and dental adjustment	775,017	69,098	80,501	(1,166)	626,584	0.0
Leased space adjustment	187,166	12,611	75,451	0	99,104	0.0
CORE adjustment	121,447	0	38,992	0	82,455	0.0
AED adjustment	77,124	21,643	(23,733)	(1,824)	81,038	0.0
SAED adjustment	77,124	21,643	(23,733)	(1,824)	81,038	0.0
Indirect cost assessment adjustment	51,479	0	59,045	0	(7,566)	0.0
Short-term disability adjustment	2,116	704	(998)	(58)	2,468	0.0
Capitol Complex leased space adjustment	2,080	0	2,080	0	0	0.0
Shift differential adjustment	233	0	0	0	233	0.0
Payments to OIT adjustment	(3,133,831)	(468,505)	(1,442,878)	(302,688)	(919,760)	0.0
PERA Direct Distribution	(150,605)	(64)	(85,071)	(2,004)	(63,466)	0.0
Workers' compensation adjustment	(107,424)	(4,297)	(30,079)	0	(73,048)	0.0
ALJ adjustment	(98,073)	0	(98,073)	0	0	0.0

CENTRALLY APPROPRIATED LINE ITEMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Legal services adjustment	(44,047)	0	0	0	(44,047)	0.0
Payment to risk management / property funds adjustment	(21,312)	(426)	(6,394)	0	(14,492)	0.0
TOTAL	(\$487,352)	(\$237,105)	(\$794,999)	(\$299,485)	\$844,237	0.0

SUMMARY OF ISSUES PRESENTED TO THE JOINT BUDGET COMMITTEE

FAMILY AND MEDICAL LEAVE INSURANCE: Pursuant to S.B. 19-188, the Family and Medical Leave Insurance Task Force has been meeting to develop recommendations that will be submitted to the General Assembly January 8, 2020. This issue discusses the work of the Task Force to-date.

EMPLOYMENT AND TRAINING AND REQUEST R1: The Department's R1 request would add \$1.2 million from the Employment Support Fund to support work-based learning initiatives at state workforce centers, with \$200,000 of the total focused on addressing the shortage of early childhood educators.

EMPLOYMENT SUPPORT FUND CAP: Current law requires a portion of unemployment insurance premiums be deposited to the Employment Support Fund up to a statutory cap. The Department has not been complying with the provisions of the cap as it is interpreted by legislative staff, and staff recommends the cap be clarified.

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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 2019-20 appropriation represents approximately 0.3 percent of statewide operating appropriations and 0.2 percent of statewide General Fund appropriations.

FY 2019-20 APPROPRIATION AND FY 2020-21 REQUEST

DEPARTMENT OF LAW						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2019-20 APPROPRIATION:						
SB 19-207 (Long Bill)	90,145,714	18,497,361	17,626,348	51,667,911	2,354,094	500.4
Other legislation	2,220,784	220,412	62,129	1,938,243	0	13.1
TOTAL	\$92,366,498	\$18,717,773	\$17,688,477	\$53,606,154	\$2,354,094	513.5
FY 2020-21 REQUESTED APPROPRIATION:						
FY 2019-20 Appropriation	\$92,366,498	18,717,773	\$17,688,477	\$53,606,154	\$2,354,094	513.5
R1 Safe2Tell	129,906	129,906	0	0	0	0.0
R2 Administration section support	353,274	0	0	353,274	0	3.0
R3 Data security and privacy	300,552	148,116	152,436	0	0	1.9
Annualize prior year budget actions	2,692,646	689,725	223,501	1,724,920	54,500	0.7
Annualize prior year legislation	898,715	(118,841)	575,967	435,873	5,716	3.9
Indirect cost assessment	609,228	(58,791)	718,314	(59,717)	9,422	0.0
Non-prioritized request items	305,860	(1,443)	(3,504)	310,558	249	1.6
Technical adjustments	9,168	(174,152)	(221,645)	404,984	(19)	1.0
Centrally appropriated line items	(186,280)	(51,770)	(4,064)	(111,214)	(19,232)	0.0
TOTAL	\$97,479,567	\$19,280,523	\$19,129,482	\$56,664,832	\$2,404,730	525.6
INCREASE/(DECREASE)	\$5,113,069	\$562,750	\$1,441,005	\$3,058,678	\$50,636	12.1
Percentage Change	5.5%	3.0%	8.1%	5.7%	2.2%	2.4%

R1 SAFE2TELL: The request includes \$129,906 General Fund in FY 2020-21 for the Safe2Tell program. This is based on two prior year budget actions. First, the request includes an increase of \$46,756 General Fund to backfill a reduction made in FY 2019-20 as part of the transfer of Safe2Tell dispatch services from the DOL to the Department of Public Safety. Second, the request includes an increase of \$83,150 General Fund related to S.B. 16-193 (Safe2Tell Program New Duties and Annual Report), which included a final appropriation that was lower than the expected costs identified in the fiscal note.

R2 ADMINISTRATION SECTION SUPPORT: The request includes \$353,274 reappropriated funds and 3.0 FTE in FY 2020-21 to address an increased administrative workload resulting from an expansion of responsibilities and increases in staffing across the Department.

R3 DATA SECURITY AND PRIVACY: The request includes \$300,552 total funds, including \$148,116 General Fund, and 1.9 FTE in FY 2020-21 to enhance the Consumer Protection Section's investigation and enforcement efforts in the area of data security and privacy.

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

ANNUALIZE PRIOR YEAR BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 19-20 Salary survey	\$1,971,900	\$501,539	\$193,710	\$1,233,678	\$42,973	0.0
FY 19-20 Merit pay	689,740	157,843	31,184	492,399	8,314	0.0
FY 19-20 BA2 Appellate backlog	24,139	24,139	0	0	0	0.4
FY 19-20 BA6 Additional opioid staff	13,400	13,400	0	0	0	0.2
FY 19-20 BA4 Asst Deputy AG for Water	9,900	9,900	0	0	0	0.1
FY 19-20 BA1 IT asset maintenance	(16,433)	(17,096)	(1,393)	(1,157)	3,213	0.0
TOTAL	\$2,692,646	\$689,725	\$223,501	\$1,724,920	\$54,500	0.7

ANNUALIZE PRIOR YEAR LEGISLATION: The request includes adjustments related to prior year legislation.

ANNUALIZE PRIOR YEAR LEGISLATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
SB 19-218 Sunset medical marijuana	\$382,499	\$0	\$0	\$382,499	\$0	1.8
SB18-200 PERA	258,758	46,207	33,770	173,065	5,716	0.0
SB 19-002 Regulation of student loan servicers	232,055	(115,273)	347,328	0	0	1.6
HB 19-1309 Mobile home park oversight	199,572	0	199,572	0	0	1.1
HB 19-1090 Publicly licensed marijuana companies	64,251	0	0	64,251	0	0.3
HB 19-1242 Board of Pharmacy regulate technicians	62,179	0	0	62,179	0	0.4
SB 19-005 Import prescription drugs from Canada	10,363	0	0	10,363	0	0.1
SB 19-030 Remediating improper guilty pleas	225	225	0	0	0	0.0
SB 19-223 Actions related to competency to proceed	(117,360)	(50,000)	0	(67,360)	0	(0.4)
SB 19-236 Sunset PUC	(93,267)	0	0	(93,267)	0	(0.5)
SB 19-224 Sunset regulated marijuana	(77,722)	0	0	(77,722)	0	(0.5)
HB 19-1230 Marijuana hospitality establishments	(18,135)	0	0	(18,135)	0	0.0
SB 19-166 POST board revoke certification	(4,703)	0	(4,703)	0	0	0.0
TOTAL	\$898,715	(\$118,841)	\$575,967	\$435,873	\$5,716	3.9

INDIRECT COST ASSESSMENT: The request includes adjustments based on the Department's indirect cost assessment plan.

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

NON-PRIORITIZED REQUEST ITEMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
NP1 Natural Resources legal budget request	\$191,881	\$0	\$0	\$191,881	\$0	1.0
NP2 Governor's Energy Office legal budget request	110,864	0	0	110,864	0	0.6
OIT Budget request package	8,560	2,386	1,218	4,707	249	0.0
DPA Annual fleet vehicle request	(5,445)	(3,829)	(4,722)	3,106	0	0.0
TOTAL	\$305,860	(\$1,443)	(\$3,504)	\$310,558	\$249	1.6

TECHNICAL CHANGES: The request includes five technical changes, as detailed in the table below.

TECHNICAL ADJUSTMENTS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Attorney Registration and CLE	\$9,168	\$1,995	\$0	\$7,173	\$0	0.0
Annualize POTS to indirect recoveries	0	(176,166)	0	176,166	0	0.0

TECHNICAL ADJUSTMENTS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Technical adjustment to HB 19-1309	0	0	(221,645)	221,645	0	0.0
Technical adjustment for Medicaid match	0	19	0	0	(19)	0.0
FTE true-up for custodial	0	0	0	0	0	1.0
TOTAL	\$9,168	(\$174,152)	(\$221,645)	\$404,984	(\$19)	1.0

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
Health, life, and dental	\$465,559	\$109,825	\$21,978	\$331,864	\$1,892	0.0
AED	154,129	51,715	17,223	87,900	(2,709)	0.0
SAED	154,129	51,715	17,223	87,900	(2,709)	0.0
Ralph L. Carr Judicial Center leased space	61,136	(3,695)	9,035	45,320	10,476	0.0
Payments to OIT adjustment	42,112	6,248	6,083	26,252	3,529	0.0
CORE adjustment	12,619	3,226	1,799	7,105	489	0.0
Short-term disability	5,240	1,758	586	2,988	(92)	0.0
Salary survey	(657,164)	(160,352)	(43,645)	(435,130)	(18,037)	0.0
Merit pay	(257,809)	(62,223)	1,167	(190,686)	(6,067)	0.0
Payment to risk management / property funds adjustment	(82,819)	(24,514)	(11,762)	(44,731)	(1,812)	0.0
PERA Direct Distribution	(52,674)	(9,617)	(10,096)	(28,352)	(4,609)	0.0
Legal services adjustment	(25,884)	(13,355)	(12,529)	0	0	0.0
Workers' compensation adjustment	(4,322)	(2,501)	(594)	(1,644)	417	0.0
ALJ adjustment	(532)	0	(532)	0	0	0.0
TOTAL	(\$186,280)	(\$51,770)	(\$4,064)	(\$111,214)	(\$19,232)	0.0

The Department's request includes the statewide salary survey increase of 2.0 percent for classified employees, as well as an additional salary survey and merit pay increase for attorneys, as outlined in the table below. The request is based on findings from the 2019 market survey conducted by the Department.

ATTORNEY SALARY SURVEY AND MERIT PAY REQUEST			
ATTORNEY CLASS	TOTAL ADJUSTMENT	SALARY SURVEY	MERIT PAY
Deputies	5.1%	4.0%	1.1%
Firsts	3.6%	2.5%	1.1%
Seniors	3.6%	2.5%	1.1%
Asst. Attorneys General	3.6%	2.5%	1.1%

SUMMARY OF ISSUES PRESENTED TO THE JOINT BUDGET COMMITTEE

MAJOR LITIGATION PENDING AGAINST THE STATE: The Department of Law submits an annual report to the State Controller discussing pending litigation against the State that could have a significant financial impact. The 2019 report includes cases involving the Department of Corrections related to hepatitis C medications for inmates and claim for excessive force; the Department of Health Care Policy and Financing related to the Children's Basic Health Plan, hepatitis C drugs for Medicaid beneficiaries, operations at the Pueblo Regional Center, and the hospital provider fee; the Department of Natural Resources related to water litigation; the Department of Public Health and Environment related to the Heartland Biogas Facility; the Department of Revenue related to tax collections; and the Department of State related to the financing of elections.

OPIOID LITIGATION AND POTENTIAL SETTLEMENT: The Department of Law's Opioid Unit is actively investigating and engaging in litigation against opioid manufacturers, distributors, and retailers that use deceptive marketing and other irresponsible practices that have furthered the opioid epidemic. Department of Law efforts seek to curb those practices, as well as seek monetary damages. While no settlements have been finalized to date, it is likely that any settlement dollars received as the result of opioid litigation would be custodial.

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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 2019-20 appropriation represents approximately 1.1 percent of statewide operating appropriations and 0.4 percent of statewide General Fund appropriations.

FY 2019-20 APPROPRIATION AND FY 2020-21 REQUEST

DEPARTMENT OF LOCAL AFFAIRS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2019-20 APPROPRIATION:						
FY 2019-20 Long Bill (SB 19-207)	341,832,311	42,289,825	204,856,082	12,565,874	82,120,530	184.7
Other legislation	7,252,852	6,426,352	826,500	0	0	5.0
TOTAL	\$349,085,163	\$48,716,177	\$205,682,582	\$12,565,874	\$82,120,530	189.7
FY 2020-21 REQUESTED APPROPRIATION:						
FY 2019-20 Appropriation	\$349,085,163	48,716,177	\$205,682,582	\$12,565,874	\$82,120,530	189.7
R1 Rural Economic Development Initiative funding increase	257,248	257,248	0	0	0	0.0
R2 Field Services staff increase	216,320	0	0	216,320	0	2.7
R3 Affordable housing administrative reappropriation	172,620	0	0	172,620	0	2.0
R4 Crime Prevention Initiative unused funds adjustment	(1,000,000)	(1,000,000)	0	0	0	0.0
R5 Gray & Black Market Marijuana unused funds adjustment	(4,000,000)	0	(4,000,000)	0	0	0.0
R6 Transfer State Demography Office to new line	0	0	0	0	0	(0.0)
R7 Moffat Tunnel District spending authority adjustment	(95,000)	0	(95,000)	0	0	0.0
Annualize prior year budget actions	487,696	(73,763)	109,440	294,571	157,448	0.4
Non-prioritized requests	29,950	6,430	4,531	8,460	10,529	0.0
Technical changes	(408,052)	0	(408,052)	0	0	0.0
Centrally appropriated line items	(682,589)	(407,207)	(287,523)	205,798	(193,657)	0.0
Annualize prior year legislation	(2,728,625)	(3,389,641)	174,787	469,796	16,433	10.0
TOTAL	\$341,334,731	\$44,109,244	\$201,180,765	\$13,933,439	\$82,111,283	204.8
INCREASE/(DECREASE)	(\$7,750,432)	(\$4,606,933)	(\$4,501,817)	\$1,367,565	(\$9,247)	15.1
Percentage Change	(2.2%)	(9.5%)	(2.2%)	10.9%	(0.0%)	8.0%

R1 RURAL ECONOMIC DEVELOPMENT INITIATIVE (REDI) FUNDING INCREASE: The request includes an ongoing increase of \$257,248 General Fund for the Rural Economic Development Initiative (REDI) grant program. The REDI program was established in FY 2015-16 through a Long Bill amendment to provide grants to local governments in rural districts for economic development activities. For fiscal years 2015-16 through 2018-19, the General Assembly appropriated \$750,000 General Fund annually; \$780,000 was appropriated in FY 2019-20. Requests for grants have exceeded the amount of funding available in the last several funding cycles; this request will enable the Department to allocate grants to approximately five additional communities each year or offer higher levels of financial support to each community.

R2 FIELD SERVICES STAFF INCREASE: The request includes an ongoing increase of \$216,971 reappropriated funds transferred from the Energy Impact Grants line item to expand the Division of Local Government's (DLG) field services team by 2.7 FTE in FY 2020-21. This team provides technical assistance and support to local governments, primarily in rural areas, in the form of strategic planning, disaster assistance, fiscal management, and general

government management. The team currently employs eight regional managers and four regional assistants, and has not increased in size in the last decade. The field services team is currently unable to respond to all requests for assistance it receives due to the State's growing population, increasing frequency of natural disasters, and large service area that each staff member covers. The additional staff would allow the team to create a new service region on the Western Slope; new staff would work out of existing space in the Grand Junction office and would not require additional leased space.

R3 AFFORDABLE HOUSING ADMINISTRATION REAPPROPRIATION: The request includes a \$172,620 increase in reappropriated funds from the Affordable Housing Construction Grants and Loans line item to administer the affordable housing program. This funding will allow the Department to utilize the full 3.0 percent of administrative costs associated with the Housing Development Grant (HDG) Fund permitted by statute. The Affordable Housing Grants and Loans line item, the mechanism by which State funds are deposited in the HDG Fund and then continuously appropriated, consists of \$9.2 million General Fund and \$15.3 million from the Marijuana Tax Cash Fund in FY 2019-20. An additional \$7.3 million General Fund will be transferred to the HDG Fund in FY 2020-21 in accordance with H.B. 19-1245. Based on the current funds appropriated, the Division is projecting to be \$172,260 below its administrative cap of 3.0 percent as allowed by statute unless allowable funds are increased per this request.

C-
R4 CRIME PREVENTION INITIATIVE UNUSED FUNDS ADJUSTMENT: The request includes an ongoing General Fund reduction of \$1,000,000 to the Crime Prevention Initiative Small Business Lending ("CCPI Lending") program. The CCPI Lending Program provides loans to specific neighborhoods in Aurora and Colorado Springs representing underserved markets. Annual demand for loans has not met the program appropriation level. Of the \$1,000,000 appropriated annually since FY 2017-18, only \$97,773 and \$281,740 was loaned out in FY 2017-18 and FY 2018-19, respectively. Unexpended dollars in each year remain available to the Department for allocation in future fiscal years. DLG projects that even with strong growth in loan activity, the program will be able to meet future loan demand through the program's September 1, 2023 repeal date without further appropriations.

JBC noted broadening the scope *(can be transferred to the grant side)*
R5 GRAY & BLACK MARKET MARIJUANA UNUSED FUNDS ADJUSTMENT: The request proposes a one-time reduction to the Gray and Black Market Marijuana Enforcement Grant Program of \$4.0 million from the Marijuana Tax Cash Fund. The Gray and Black Grant Program provides grants to local governments, law enforcement agencies, and district attorneys to assist with the enforcement of unlicensed and illegal marijuana cultivation and related crimes. The program receives an annual appropriation of approximately \$6 million and is able to allocate grant funds over two years. Grant spending has not met the program appropriation level; the Department has therefore rolled forward millions of dollars in funding each fiscal year. The one-time reduction is proposed to realign the program's level of funding with actual grant utilization.

R6 TRANSFER STATE DEMOGRAPHY OFFICE TO NEW LINE ITEM: The request proposes a budget-neutral transfer of the State Demography Office (SDO) and related funding from the Department's Division of Local Government to the Executive Director's Office in the FY 2020-21 budget. The SDO does not currently have its own line item in the Long Bill. As a result, this office is difficult for both legislators and state agencies to locate in the current Long Bill organizational structure. The Department wants to significantly increase promotion of the services of the State Demographer and her staff to all state agencies and other potential partners; relocating the SDO in its own line item within the Executive Director's Office is a critical component of broader promotion. The proposed transfer includes 6.0 FTE and related funds in the amount of \$553,291 for personal services and \$14,300 for operating expenses. Rather than report to senior management within the Division of Local Government, the State Demographer would report to the Department's Executive Director.

R7 MOFFAT TUNNEL DISTRICT SPENDING AUTHORITY ADJUSTMENT: The request proposes an ongoing reduction of \$95,000 cash funds for the Moffat Tunnel Improvement District. The Department has served as the custodian of

the District since the adoption of S.B. 96-233. The District owns the Moffat train tunnel and manages leases with Union Pacific Railroad and Century Link; these entities pay the District \$12,000 and \$14,659 per year, respectively. Moneys received from both leases are deposited in the Moffat Tunnel Cash Fund. This line item has only been expending about \$70 annually since FY 2012-13, with an exception in FY 2017-18 when \$5,456 was paid to respond to a Request for Information to the JBC. The proposed reduction will more accurately reflect anticipated future program expenditures.

NON-PRIORITIZED REQUESTS: The request includes adjustments related to non-prioritized requests that originate in the Governor’s Office of Information Technology (OIT) and the Department of Personnel.

NON-PRIORITIZED REQUESTS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
OIT Budget request package	\$27,500	\$7,590	\$4,531	\$9,333	\$6,046	0.0
Paid family leave	11,203	6,720	0	0	4,483	0.0
Annual fleet supplemental true-up	(8,753)	(7,880)	0	(873)	0	0.0
TOTAL	\$29,950	\$6,430	\$4,531	\$8,460	\$10,529	0.0

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
Health, life, and dental adjustment	\$139,971	\$39,027	\$37,339	\$52,269	\$11,336	0.0
CORE adjustment	125,963	39,710	16,775	45,865	23,613	0.0
Legal services adjustment	111,496	287,586	(165,129)	(6,098)	(4,863)	0.0
Capitol Complex leased space adjustment	35,676	19,022	(1,752)	18,911	(505)	0.0
AED adjustment	33,836	1,845	3,918	12,598	15,475	0.0
SAED adjustment	33,836	1,845	3,918	12,598	15,475	0.0
Indirect cost assessment adjustment	3,689	(3,689)	890	5,080	1,408	0.0
Short-term disability adjustment	1,126	18	154	419	535	0.0
Payments to OIT adjustment	(688,526)	(651,700)	(108,781)	236,061	(164,106)	0.0
Salary survey adjustment	(449,759)	(132,230)	(65,215)	(159,664)	(92,650)	0.0
PERA Direct Distribution	(10,942)	(4,013)	(2,825)	(4,729)	625	0.0
Payment to risk management / property funds adjustment	(10,748)	(3,172)	(3,081)	(4,495)	0	0.0
Workers’ compensation adjustment	(8,207)	(1,456)	(3,734)	(3,017)	0	0.0
TOTAL	(\$682,589)	(\$407,207)	(\$287,523)	\$205,798	(\$193,657)	0.0

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

ANNUALIZE PRIOR YEAR LEGISLATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
HB 19-1263 Controlled Substance Possession	\$1,866,208	\$1,866,208	\$0	\$0	\$0	0.9
HB 18-1326 Transition from Institutional Settings	573,240	573,240	0	0	0	0.0
HB 19-1245 Vendor Fee Changes	482,700	42,180	0	440,520	0	6.3
HB 19-1309 Regulation of Mobile Home Parks	213,571	0	213,571	0	0	2.3
SB18-200 PERA	80,765	23,840	11,216	29,276	16,433	0.0
HB 19-1292 Colorado Resiliency Office	18,907	18,907	0	0	0	0.3

ANNUALIZE PRIOR YEAR LEGISLATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
HB 19-1009 Substance Use Disorder Recovery	0	0	0	0	0	0.1
HB 19-1239 2020 Census Outreach	(5,914,016)	(5,914,016)	0	0	0	0.1
SB 18-191 Gaming Impacts Study	(50,000)	0	(50,000)	0	0	0.0
TOTAL	(\$2,728,625)	(\$3,389,641)	\$174,787	\$469,796	\$16,433	10.0

TECHNICAL CHANGES: The request includes one technical reduction of \$408,052 to eliminate funding for Housing Assistance for Persons Transitioning from the Criminal or Juvenile Justice Systems. The source of this funding is an annual transfer of unspent General Fund appropriations from the Department of Public Safety's community corrections programs.

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

ANNUALIZE PRIOR YEAR BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Annualize prior year salary survey	\$768,230	\$226,237	\$109,440	\$275,105	\$157,448	0.0
Annualize NP3/HCPF NP6	14,231	0	0	14,231	0	0.3
Annualize NP1 (IRSS)/HCPF R14	5,235	0	0	5,235	0	0.1
Annualize R4 Census 2020 Funding	(300,000)	(300,000)	0	0	0	0.0
TOTAL	\$487,696	(\$73,763)	\$109,440	\$294,571	\$157,448	0.4

SUMMARY OF ISSUES PRESENTED TO THE JOINT BUDGET COMMITTEE

continued funding

HOUSE BILL 19-1309 AND THE REGULATION OF MOBILE HOME PARKS: House Bill 19-1309 strengthened the rights of mobile home park residents and created the Mobile Home Park Act Dispute Resolution and Enforcement Program and corresponding fund, which provides parties with a means of seeking recourse outside of the courts. The legislation established new responsibilities within the Department of Local Affairs' Division of Housing, such as creating and maintaining a registration database of mobile home parks and administering the complaint program.

HOUSE BILL 19-1245: AFFORDABLE HOUSING FUNDING FROM VENDOR FEE CHANGES: House Bill 19-1245 will more than double the amount of funds managed through the Department's Housing Development Grant Fund by FY 2021-22 through changes in the state's vendor fee structure. The additional revenue will allow the Division of Housing to increase its affordable housing grant and loan activity and provide larger buckets of funding to individual projects. The legislation will result in a significant staffing increase within the Division of Housing.

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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 State militia forces 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 2019-20 appropriation represents approximately 0.4 percent of statewide operating appropriations and 0.1 percent of statewide General Fund appropriations.

FY 2019-20 APPROPRIATION AND FY 2020-21 REQUEST

DEPARTMENT OF MILITARY AND VETERANS AFFAIRS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2019-20 APPROPRIATION:						
FY 2019-20 Appropriation	131,630,851	11,615,507	1,470,429	4,143	118,540,772	2,579.1
TOTAL	\$131,630,851	\$11,615,507	\$1,470,429	\$4,143	\$118,540,772	2,579.1
FY 2020-21 REQUESTED APPROPRIATION:						
FY 2019-20 Appropriation	\$131,630,851	11,615,507	\$1,470,429	\$4,143	\$118,540,772	2,579.1
R1 Western Region One Source service reception and triage	71,534	71,534	0	0	0	0.9
R2 DMVA energy study project	72,870	72,870	0	0	0	0.0
R3 Spending authority National Guard Tuition Assistance	(175,000)	(175,000)	0	0	0	0.0
NP1 DPA annual fleet vehicle request	(29,913)	(17,948)	0	0	(11,965)	0.0
NP2 OIT budget request package	(4,485)	(4,485)	0	0	0	0.0
NP3 Paid family leave	26,574	10,630	0	0	15,944	0.0
Centrally appropriated line items	601,996	184,747	8,481	0	408,768	0.0
Annualize prior year budget actions	3,040	(31,415)	34,455	0	0	0.2
Annualize prior year legislation	58,539	22,420	872	0	35,247	0.0
TOTAL	\$132,256,006	\$11,748,860	\$1,514,237	\$4,143	\$118,988,766	2,580.2
INCREASE/(DECREASE)	\$625,155	\$133,353	\$43,808	\$0	\$447,994	1.1
Percentage Change	0.5%	1.1%	3.0%	0.0%	0.4%	0.0%

R1 WESTERN REGION ONE SOURCE SERVICE RECEPTION AND TRIAGE: The Department requests an increase of \$71,534 General Fund and 0.9 FTE in FY 2020-21, annualizing to \$73,043 General Fund and 1.0 FTE in FY 2021-22, for a program assistant to be located at the front desk of the Western Region One Source. This person will serve as a triage specialist to direct and guide customers to the resources provide by State, federal and community partners, as well as assist the Division Director and State VSO with daily administrative tasks and program support.

R2 DMVA ENERGY STUDY PROJECT: The Department requests one-time funding of \$72,870 General Fund to enable the Department to perform an energy study to inform and guide the future investment of State and federal dollars for energy efficiency and renewable energy projects at DMVA facilities. The study follows the recommendation of a Colorado Energy Office energy feasibility study of DMVA facilities completed in 2016.

R3 SPENDING AUTHORITY NATIONAL GUARD TUITION ASSISTANCE: The request includes a \$175,000 General Fund reduction to the appropriation to the National Guard Tuition Assistance Fund based on current spending trends and projected future need for the program, which provides tuition assistance for current members of the Colorado National Guard. The request reduces the appropriation from the current appropriation of \$1,596,157 General Fund.

NP1 DPA ANNUAL FLEET VEHICLE REQUEST: The request includes a reduction of \$29,913 total funds for vehicle lease payments, consistent with the Department of Personnel's common policy request for vehicle lease payments.

NP2 OIT BUDGET REQUEST PACKAGE: The request includes a reduction of \$4,485 General Fund for the Department's share of requests in the Governor's Office of Information Technology.

NP3 PAID FAMILY LEAVE: The request includes an increase of \$26,574 to implement paid family leave in this department, reflecting a common policy proposed by the Executive Branch.

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

CENTRALLY APPROPRIATED LINE ITEMS					
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	FEDERAL FUNDS	FTE
Health, life, and dental adjustment	\$245,901	\$27,524	\$995	\$217,382	0.0
Salary survey adjustment	234,066	89,643	3,487	140,936	0.0
Payments to OIT adjustment	80,681	80,681	0	0	0.0
AED adjustment	55,724	24,251	1,346	30,127	0.0
SAED adjustment	55,724	24,251	1,346	30,127	0.0
CORE adjustment	19,157	19,157	0	0	0.0
Shift differential adjustment	4,005	0	0	4,005	0.0
Short-term disability adjustment	2,212	944	50	1,218	0.0
Leased space adjustment	1,898	1,898	0	0	0.0
Indirect cost assessment adjustment	1,162	0	1,162	0	0.0
Payment to risk management / property funds adjustment	(60,535)	(60,535)	0	0	0.0
Legal services adjustment	(14,909)	(14,909)	0	0	0.0
PERA Direct Distribution	(11,872)	(2,974)	95	(8,993)	0.0
Workers' compensation adjustment	(10,057)	(4,023)	0	(6,034)	0.0
Capitol Complex leased space adjustment	(1,161)	(1,161)	0	0	0.0
TOTAL	\$601,996	\$184,747	\$8,481	\$408,768	0.0

ANNUALIZE PRIOR YEAR LEGISLATION: The request includes an increase of \$58,539 total funds for the third-year impact of S.B. 18-200 (Modification to PERA to Eliminate Unfunded Liability).

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

ANNUALIZE PRIOR YEAR BUDGET ACTIONS					
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	FEDERAL FUNDS	FTE
FY 2019-20 R2 Western Region Director and One Stop	\$3,217	(\$31,238)	\$34,455	\$0	0.1
Annualize prior year salary survey	0	0	0	0	0.0
FY 2019-20 R1 CFMO FTE and Vehicle	(177)	(177)	0	0	0.1
TOTAL	\$3,040	(\$31,415)	\$34,455	\$0	0.2

SUMMARY OF ISSUES PRESENTED TO THE JOINT BUDGET COMMITTEE

WESTERN REGION ONE SOURCE AND REQUEST R1: The Western Region OneSource is a new state facility in Grand Junction designed to bring together, under one roof, multiple government, nonprofit, and other organizations that serve veteran needs. The facility opened in May 2019 but leased space has been slow to fill. There are currently 4.0

FTE state staff at the facility. The Department's request R1 proposes to add an additional 1.0 FTE for service reception and triage.

REQUEST OVERVIEW AND R3 NATIONAL GUARD TUITION ASSISTANCE: The Department's Request R3 reduces funding for the National Guard Tuition Assistance Program by \$175,000 General Fund. This reduction contributes to the Department's small overall request for a 1.1 percent General Fund increase for FY 2020-21.

ACCESS TO FEDERAL VETERANS' BENEFITS: Veterans represent almost 1 in 10 Colorado adults. Federal Veterans Administration outlays for Colorado totaled \$3.6 billion in FFY 2018, including funding for pensions, disability payments, medical, educational, and other benefits. The new VA MISSION act could increase the likelihood that Colorado veterans will be able to benefit from VA medical services.

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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 Department's FY 2019-20 appropriation represents approximately 1.0 percent of statewide operating appropriations and 0.4 percent of statewide General Fund appropriations.

FY 2019-20 APPROPRIATION AND FY 2020-21 REQUEST

DEPARTMENT OF NATURAL RESOURCES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2019-20 APPROPRIATION:						
SB 19-207 (Long Bill)	307,613,503	33,464,597	239,942,706	7,523,560	26,682,640	1,489.9
Other legislation	30,206,010	10,000,000	20,206,010	0	0	6.0
TOTAL	\$337,819,513	\$43,464,597	\$260,148,716	\$7,523,560	\$26,682,640	1,495.9
FY 2020-21 REQUESTED APPROPRIATION:						
FY 2019-20 Appropriation	\$337,819,513	43,464,597	\$260,148,716	\$7,523,560	\$26,682,640	1,495.9
R1 Electronic oil and gas filing system	147,840	0	147,840	0	0	0.0
R2 Improve public safety through avalanche forecasting	337,697	0	337,697	0	0	3.0
R3 South Platte River water accounting coordinator	96,309	96,309	0	0	0	1.0
R4 Accounting and procurement staff	288,323	0	0	288,323	0	3.0
R5 True-up orphaned well and emergency spending authority	(1,761,000)	0	(1,761,000)	0	0	0.0
R6 CPW legal services	191,880	0	191,880	0	0	0.0
R7 Water conservation specialist	116,524	0	116,524	0	0	1.0
R8 Watershed and flood protection specialist	0	0	0	0	0	1.0
R9 Optimize inactive mines program spending authority	0	0	0	0	0	0.0
R10 True-up coal program spending authority	(164,500)	0	(34,545)	0	(129,955)	(1.0)
R11 Vehicle for water commissioner	6,208	6,208	0	0	0	0.0
Centrally appropriated line items	4,517,155	696,532	3,468,411	206,404	145,808	0.0
Non-prioritized decision items	544,305	109,319	517,165	(83,325)	1,146	0.0
Technical adjustments	313,118	0	163,118	0	150,000	1.0
Indirect cost assessment	(295,091)	750,241	(243,114)	(750,241)	(51,977)	0.0
Annualize prior year budget actions	(1,015,729)	(1,165)	(1,013,819)	0	(745)	1.0
Annualize prior year legislation	(27,661,900)	(9,925,719)	(17,771,346)	19,133	16,032	7.0
TOTAL	\$313,480,652	\$35,196,322	\$244,267,527	\$7,203,854	\$26,812,949	1,512.9
INCREASE/(DECREASE)	(\$24,338,861)	(\$8,268,275)	(\$15,881,189)	(\$319,706)	\$130,309	17.0
Percentage Change	(7.2%)	(19.0%)	(6.1%)	(4.2%)	0.5%	1.1%

R1 ELECTRONIC OIL AND GAS FILING SYSTEM: The request, from the Oil and Gas Conservation Commission (OGCC), includes an increase of \$147,840 cash funds from the Oil and Gas Conservation and Environmental Response Fund in FY 2020-21 for the development of an electronic filing system to manage hearing applications. The table above reflects a zero-dollar appropriation because the appropriation is located in the Payments to OIT line item in the Executive Director's Office. The request includes a FY 2019-20 supplemental request to be submitted in January for \$83,710 cash funds, and ongoing annual subscription fees of \$35,640.

R2 IMPROVE PUBLIC SAFETY THROUGH AVALANCHE FORECASTING: The Department requests an increase of \$337,697 from the Severance Tax Operational Fund and 3.0 FTE for the Colorado Avalanche Information Center (CAIC) to improve public safety for recreationalists and the traveling public. The request includes funding for three backcountry avalanche forecasters and three leased vehicles equipped for winter travel.

R3 SOUTH PLATTE RIVER WATER ACCOUNTING COORDINATOR: The Department requests an increase of \$96,309 General Fund and 1.0 FTE for the Division of Water Resources to hire a Water Accounting Coordinator for the South Platte River Basin (SPRB). The Department states that water accounting duties in the SPRB have exceeded the capacity of current staff, which increases the risk of injury to water rights holders and noncompliance with water compact agreements. Ongoing costs will annualize to \$91,606 in FY 2021-22 and beyond.

R4 ACCOUNTING AND PROCUREMENT SUPPORT STAFF: The Department requests an increase of \$288,323 reappropriated funds and 3.0 FTE for the Executive Director's Office to address ongoing and increasing workload in its Accounting and Procurement offices. The request addresses a 50.8 percent increase in accounting transactions over the past ten years without any increases in FTE. The request also addresses a 30.4 percent increase in procurement orders without any increases in FTE. The Department anticipates that additional FTE will result in higher productivity and better customer service.

R5 TRUE-UP ORPHANED WELL AND EMERGENCY SPENDING AUTHORITY: The request includes a \$1.8 million cash funds decrease from the Oil and Gas Conservation and Environmental Response Fund equal to an 8.75 percent decrease in the overall OGCC program budget. The request proposes a \$1.2 million decrease to the Plugging and Reclaiming Abandoned Wells line item (Orphaned Well Program) and a \$0.6 million decrease to the Emergency Response line item.

R6 CPW LEGAL SERVICES: The Department requests an increase of \$191,880 in ongoing cash spending authority to the Executive Director's office to support 1,800 hours of additional legal support for Colorado Parks and Wildlife. The legal support is required for a wide variety of legal issues, including a growing volume of Colorado Open Records Act requests.

R7 WATER CONSERVATION SPECIALIST: The request includes an increase of \$115,524 cash funds from the Colorado Water Conservation Board's (CWCB) Construction Fund and 1.0 FTE for the CWCB's Water Supply Planning Section beginning in FY 2020-21. The CWCB has determined that the one position currently dedicated to water conservation programming is insufficient for the volume of work need to meet water conservation goals. The CWCB anticipates that the requested FTE will provide improved vision and guidance on how to enhance and expand the state's current water conservation programs. Ongoing costs will annualize to \$111,821 in FY 2021-22 and beyond.

R8 WATERSHED AND FLOOD PROTECTION SPECIALIST: The Department requests a budget neutral reallocation of \$108,643 in cash funds spending authority from the CWCB Intrastate Water Management and Development line item to the CWCB Personal Services and Operating Expenses line items to support the addition of 1.0 FTE for the Watershed and Flood Protection section. The additional FTE is intended to bring staff capacity in line with the workload. The Department anticipates that the new FTE will assist with flood planning, mitigation, and recovery, thereby enhancing public safety, property protection, and watershed health. Ongoing costs will annualize to \$103,940 in FY 2021-22 and beyond.

R9 OPTIMIZE INACTIVE MINES PROGRAM SPENDING AUTHORITY: The request includes a budget neutral line item consolidation in the Division of Reclamation, Mining, and Safety's Inactive Mines Reclamation Program (IMRP). The request consolidates the Legacy Mine Hydrology Projects, Reclamation of Forfeited Mine Sites, and Emergency Response Costs line items into the Inactive Mines Program Costs line item. As a part of the request, the Department

requests legislation to eliminate statutory transfers from the Severance Tax Operational Fund to IMRP cash funds that would no longer be necessary.

R10 TRUE-UP COAL PROGRAM SPENDING AUTHORITY: The request includes a decrease of \$164,500 total funds, including a decrease of \$34,545 cash funds from the Severance Tax Operational Fund and a decrease of \$129,955 federal funds and a decrease of 1.0 FTE in the Coal Land Reclamation program. This request reflects an ongoing reduction and elimination of a permanently vacant position to better align staff and funding with changes in the coal industry.

R11 VEHICLE FOR WATER COMMISSIONER: The Department requests an increase of \$6,203 for the lease of one state vehicle for the Division of Water Resources (DWR). The vehicle will be used by the La Plata water commissioner to complete an essential requirement of their job and allow DWR to meet increased water administration requirements under the La Plata Compact. The La Plata water commissioner had previously used a personal vehicle for largely seasonal administration with less travel needs. The Department seeks a leased vehicle for the La Plata water commissioner as a way of lifting the financial burden of personal vehicle travel and maintenance associated with increased travel needs.

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	2,705,764	413,165	2,146,257	79,629	66,713	0.0
Health, life, and dental	1,436,219	27,148	1,162,632	206,029	40,410	0.0
Legal services	284,499	128,495	160,970	(20,539)	15,573	0.0
Paid family leave	209,401	31,979	166,095	6,163	5,164	0.0
AED	165,294	10,065	140,040	5,728	9,461	0.0
SAED adjustment	165,294	10,065	140,040	5,728	9,461	0.0
Payments to OIT	90,831	23,607	151,460	(80,877)	(3,359)	0.0
Leased space	89,266	22,690	68,642	130	(2,196)	0.0
Capitol Complex leased space	70,159	13,184	35,637	13,686	7,652	0.0
Short-term disability	6,332	3,574	1,771	523	464	0.0
Shift differential	3,914	0	3,914	0	0	0.0
ALJ	(615)	0	(615)	0	0	0.0
Workers' compensation	(80,115)	43,087	(114,800)	(4,106)	(4,296)	0.0
PERA Direct Distribution	(136,856)	(32,923)	(98,301)	(4,380)	(1,252)	0.0
Payment to risk management / property funds adjustment	(185,492)	(7,768)	(173,939)	(2,890)	(895)	0.0
CORE	(306,740)	10,164	(321,392)	1,580	2,908	0.0
TOTAL	\$4,517,155	\$696,532	\$3,468,411	\$206,404	\$145,808	0.0

NON-PRIORITIZED DECISION ITEMS: The request includes an increase of \$544,305 total funds, including \$109,319 General Fund, for items requested by other agencies that impact this department. The table details each non-prioritized decision item for FY 2020-21.

NON-PRIORITIZED DECISION ITEMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
NP1 FY 20-21 OIT Budget Request	358,533	91,841	346,237	(81,389)	1,844	0.0
DPA Annual fleet vehicle request	185,772	17,478	170,928	(1,936)	(698)	0.0
TOTAL	\$544,305	\$109,319	\$517,165	(\$83,325)	\$1,146	0.0

TECHNICAL ADJUSTMENTS: The request includes an increase of \$313,118 cash and federal funds for technical adjustments to the following line items.

TECHNICAL ADJUSTMENTS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	FEDERAL FUNDS	FTE	
Depreciation Lease-Equivalent Payments	163,117	0	163,117	0	0.0	
CWCB FTE FEMA Supported	150,000	0	0	150,000	1.0	
CPW Beaver Park Dam Loan	1	0	1	0	0.0	
TOTAL	\$313,118	\$0	\$163,118	\$150,000	1.0	

INDIRECT COST ASSESSMENT ADJUSTMENT: The request includes a decrease of \$295,091 total funds, including an increase of \$750,241 General Fund, to the Department’s indirect cost assessments to its various divisions.

ANNUALIZE PRIOR YEAR BUDGET ACTIONS: The request includes adjustments for the second year impact of prior year legislation.

ANNUALIZE PRIOR YEAR BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 19-20 R4 Capital Development	94,801	0	94,801	0	0	1.0
Annualize prior year salary survey	(2,359)	(1,165)	(449)	0	(745)	0.0
FY 19-20 R5 Cameo SRA	(7,309)	0	(7,309)	0	0	0.0
FY 19-20 Oil and Gas FTE	(12,321)	0	(12,321)	0	0	0.0
FY 19-20 R2 Additional Oil and Gas Staffing	(20,191)	0	(20,191)	0	0	0.0
FY 19-20 BA2 Additional Oil and Gas Inspectors	(44,350)	0	(44,350)	0	0	0.0
FY 17-18 R2 Digital Radio Replacement	(1,024,000)	0	(1,024,000)	0	0	0.0
TOTAL	(\$1,015,729)	(\$1,165)	(\$1,013,819)	\$0	(\$745)	1.0

ANNUALIZE PRIOR YEAR LEGISLATION: The request includes adjustments for the second year impact of prior year legislation.

ANNUALIZE PRIOR YEAR LEGISLATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
SB 19-181 Protect Public Welfare Oil and Gas	1,067,979	0	1,067,979	0	0	7.0
SB18-200 PERA	650,121	99,281	515,675	19,133	16,032	0.0
SB 19-221 CWCB Projects	(19,355,000)	0	(19,355,000)	0	0	0.0
SB 19-212 State Water Plan	(10,000,000)	(10,000,000)	0	0	0	0.0
HB 19-1045 Veterans Entrance Fee	(25,000)	(25,000)	0	0	0	0.0
TOTAL	(\$27,661,900)	(\$9,925,719)	(\$17,771,346)	\$19,133	\$16,032	7.0

SUMMARY OF ISSUES PRESENTED TO THE JOINT BUDGET COMMITTEE

DEPARTMENT REQUESTS – R1, R5, R9, AND R10: The Department's FY 2020-21 budget request includes two request items from the Oil and Gas Conservation Commission and two request items from the Division of Reclamation, Mining, and Safety. These requests include an increase of \$147,840 cash funds for an electronic filing system to better manage the hearings process for oil and gas hearings applications, two decreases in spending authority totaling \$1.9 million for budget alignment with recent actual expenditures, and one budget neutral request for line item consolidation to increase program expenditure efficiency and flexibility.

R2 ADDITIONAL STAFF FOR THE COLORADO AVALANCHE INFORMATION CENTER: The Department requests an increase of \$337,697 and 3.0 FTE for the Colorado Avalanche Information Center to improve public safety for recreationalists and the traveling public. The request includes 3.0 additional backcountry avalanche forecasters and three vehicles equipped for winter travel. This briefing issue provides an in-depth look at the request and some context regarding avalanche risk in Colorado.

SEVERANCE TAX OPERATIONAL FUND UPDATE – S.B. 19-016: Senate Bill 19-016, Severance Tax Operational Fund Distribution Methodology, made changes to the Severance Tax Operational Fund distribution process. This informational issue brief summarizes the changes made in the bill.

FOLLOW-UP ON DEPARTMENT OF REVENUE FY 2018-19 RFI – RESOURCES FOR SEVERANCE TAX REPORTING: The Department of Revenue submitted its response to a 2018 Long Bill Request for Information (RFI) as required on November 1, 2018. The response included statutory recommendations and additional funding recommendations, but none were included in the Department of Revenue's budget request. The JBC did not take action on the Department's RFI response for FY 2019-20. This issue brief follows up on the RFI response as it relates to unresolved severance tax data reporting and tax data reporting problems generally by the Department of Revenue and its GenTax tax administration information system.

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Department of Personnel

The Department of Personnel is responsible for administering the state personnel system, which includes approximately 32,000 full time equivalent (FTE) staff, excluding the Department of Higher Education. In addition, the Department provides general support services for state agencies which include: oversight of procurement and financial activities and CORE operations; state archives; maintenance of Capitol Complex buildings, provision of central business services, and management of the State's motor vehicle fleet; administrative law judge services; coordination of capital construction and controlled maintenance projects and centralized lease management; administration of the State's personnel selection, classification, compensation, and employee benefit programs; and oversight of the State's liability, property, and workers' compensation insurance programs. The Department's FY 2019-20 appropriation represents approximately 0.6 percent of statewide operating appropriations and 0.1 percent of statewide General Fund appropriations.

FY 2019-20 APPROPRIATION AND FY 2020-21 REQUEST

DEPARTMENT OF PERSONNEL						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2019-20 APPROPRIATION:						
SB 19-207 (Long Bill)	\$210,322,472	\$14,980,606	\$16,939,500	\$178,402,366	\$0	426.7
Other legislation	727,130	652,790	0	74,340	0	0.0
TOTAL	\$211,049,602	\$15,633,396	\$16,939,500	\$178,476,706	\$0	426.7
FY 2020-21 REQUESTED APPROPRIATION:						
FY 2019-20 Appropriation	\$211,049,602	\$15,633,396	\$16,939,500	\$178,476,706	\$0	426.7
R1 Paid family leave	0	0	0	0	0	0.0
R2 Telematics for state fleet vehicles	404,643	0	0	404,643	0	1.0
R3 CORE information security audit finding	79,376	0	0	79,376	0	0.0
R4 Streamlining electronic document processing	15,910	3,605	0	12,305	0	0.0
R6 Technical correction SB 19-135 appropriation	0	0	0	0	0	0.0
R7 Unused authority for license plate registrations	(1,000,000)	0	(1,000,000)	0	0	0.0
R8 Collections services refinance and restructure	(1,284,435)	166,394	(1,763,923)	313,094	0	(23.4)
R9 Postage spending authority reduction	(3,000,000)	0	0	(3,000,000)	0	0.0
R10 Statewide planning services unused spending authority	(980,000)	(980,000)	0	0	0	0.0
Centrally appropriated line items	1,918,431	536,229	(287,485)	1,669,687	0	0.0
Annualize prior year budget action	1,356,828	298,993	(2,104)	1,059,939	0	0.0
Annualize prior year legislation	297,091	56,057	139,254	101,780	0	0.0
Technical adjustments	70,033	39,110	30,923	0	0	0.0
Nonprioritized request items	36,494	7,647	105	28,742	0	0.0
Subtotal	\$208,963,973	\$15,761,431	\$14,056,270	\$179,146,272	\$0	404.3
OPERATING COMMON POLICY PROGRAMS ADJUSTMENTS						
Property program	\$2,874,729	\$0	\$0	\$2,874,729	\$0	0.0
R5 Annual fleet vehicle request	1,416,155	0	0	1,416,155	0	0.0
Capitol complex program	377,785	0	32,188	345,597	0	0.0
CORE program	0	0	(763,776)	763,776	0	0.0
Workers Compensation program	(1,345,961)	0	0	(1,345,961)	0	0.0
Liability program	(346,570)	0	0	(346,570)	0	0.0
Subtotal	\$2,976,138	\$0	(\$731,588)	\$3,707,726	\$0	0.0
TOTAL	\$211,940,111	\$15,761,431	\$13,324,682	\$182,853,998	\$0	404.3
INCREASE/(DECREASE)	\$890,509	\$128,035	(\$3,614,818)	\$4,377,292	\$0	(22.4)
Percentage Change	0.4%	0.8%	(21.3%)	2.5%	n/a	(5.2%)

R1 PAID FAMILY LEAVE: The Department request includes an increase of \$10.0 million total funds statewide, including \$5.5 million General Fund and \$4.5 million from various other sources, to provide agencies with funding for state employees utilizing up to eight weeks of paid family leave in FY 2020-21. The request increases to \$10.3 million total funds including \$5.7 million General Fund in FY 2021-22. This request provides additional funding for those employed by agencies in critical positions—positions that must remain filled at all times—including work centers open 24 hours a day and 7 days a week, direct care positions, and hourly non-exempt positions. If funded as requested, the Department would reimburse state agencies for the actual difference between the amount paid to the employee on leave and the cost to ensure his or her duties and/or shifts are fulfilled. *For more information on this request, please see the issue on page 23 of the JBC Staff Budget Briefing for Statewide Compensation from November 12, 2019.*

R2 TELEMATICS FOR STATE FLEET VEHICLES: The request includes an increase of \$404,643 reappropriated funds and 1.0 FTE in FY 2020-21 for the installation and ongoing support of telematics units in all fleet vehicles managed by the Department's State Fleet Management Program. The Department will work with its vendor to retrofit the existing fleet over the next four fiscal years, targeting a quarter of the fleet each year. New vehicles will be delivered to assigned agencies with telematics devices already installed. The Department is seeks 1.0 FTE to manage the data, provide change management associated with the information, and communicate with agency fleet managers.

R3 CORE INFORMATION SECURITY AUDIT FINDING: The request includes an increase of \$79,376 reappropriated funds to implement policies recommended by the Office of the State Auditor as part of the Statewide Single Audit Fiscal Year Ended June 30, 2017. The audit included three findings related to information security of data maintained in the Colorado Open Resource Engine (CORE), i.e., the state's IT system for financial accounting and payroll. The Department was able to resolve two of the findings quickly but, is seeking funding to address the third finding. Specifically the audit recommended working with the Department's "Service Organization" for CORE, CGI, to ensure that the Service Organization Control report which covers the CGI managed components of the CORE system contains database layer controls over financing reporting.

R4 STREAMLINING ELECTRONIC DOCUMENT PROCESSING: The Department requests and increase of \$15,910 total funds, including \$3,605 General Fund and \$12,305 reappropriated funds in FY 2020-21 to expand the usage of DocuSign to the Colorado State Employees Assistance Program (C-SEAP) intake forms and for electronic processing of contracts by the Department's procurement and contracts unit.

R6 TECHNICAL CORRECTION SB 19-135 APPROPRIATION: The Department requests a technical correction moving funding for SB 19-135 (State Procurement Disparity Study) from the Operating Expenses line item in (5) Division of Accounts and Control (B) Procurement and Contracts, to the (5) Division of Accounts and Control (B) Procurement and Contracts, Personal Services line item in order to comply with statute when making vendor payments in both FY 2019-20 and FY 2020-21. The Department requests rollforward authority of the FY 2019-20 funding as timing of the vendor payments is undetermined.

R7 UNUSED AUTHORITY FOR LICENSE PLATE REGISTRATIONS: The request includes a reduction of \$1.0 million in cash funds spending authority in FY 2020-21 and ongoing for the Disability Investigational and Pilot Support Procurement program based on the program's recent and anticipated expenditures, which averaged \$375,000 in FY 2014-15 and FY 2015-16 and ranged from \$4,000 to \$62,000 in subsequent years. House Bill 11-1216 (Disability Benefit License Plate Numbers) established the License Plate Auction Group within the Governor's Office to market and manage the sale of uniquely valuable license plate numbers. Senate Bill 13-276 transferred the program to the Department of Personnel, which included the interest earnings from Breast and Cervical Cancer Prevention and Treatment fund and a fund balance of approximately \$1.1 million, the basis for the initial appropriation. Finally, H.B. 16-1362 (License Plate Auction Transfer Disability Benefit) transferred the License Plate Auction Group to the

Department of Personnel from the Governor's Office; among other changes, it also renamed the program and group the Colorado Disability Funding Committee, and the Department's request includes renaming the line item to reflect statute.

R8 COLLECTIONS SERVICES REFINANCE AND RESTRUCTURE : The request includes a net decrease of \$1,284,435 total funds and 23.4 FTE, which consists of a decrease of \$1,763,923 cash funds and an *increase* of \$166,394 General Fund and \$313,094 reappropriated funds, in FY 2020-21 and FY 2021-22 to address operational challenges encountered due to recent changes in state and federal policy. The Department is also requesting a net decrease of \$677,373 total funds in FY 2019-20, including an increase of \$1,499,330 General Fund and \$276,814 cash funds offset by a decrease of \$2,453,517 cash funds. The Department describes the request as a programmatic refinance and restructure of the Central Collections Services (Central Collections) program within the Division of Accounts and Control to refocus the program on the utilization of federal and State tax offsets. The Department expects the restructuring of Central Collections will allow for better customer service and continue debt collection on behalf of agencies through private collection agents and intercepts. Currently, the program has numerous vacancies, which allows for the migration from 28.0 FTE to 4.3 FTE, to occur with minimal layoff costs. With the reduction in staff, the program intends on collecting enough revenue to meet expenditures. Should the program experience additional collection limitations in the future, the Department will be forced to request additional General Fund or consider shutting down Central Collections altogether.

R9 POSTAGE SPENDING AUTHORITY REDUCTION: The request includes a reduction of \$3,000,000 reappropriated funds spending authority in FY 2020-21 and ongoing for the Integrated Document Solutions Postage line item to more closely align spending authority with the volume of use. Appropriations to other state agencies remain unaffected. Additional funding for Postage was approved for FY 2018-19 and FY 2019-20 based on projected growth in correspondence made to clients of Colorado Benefits Management System (CBMS). Those projections used processes in effect at the time the request was written, however, in the interim the Program worked with CBMS to reduce postage costs by adjusting the printing process and envelope size.

R10 STATEWIDE PLANNING SERVICES UNUSED SPENDING AUTHORITY: The request includes a one-time reduction of \$980,000 General Fund for the Office of the State Architect's Statewide Planning Services in FY 2020-21. The State developed this program pursuant to S.B. 15-270 (Create Office of State Architect) which directed the State Architect to assist state agencies to complete master plans to inform capital construction decisions. Since its creation in 2015, the Statewide Planning Services program receives an appropriation of \$1,000,000 per fiscal year, with the statutory authority to roll forward unspent funding from each year, for up to a total of three fiscal years, as specified in the footnotes of each Long Bill. Planning is a long-term process which can create a gap between project completions and payments.

Statewide Planning is applied to multiple state agencies and the impact of the one-time reduction to the Statewide Planning Services appropriation may affect departments that could forgo a variety of planning tasks related to facilities ranging from 500,000 to 750,000 square feet. Tasks potentially impacted include: the development of Facility Program Plans, Facility Condition Assessments, cost estimates, land surveys, title work, space plan test fits, historic assessments, structural analysis, environmental testing, or conceptual development plans depending on individual agency needs as represented to us on an ongoing basis.

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

CENTRALLY APPROPRIATED LINE ITEMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Payments to OIT	\$732,963	\$212,623	\$67,159	\$453,181	\$0	0.0
Salary survey	605,834	234,943	28,977	341,914	0	0.0
Indirect cost assessment	605,291	0	22,236	583,055	0	0.0
Capitol Complex leased space	121,914	520,458	(76,843)	(321,701)	0	0.0
Health, life, and dental	85,506	91,862	(211,901)	205,545	0	0.0
Legal services	62,949	101,615	22,186	(60,852)	0	0.0
CORE	59,673	17,110	5,501	37,062	0	0.0
Paid family leave	52,681	0	1,195	51,486	0	0.0
AED	11,907	33,812	(41,409)	19,504	0	0.0
SAED	11,907	33,812	(41,409)	19,504	0	0.0
Leased space escalator	2,175	0	0	2,175	0	0.0
Indirect cost allocation	0	(605,291)	0	605,291	0	0.0
Payment to risk management / property funds	(346,223)	(93,876)	(32,789)	(219,558)	0	0.0
Workers' compensation	(53,687)	(14,314)	(5,127)	(34,246)	0	0.0
PERA Direct Distribution	(32,406)	2,513	(23,201)	(11,718)	0	0.0
Shift differential	(1,356)	0	0	(1,356)	0	0.0
ALJ	(643)	0	(643)	0	0	0.0
Short-term disability	(54)	962	(1,417)	401	0	0.0
TOTAL	\$1,918,431	\$536,229	(\$287,485)	\$1,669,687	\$0	0.0

ANNUALIZE PRIOR YEAR BUDGET ACTION: The request includes a net increase of \$1,356,828 total funds, including an increase of \$298,993 General Fund, for adjustments related to prior year budget actions as outlined in the following table.

ANNUALIZE PRIOR YEAR BUDGET ACTION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY19-20 Printing and mailing for DRIVES counties	\$1,032,160	\$0	\$0	\$1,032,160	\$0	0.0
FY15-16 Total compensation vendor	300,000	300,000	0	0	0	0.0
FY13-14 Employee engagement survey	116,700	116,700	0	0	0	0.0
FY 19-20 DPS costs for Capitol Security	27,779	0	0	27,779	0	0.0
FY19-20 IDS Increased input costs	8,012	8,012	0	0	0	0.0
FY18-19 Capitol portraits restoration	(125,000)	(125,000)	0	0	0	0.0
Prior year salary survey	(2,823)	(719)	(2,104)	0	0	0.0
TOTAL	\$1,356,828	\$298,993	(\$2,104)	\$1,059,939	\$0	0.0

ANNUALIZE PRIOR YEAR LEGISLATION: The request includes a net increase of \$297,091 total funds, including an increase of \$56,057 General Fund, for adjustments related to prior year legislation as outlined in the following table.

ANNUALIZE PRIOR YEAR LEGISLATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
SB18-200 PERA	\$151,747	\$58,847	\$7,254	\$85,646	\$0	0.0
SB13-276 Disability investigational pilot program	82,000	0	82,000	0	0	0.0
HB13-1286 Suspend state recovery audits	50,000	0	50,000	0	0	0.0
HB19-1090 Publicly licensed marijuana companies	9,900	0	0	9,900	0	0.0
HB19-1230 Marijuana hospitality establishments	4,790	0	0	4,790	0	0.0
SB19-186 Expand ag chemical management	2,000	0	0	2,000	0	0.0

ANNUALIZE PRIOR YEAR LEGISLATION

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
SB19-220 Align hemp regulation with fed	2,000	0	0	2,000	0	0.0
HB19-1278 Uniform election modification	(2,790)	(2,790)	0	0	0	0.0
SB18-1267 Tax credit for home retrofit	(1,356)	0	0	(1,356)	0	0.0
HB19-1085 Grants for property tax, heat, rent	(1,200)	0	0	(1,200)	0	0.0
TOTAL	\$297,091	\$56,057	\$139,254	\$101,780	\$0	0.0

TECHNICAL ADJUSTMENTS: The request includes several adjustments to reflect refinancing General Fund with reappropriated funds, it also includes an increase of \$70,033 General Fund for a contractual obligation for digital storage utilized by it.

NONPRIORITIZED REQUEST ITEMS: The request includes an increase of \$36,494 total funds, including \$7,647 General Fund, for adjustments related to requests made by other Departments that affect the budget of the Department, which are summarized below:

NONPRIORITIZED REQUEST ITEMS

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
OIT Budget request package	\$27,578	\$7,647	\$2,585	\$17,346	\$0	0.0
DPA Annual fleet vehicle request	5,555	0	(2,480)	8,035	0	0.0
NP Creation of contract management office	3,361	0	0	3,361	0	0.0
TOTAL	\$36,494	\$7,647	\$105	\$28,742	\$0	0.0

PROPERTY PROGRAM: The request includes an increase of \$2.9 million reappropriated funds based on the amount of payments anticipated to be required to be paid by the property program for property policies.

R5 ANNUAL FLEET VEHICLE REQUEST: The request includes a \$1.4 million increase in reappropriated funds for the Vehicle Replacement Lease/Purchase line item for the Fleet Management Program. The request is to replace 740 fleet vehicles statewide, including 325 designated as potential alternative fuel or hybrid vehicles. The request includes a \$143,012 increase in agency appropriations statewide for Vehicle Lease Payments line items that includes an estimated \$167,012 decrease in General Fund. Fund splits in individual agencies are estimated based on prior year appropriations.

CAPITOL COMPLEX PROGRAM: The request includes an increase of \$377,785 total funds, including \$32,188 cash funds and \$345,597 reappropriated funds, for anticipated utilities costs for the Capitol Complex program.

CORE PROGRAM: The request includes a decrease of \$763,776 cash funds offset by an equal amount of reappropriated funds for CORE Operations base adjustments for the Payments for CORE and Support Modules line item. This adjustment refinances the fund source from the Supplier Database Cash Fund (cash funds) to state agency user fees (reappropriated funds).

WORKERS' COMPENSATION PROGRAM: The request includes a decrease of \$1.3 million reappropriated funds associated with the Workers' Compensation program to adjust the base. Changes include a reduction of \$1.0 million reappropriated funds for the payment of claims anticipated by the contractual actuary, \$0.2 million reduction to the third-party administrator fees and loss control line item, and \$0.1 million for the Excess policy line item.

LIABILITY PROGRAM: The request includes a decrease of \$346,750 reappropriated funds based on the Department's estimated payments required to be paid to reduce liability for injuries and damages affecting state agencies.

SUMMARY OF ISSUES PRESENTED TO THE JOINT BUDGET COMMITTEE

R5 ANNUAL FLEET VEHICLE REQUEST: The request includes a \$1.4 million increase in reappropriated funds for the Vehicle Replacement Lease/Purchase line item for the Fleet Management Program. The request is to replace 740 fleet vehicles statewide, including 325 designated as potential alternative fuel or hybrid vehicles. The request includes a \$143,012 increase in agency appropriations statewide for Vehicle Lease Payments line items that includes an estimated \$167,012 decrease in General Fund. Fund splits in individual agencies are estimated based on prior year appropriations.

R2 TELEMATICS FOR STATE FLEET VEHICLES: The request includes an increase of \$404,643 reappropriated funds and 1.0 FTE in FY 2020-21 for the installation and ongoing support of telematics units in all fleet vehicles managed by the Department's State Fleet Management Program. The Department will work with its vendor to retrofit the existing fleet over the next four fiscal years, targeting a quarter of the fleet each year. New vehicles will be delivered to assigned agencies with telematics devices already installed. The Department is seeks 1.0 FTE to manage the data, provide change management associated with the information, and communicate with agency fleet managers.

JBC STAFF ANALYST:

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Department of Public Health and Environment

The Department of is responsible for responsible for protecting and improving the health of the people of Colorado and ensuring the quality of Colorado's environment. The Department's FY 2019-20 appropriation represents approximately 1.9 percent of statewide operating appropriations and 0.5 percent of statewide General Fund appropriations.

FY 2019-20 APPROPRIATION AND FY 2020-21 REQUEST

DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2019-20 APPROPRIATION:						
SB 19-207 (Long Bill)	\$599,298,241	\$54,757,339	\$194,092,921	\$47,469,142	\$302,978,839	1,361.6
Other legislation	16,839,571	4,419,868	10,597,828	1,821,875	0	20.7
TOTAL	\$616,137,812	\$59,177,207	\$204,690,749	\$49,291,017	\$302,978,839	1,382.3
FY 2020-21 REQUESTED APPROPRIATION:						
FY 2019-20 Appropriation	\$616,137,812	59,177,207	\$204,690,749	\$49,291,017	\$302,978,839	1,382.3
R1 Stationary sources program resources	2,417,371	0	2,417,371	0	0	19.4
R2 Immunization outreach	2,500,000	2,500,000	0	0	0	0.0
R3 Sustaining essential administrative services	559,864	0	0	559,864	0	4.3
R4 Technical reductions to spending authority	(6,301,844)	0	(5,299,346)	(1,002,498)	0	(1.0)
R5 Laboratory facility maintenance	301,593	0	0	301,593	0	0.0
R6 Statewide 0.5% provider rate increase	47,325	34,506	9,142	3,677	0	0.0
R7 Eliminate duplicative waste grease program	(100,890)	0	(100,890)	0	0	(0.7)
R8 External boards support reduction	(44,007)	(44,007)	0	0	0	0.0
Non-prioritized decision items	(73,970)	0	(20,126)	(13,620)	(40,224)	0.0
Annualize prior year budget actions	2,034,255	(316,333)	580,995	372,696	1,396,897	(3.8)
Annualize prior year legislation	1,234,507	(821,593)	1,648,323	97,954	309,823	(1.1)
Centrally appropriated line items	393,493	1,302,053	1,228,291	(3,703,127)	1,566,276	0.0
Other technical adjustments	288,311	(89,345)	362,468	15,188	0	0.0
Indirect cost adjustments	(6,910,570)	0	(4,065,923)	103,345	(2,947,992)	0.0
TOTAL	\$612,483,250	\$61,742,488	\$201,451,054	\$46,026,089	\$303,263,619	1,399.4
INCREASE/(DECREASE)	(\$3,654,562)	\$2,565,281	(\$3,239,695)	(\$3,264,928)	\$284,780	17.1
Percentage Change	(0.6%)	4.3%	(1.6%)	(6.6%)	0.1%	1.2%

R1 STATIONARY SOURCES PROGRAM RESOURCES: The request includes an increase of \$2,417,371 cash funds and 19.4 FTE in FY 2020-21 to expand the Air Pollution Control Division's capacity for oil and gas compliance, enforcement, permitting, and ambient air quality monitoring. The request is predicated on the assumption that the U.S. Environmental Protection Agency will declare the Denver Metro/North Front Range air quality monitoring region to be in serious non-attainment with 2008 ozone standards. This request would annualize to \$2,579,392 cash funds and 24.9 FTE in FY 2021-22 and subsequent fiscal years. The request includes legislation and the Department has requested the JBC sponsor this legislation.

R2 IMMUNIZATION OUTREACH: The request includes \$2,500,000 General Fund in FY 2020-21 and \$1,500,000 General Fund in FY 2021-22 to fund both a statewide media campaign and a grant program local public health agencies (LPHAs). The goal of both programs is to increase vaccination rates in counties with low kindergarten measles, mumps and rubella (MMR) coverage.

R3 SUSTAINING ESSENTIAL ADMINISTRATIVE SERVICES: The request includes an increase \$559,864 in reappropriated funds and 4.3 FTE for FY 2020-21. These positions, which are currently funded by the Preventative Health and Health Services Block Grant from the Center for Disease Control, will be funded by indirect cost recoveries within the Department. Refinancing the funding for these administrative positions will provide a stable funding source for positions the Department considers essential, and allow federal block grant dollars to be focused on issues that align with the departments SMART Act goals.

R4 TECHNICAL REDUCTIONS TO SPENDING AUTHORITY: The request includes a reduction of \$6,301,844 total funds, including \$5,299,346 cash funds and \$1,002,498 reappropriated funds, and 1.0 FTE for FY 2020-21. The Department has had significant reversions for ten programs over the last several years, this request will align spending authority with forecasted expenditures

R5 LABORATORY FACILITY MAINTENANCE: The request includes an increase of \$301,593 reappropriated funds for FY 2020-21 to complete repairs required to keep the State Laboratory building and equipment in good repair. This request is born from a facility audit conducted by a third-party firm hired by the Department to assess the condition of the facility and identify the necessary repairs.

R6 STATEWIDE 0.5% PROVIDER RATE INCREASE: The request includes an increase of \$47,325 total funds, including \$34,506 General Fund, for a 0.5 percent provider rate increase for local public health agencies.

R7 ELIMINATE DUPLICATIVE WASTE GREASE PROGRAM: The request includes a reduction of \$100,890 cash funds and 0.7 FTE for FY 2020-21 and subsequent fiscal years to eliminate the Waste Grease Program in the Hazardous Materials and Waste Management Division. The Division and Department have identified this program as duplicative with local municipal programs. The request requires legislation to implement and the Department has requested the JBC sponsor this legislation.

R8 EXTERNAL BOARDS SUPPORT REDUCTION: The request includes a reduction of \$44,007 in General Fund spending authority for FY 2020-21 by eliminating support for two external boards: the Stroke Advisory Board and the Colorado Coroners Standards and Training Board. Both boards receive assistance from the Health Facilities and Emergency Medical Services Division in the form of the awarding of contracts and other administrative duties. Some of these Department duties were established in HB 14-1380 and the decision item requests that the Joint Budget Committee sponsor legislation that would remove statutory requirements of support from the Department.

NON-PRIORITIZED DECISION ITEMS: The request includes a decrease of \$73,790 total funds for adjustments related to budget requests from the Department of Personnel for its annual fleet vehicle request and the Governor’s Office of Information Technology package of request items for FY 2020-21.

NON-PRIORITIZED DECISION ITEMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
OIT Budget request package	\$6,380	\$0	\$0	\$6,380	\$0	0.0
DPA Annual fleet vehicle request	(80,350)	0	(20,126)	(20,000)	(40,224)	0.0
TOTAL	(\$73,970)	\$0	(\$20,126)	(\$13,620)	(\$40,224)	0.0

ANNUALIZE PRIOR YEAR BUDGET ACTIONS: The request includes adjustments for the second- and third-year impact of prior year budget actions.

ANNUALIZE PRIOR YEAR BUDGET ACTIONS							
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE	
FY 19-20 salary survey	\$3,463,514	\$521,165	\$1,172,756		\$372,696	\$1,396,897	0.0
FY 19-20 R7 Tribal liaison	276	276	0		0	0	0.0
FY 19-20 R4 Local public electronic health records	(837,774)	(837,774)	0		0	0	(3.5)
FY 16-17 BA5 Marijuana health research grants	(558,840)	0	(558,840)		0	0	(0.3)
FY 19-20 R8 Assisted living residence	(32,921)	0	(32,921)		0	0	0.0
TOTAL	\$2,034,255	(\$316,333)	\$580,995		\$372,696	\$1,396,897	(3.8)

ANNUALIZE PRIOR YEAR LEGISLATION: The request includes adjustments for the second- and third-year impact of prior year legislation.

ANNUALIZE PRIOR YEAR LEGISLATION							
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE	
SB 19-198 Continued management of waste tires	\$3,037,500		\$0	\$3,037,500	\$0	\$0	0.0
SB 18-200 PERA	672,815	100,269	263,812	64,300	244,434	0.0	
SB 19-227 Harm reduction substance use disorders	599,773	(125,227)	725,000	0	0	0.1	
HB 19-1133 Child abuse response and evaluation network	279,059	279,059	0	0	0	(0.2)	
SB 19-195 Child and youth behavioral system enhancements	108,840	108,840	0	0	0	0.2	
HB 18-1006 Infant newborn screening	100,344	0	100,344	0	0	0.0	
HB 19-1237 Licensing behavioral health entities	77,361	11,972	0	0	65,389	1.0	
SB 19-186 Expand agricultural chemical management program protect surface water	33,654	0	0	33,654	0	0.4	
HB 19-1261 Climate action plan to reduce pollution	33,301	33,301	0	0	0	0.5	
HB 19-1010 Freestanding emergency departments licensure	29,155	0	29,155	0	0	0.1	
HB 19-1203 School nurse grant program	9,947	0	9,947	0	0	0.2	
SB 19-096 Collect long-term climate change data	6,249	6,249	0	0	0	0.3	
SB 19-236 Sunset public utilities commission	4,459	4,459	0	0	0	0.2	
SB 19-218 Sunset medical marijuana program	889	0	889	0	0	0.0	
HB 19-1122 Maternal mortality review committee	610	610	0	0	0	0.0	
HB 19-1032 Comprehensive human sexuality education	0	0	0	0	0	0.0	
SB 19-008 Substance use disorder treatment in criminal justice system	0	0	0	0	0	0.2	
SB 19-228 Substance use disorders prevention measures	(2,000,000)	0	(2,000,000)	0	0	(0.9)	
SB 19-073 Statewide system of advance medical directives	(810,581)	(810,581)	0	0	0	(0.3)	
HB 17-1306 Test lead in public schools' drinking water	(396,385)	0	(396,385)	0	0	(1.2)	
HB 19-1064 Victim notification criminal proceedings	(300,000)	(300,000)	0	0	0	0.0	
HB 19-1031 Child patient more than one primary caregiver	(95,831)	0	(95,831)	0	0	0.0	
HB 19-1279 Protect public health firefighter safety regulation PFAS	(55,278)	(55,278)	0	0	0	(0.7)	
HB 19-1174 Out-of-network health care services	(23,385)	(23,385)	0	0	0	(0.2)	
HB 19-1160 Mental health facility pilot program	(19,877)	(19,877)	0	0	0	(0.4)	
SB 19-188 Family medical leave insurance program	(17,004)	(17,004)	0	0	0	(0.1)	
HB 19-1183 Automated external defibrillators in public places	(15,000)	(15,000)	0	0	0	0.0	
SB 19-065 Peer assistance EMS provider	(13,926)	0	(13,926)	0	0	(0.1)	
HB 19-1203 School nurse grant program	(12,182)	0	(12,182)	0	0	(0.2)	
TOTAL	\$1,234,507	(\$821,593)	\$1,648,323	\$97,954	\$309,823	(1.1)	

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

CENTRALLY APPROPRIATED LINE ITEMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Health, life, and dental	\$1,866,228	\$633,327	\$426,290	\$144,493	\$662,118	0.0
Paid family leave	429,684	70,006	144,125	44,893	170,660	0.0
AED	301,274	129,545	28,023	22,068	121,638	0.0
SAED	301,274	129,545	28,023	22,068	121,638	0.0
Leased space	100,557	0	0	100,557	0	0.0
Legal services	57,298	0	0	57,298	0	0.0
Short-term disability	11,509	4,530	1,451	892	4,636	0.0
Capitol Complex leased space	2,310	0	0	2,310	0	0.0
Shift differential	328	621	(351)	(194)	252	0.0
Payments to OIT	(1,179,011)	428,536	1,073,753	(3,623,208)	941,908	0.0
Salary survey	(1,011,408)	(112,376)	(386,811)	(111,798)	(400,423)	0.0
CORE	(179,939)	0	0	(179,939)	0	0.0
PERA Direct Distribution	(143,964)	18,319	(86,212)	(19,920)	(56,151)	0.0
Payment to risk management / property funds	(113,956)	0	0	(113,956)	0	0.0
Workers' compensation	(32,830)	0	0	(32,830)	0	0.0
ALJ	(15,861)	0	0	(15,861)	0	0.0
TOTAL	\$393,493	\$1,302,053	\$1,228,291	(\$3,703,127)	\$1,566,276	0.0

OTHER TECHNICAL ADJUSTMENTS: The request includes the following technical adjustments.

OTHER TECHNICAL ADJUSTMENTS					
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FTE
Contaminated sites operating and maintenance	\$300,000	\$0	\$300,000	\$0	0.0
Transfer to DOL for CERCLA related costs	62,468	0	62,468	0	0.0
Building maintenance and repair escalator	15,188	0	0	15,188	0.0
Reallocation of General and reappropriated funds	0	0	0	0	0.0
Correct fund split birth defects program	0	0	0	0	0.0
Depreciation-lease Equivalent Payments	(89,345)	(89,345)	0	0	0.0
TOTAL	\$288,311	(\$89,345)	\$362,468	\$15,188	0.0

INDIRECT COST ADJUSTMENTS: The request includes a net reduction of \$6,910,570 total funds in the Department's indirect cost assessment.

SUMMARY OF ISSUES PRESENTED TO THE JOINT BUDGET COMMITTEE

R1 STATIONARY SOURCES PROGRAM RESOURCES: The Department requests \$2,417,371 cash funds from the Stationary Sources Control Fund, created in Section 25-7-114.7 (2)(b)(I), C.R.S., and 19.4 FTE for FY 2020-21. The request would annualize to \$2,579,392 cash funds and 24.9 FTE in FY 2021-22 and beyond. These resources would be appropriated to the Air Pollution Control Division and would be split between permitting, oil and gas inspections, enforcement, and ambient air monitoring.

ADMINISTRATIVE PROGRAMMATIC ADJUSTMENTS: The Department submitted several decision items that are administrative in nature. This briefing issue summarizes and discusses the R3, R4, R5, and R7 requests for FY 2019-20 as they relate to the Administration subdivision, the Laboratory Services Division, and the Environmental Divisions.

R2 IMMUNIZATION OUTREACH: The United States is currently experiencing a measles outbreak, with 1,261 cases reported so far in 2019. The Department is requesting \$2.5 million General Fund in FY 2020-21 and \$1.5 million in out years to target and raise the state's measles, mumps, and rubella (MMR) vaccination rate among kindergarteners.

VAPING AND AMENDMENT 35 REVENUE: Teen vaping has been a topic of increasing interest in recent years, while grant funding for tobacco related programs have been in decline. This issue brief address the impacts of the rise of vaping along with the declining revenue from tobacco sales.

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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 2019-20 appropriation represents approximately 1.6 percent of statewide operating appropriations and 1.4 percent of statewide General Fund appropriations.

FY 2019-20 APPROPRIATION AND FY 2020-21 REQUEST

SUMMARY: FY 2019-20 APPROPRIATION & FY 2020-21 REQUEST

DEPARTMENT OF PUBLIC SAFETY						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2019-20 APPROPRIATION:						
SB 19-207 (Long Bill)	525,284,726	166,729,963	236,387,781	52,086,756	70,080,226	1,894.5
Other legislation	2,105,231	(621,815)	2,222,035	505,011	0	9.6
TOTAL	\$527,389,957	\$166,108,148	\$238,609,816	\$52,591,767	\$70,080,226	1,904.1
FY 2020-21 REQUESTED APPROPRIATION:						
FY 2019-20 Appropriation	\$527,389,957	166,108,148	\$238,609,816	\$52,591,767	\$70,080,226	1,904.1
R1 Performance-based contracting	231,041	231,041	0	0	0	2.0
R2 Additional resources for school safety	453,987	0	453,987	0	0	4.0
R3 State recovery section	314,722	314,722	0	0	0	4.0
R4 Criminal justice training fund	120,000	0	120,000	0	0	0.0
R5 Technical correction for HB 19-1275	0	0	0	0	0	0.0
R6 Fire inspector overtime compensation	141,523	0	113,238	28,285	0	0.0
R7 Fire prevention and control consolidation	(144,336)	(144,336)	0	0	0	0.0
R8 Adjust funding for early completion of fire system	(573,404)	(573,404)	0	0	0	(0.5)
R9 Executive Directors Office consolidation	(71,572)	0	0	(71,572)	0	(1.0)
R10 Reduce unused disaster emergency fund flood recovery	(3,665,918)	(1,832,959)	(1,832,959)	0	0	0.0
R11 Reduce unused state patrol spending authority	(800,000)	0	0	(800,000)	0	0.0
R12 Reduce motor vehicle recyclers spending authority	(70,322)	0	(70,322)	0	0	(1.0)
R13 Office of prevention and security consolidation	(8,319)	0	(8,319)	0	0	0.0
R14 Reduce administrative services spending authority	(33,301)	0	(33,301)	0	0	0.0
R15 Remove unused emergency management spending authority	(10,988)	0	(10,988)	0	0	0.0
R16 Reduce unused leased space spending authority	(100,000)	0	0	(100,000)	0	0.0
R17 Reduce unused spending authority in facility inspection	(144,336)	0	0	(144,336)	0	0.0
R18 Medical marijuana database funding efficiency	(16,000)	0	0	(16,000)	0	0.0
R19 SB 17-096 technical correction	(16,224)	0	(16,224)	0	0	(0.3)
R20 Adjust funds for civil asset forfeiture reforms grant	(495,703)	0	(495,703)	0	0	0.0
Non-prioritized decision items	384,186	(131,742)	558,775	(23,519)	(19,328)	0.0
Centrally appropriated line items	3,964,162	7,475,091	7,522,671	(10,996,658)	(36,942)	0.0

DEPARTMENT OF PUBLIC SAFETY						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Technical adjustment	0	(1,228,913)	65,068	1,183,032	(19,187)	0.3
Indirect cost assessment	(2,633,638)	(4,512,343)	(4,718,342)	6,584,107	12,940	0.0
Annualize prior year legislation	(1,828,964)	(113,743)	(1,328,169)	(407,825)	20,773	(1.1)
Annualize prior year budget actions	(74,301)	0	(74,301)	0	0	2.0
TOTAL	\$522,312,252	\$165,591,562	\$238,854,927	\$47,827,281	\$70,038,482	1,912.5
INCREASE/(DECREASE)	(\$5,077,705)	(\$516,586)	\$245,111	(\$4,764,486)	(\$41,744)	8.4
Percentage Change	(1.0%)	(0.3%)	0.1%	(9.1%)	(0.1%)	0.4%

R1 PERFORMANCE BASED CONTRACTING: The request includes \$231,041 General Fund for continued preparation for performance based contracting. This issues is discussed below in *Issue: Performance Based Contracting*.

R2 ADDITIONAL RESOURCES FOR SCHOOL SAFETY: The request includes a total increase of \$453,987 cash fund spending authority and 4.0 FTE to serve as field staff for the School Safety Resource Center (SSRC) in the northeast, southeast, northwest, and southwest regions of the state. The request would allow the SSRC to continue the work authorized by the Joint Budget Committee in a June 2019 supplemental request.

R3 STATE RECOVERY SECTION: The request includes a total of \$314,722 General Fund and 4.0 Full-time Equivalent (FTE) for the Division of Homeland Security and Emergency Management's Office of Emergence Management. The requested FTE would allow the State Recovery Section to meet its state and federal recovery responsibilities. Specifically, it would increase the section's capability to work with limited capacity jurisdictions to develop more comprehensive recovery plans.

R4 CRIMINAL JUSTICE TRAINING FUND: The request includes \$120,000 cash fund spending authority from the Criminal Justice Training Fund to cover the costs of increased trainings offered by the Division of Criminal Justice.

R5 TECHNICAL CORRECTION FOR H.B. 19-1275: The Department requests a net-zero technical correction to put the leased space appropriation it received in H.B. 19-1275 (Increased Eligibility for Criminal Record Sealing) in the correct line item for FY 2020-21 and every year thereafter.

R6 FIRE INSPECTOR OVERTIME COMPENSATION: The request includes \$141,523 total funds (\$113,238 various cash funds and \$28,285 reappropriated funds) in FY 2020-21 and thereafter to compensate fire inspectors for overtime work. The request represents the impact of a FY 2019-20 emergency supplemental request, which allowed the Department to maintain compliance with the Federal Fair Labor and Standards Act. The current request represents a 76.8 percent reduction from the emergency supplemental request amount, which provided \$479,173 in retroactive overtime pay and \$131,507 in FY 2019-20 overtime pay.

R7 FIRE PREVENTION AND CONTROL LINE ITEM CONSOLIDATION: The Department requests the consolidation of the following Division of Fire Prevention and Control line items: Personal Services, Operating Expenses, and Wildland Fire Management Services. These line items would be combined into a single line item called "Fire Management Services," beginning in FY 2020-21. The Department requests an associated \$144,336 cut (1.0 percent) to General Fund appropriations for the new line item.

R8 ADJUST FUNDING FOR EARLY COMPLETION OF FIRE SYSTEM: The Department requests an ongoing reduction of \$573,404 General Fund and 0.5 FTE in FY 2020-21 and future fiscal years to reflect the completion of the Colorado Wildland Fire Prediction and Decision Support System. The department requests continuation funding of \$34,000 General Fund for system maintenance costs.

R9 EXECUTIVE DIRECTOR'S OFFICE CONSOLIDATION: The request includes a decrease of \$71,572 reappropriated funds for a consolidation on the Personal Services and Operating Expenses line items in the Executive Director's Office. This issue is discussed below in *Issue: R9 Consolidate line items in the EDO*.

R10 REDUCE UNUSED DISASTER EMERGENCY FUND FLOOD RECOVERY: The Department requests a base reduction of \$3.7 million in FY 2020-21, split evenly between General Fund and cash fund spending authority from the Disaster Emergency Fund. The change reflects anticipated need levels.

R11 REDUCE COLORADO STATE PATROL SPENDING AUTHORITY: The Department requests a decrease of \$800,000 reappropriated funds in FY 2020-21 to accurately reflect the need for traffic control in construction and maintenance zones more

R12 MOTOR VEHICLE RECYCLERS SPENDING AUTHORITY REDUCTION: The Department requests a base budget reduction of \$70,322 cash funds and 1.0 FTE in FY 2020-21 and beyond. The Department no longer requires the appropriations provided by SB 07-070.

R13 DHSEM OFFICE OF PREVENTION AND SECURITY CONSOLIDATION: The Department requests a base budget reduction of \$8,319 cash funds spending authority in FY 2020-21 and beyond to consolidate the personal services and operating expenses line items into a Program Administration line item.

R14 REDUCE ADMINISTRATIVE SERVICES SPENDING AUTHORITY: This request includes a spending authority reduction of \$33,301 cash funds to adjust the line item to actual expenditures.

R15 REMOVE UNUSED EMERGENCY MANAGEMENT SPENDING AUTHORITY: The Department requests a base budget reduction of \$10,998 cash funds spending authority in FY 2020-21 and beyond to eliminate appropriations from the DHSEM Office of Emergency Management's Preparedness Grants and Training cash fund. DHSEM does not charge a fee for training, so there is no revenue source to support the spending authority.

R16 REDUCE UNUSED LEASED SPACE SPENDING AUTHORITY: This request includes a spending authority reduction of \$100,000 reappropriated funds to adjust the line item to actual expenditures.

R17 REMOVE UNUSED SPENDING AUTHORITY IN FACILITY INSPECTION: The Department requests an on-going reduction of \$144,336 reappropriated funds in FY 2020-21 and future years to reflect unused spending authority associated with an Interagency Agreement between DFPC and the Colorado Department of Public Health and Environment (CDPHE) and the Health Facilities and Emergency Medical Services Division.

R18 MEDICAL MARIJUANA DATABASE FUNDING EFFICIENCY: The Department requests a reduction of \$16,000 reappropriated funds pursuant to HB 10-1284 (Concerning the Regulation of Medical Marijuana). The funding was established for software maintenance costs associated with inter-department network interfaces that made information available to law enforcement and criminal justice agencies. The Department has determined that these costs are no longer necessary.

R19 SB 17-096 TECHNICAL CORRECTION: The Department requests a base reduction of \$16,224 cash funds spending authority and 0.3 FTE in FY 2020-21 and beyond to correct the DHSEM's Office of Preparedness Program Administration cash fund appropriation. The appropriation includes funding for the Reserve Peace Officer Academy Grant Program, which was repealed July 1, 2019.

R20 ADJUST FUNDS FOR CIVIL ASSET FORFEITURE REFORMS GRANT: This request includes a spending authority reduction of \$495,703 cash funds to adjust the line item to actual expenditures.

NON-PRIORITIZED DECISION ITEMS: The Department requests an increase of \$384,186 total funds, for the following non-prioritized items:

NON-PRIORITIZED DECISION ITEMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
DPA Annual fleet vehicle request	\$358,828	(\$157,100)	\$558,775	(\$23,519)	(\$19,328)	0.0
OIT Budget request package	25,358	25,358	0	0	0	0.0
TOTAL	\$384,186	(\$131,742)	\$558,775	(\$23,519)	(\$19,328)	0.0

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

CENTRALLY APPROPRIATED LINE ITEMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Salary survey adjustment	\$3,467,401	\$832,043	\$2,263,746	\$285,222	\$86,390	0.0
Health, life, and dental adjustment	1,533,041	141,620	1,223,113	166,736	1,572	0.0
Paid family leave	86,105	10,333	75,772	0	0	0.0
AED adjustment	83,487	63,065	(8,803)	36,586	(7,361)	0.0
SAED adjustment	83,487	63,065	(8,803)	36,586	(7,361)	0.0
Capitol Complex leased space adjustment	79,434	61,876	13,858	3,700	0	0.0
CORE adjustment	76,800	104,258	262,156	(289,614)	0	0.0
Shift differential adjustment	70,473	15,862	62,603	(6,832)	(1,160)	0.0
Legal services adjustment	44,848	44,848	0	0	0	0.0
Short-term disability adjustment	1,324	2,068	(1,745)	1,247	(246)	0.0
ALJ adjustment	310	310	0	0	0	0.0
Payments to OIT adjustment	(712,604)	5,437,844	3,503,233	(9,651,018)	(2,663)	0.0
Workers' compensation adjustment	(531,844)	289,566	(58,239)	(763,171)	0	0.0
Payment to risk management / property funds adjustment	(187,460)	329,707	298,581	(815,748)	0	0.0
PERA Direct Distribution	(130,640)	78,626	(102,801)	(352)	(106,113)	0.0
TOTAL	\$3,964,162	\$7,475,091	\$7,522,671	(\$10,996,658)	(\$36,942)	0.0

TECHNICAL CHANGES: The request includes minor technical adjustments that result in a \$0 net effect in total funds.

INDIRECT COST ASSESSMENT: The request includes a decrease of \$2.6 million total funds in the selected divisions' indirect cost assessment.

ANNUALIZE PRIOR YEAR LEGISLATION: The appropriation includes adjustments for the second- and third-year impact of prior year legislation.

ANNUALIZE PRIOR YEAR LEGISLATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
SB18-200 PERA	\$827,618	\$198,587	\$539,672	\$68,586	\$20,773	0.0
SB 19-040 Establish Colorado Fire Commission	73,371	73,371	0	0	0	0.2

ANNUALIZE PRIOR YEAR LEGISLATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
HB 19-1297 Jail Capacity Data Collection	5,800	5,800	0	0	0	0.2
HB 19-1230 Marijuana Hospitality Establishment	3,536	0	0	3,536	0	0.0
SB 19-061 Breathing Apparatus Testing	3,502	3,502	0	0	0	0.1
SB 19-179 Enhance School Safety	(1,150,000)	0	(1,150,000)	0	0	(0.3)
HB 19-1073 Law Enforcement Info Sharing	(979,947)	0	(500,000)	(479,947)	0	(0.7)
SB 19-020 Wildfire Airspace Control System	(350,000)	(350,000)	0	0	0	0.0
HB 19-1242 Board of Pharmacy	(111,626)	0	(111,626)	0	0	(0.6)
HB 19-1275 Increased Eligibility Criminal Records	(106,215)	0	(106,215)	0	0	0.0
SB 19-008 Substance Use Disorder Treatment	(40,300)	(40,300)	0	0	0	0.0
SB 19-061 Breathing Apparatus Testing	(4,703)	(4,703)	0	0	0	0.0
TOTAL	(\$1,828,964)	(\$113,743)	(\$1,328,169)	(\$407,825)	\$20,773	(1.1)

ANNUALIZE PRIOR YEAR BUDGET ACTIONS: The appropriation includes adjustments for the second- and third-year impact of prior year budget actions.

ANNUALIZE PRIOR YEAR BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 19-20 R2 State Patrol Civilian and Uniform Staff	\$27,162	\$0	\$27,162	\$0	\$0	2.0
FY 19-20 R4 Additional Resources Fire and Life	317	0	317	0	0	0.0
Prior year salary survey	0	0	0	0	0	0.0
FY 19-20 BA2 Criminal History Record	0	0	0	0	0	0.0
FY 19-20 R05 Marijuana Cash Tax Funds for Toxicology	(80,000)	0	(80,000)	0	0	0.0
FY 19-20 R6 E470 Spending Authority	(21,780)	0	(21,780)	0	0	0.0
TOTAL	(\$74,301)	\$0	(\$74,301)	\$0	\$0	2.0

SUMMARY OF ISSUES PRESENTED TO THE JOINT BUDGET COMMITTEE

R3 STATE RECOVERY SECTION: This briefing issue examines the Department's FY 2020-21 request for \$314,722 General Fund and 4.0 FTE to appropriately staff the recently-created State Recovery Section in Division of Homeland Security and Emergency Management's Office of Emergency Management. The requested FTE would be responsible for planning and implementing pre- and post-disaster recovery requirements consistent with the National Disaster Recovery Framework and the Colorado Disaster Act (HB 18-1394, Section 24-33.5-703 (2), C.R.S.). The Department anticipates that the requested FTE will increase the capability the State Recovery Section to work with limited capacity jurisdictions to develop comprehensive recovery plans.

R04 CRIMINAL JUSTICE TRAINING FUND: This Division's R04 Criminal Justice Training Fund request is for additional spending authority for trainings offered by the Division of Criminal Justice to various groups.

R09 CONSOLIDATE LINE ITEMS IN THE EDO: This budget request proposes a consolidation of the personal services and operating expenses line items. This new line item would be titled Department Administrative Services and still reside in the Executive Director's Office.

SCHOOL SAFETY PROGRAMS: This issue brief provides an overview of the two school safety programs administered by the Department of Public Safety—the School Safety Resource Center and Safe2Tell dispatch—and looks at how these programs assess their work. The brief also provides an overview of school safety bills passed during the 2018 and 2019 legislative sessions. Lastly, it updates the Committee on actions taken and information received during the 2019 interim, including the State Auditor’s school safety audit.

PERFORMANCE BASED CONTRACTING PREPARATION AND FUNDING MODEL: This issue discuss preparation for performance based contracting The current budgeting and contracting structure in community re-entry programs creates a disincentive for quality programs and for providers and boards to “up their game” which results in less effectiveness of the programs and increasing costs to the state. The current funding model is not transparent, creates difficulty in determining funding levels for the program, and has become a hindrance to quality outcomes within community re-entry programs.

PERFORMANCE BASED CONTRACTING: This issue discusses performance based contracting. The current budgeting and contracting structure in community re-entry programs creates a disincentive for quality programs and for providers and boards to “up their game.” The current funding model is not transparent, creates difficulty in determining funding levels for the program, and has become a hindrance to quality outcomes within community re-entry programs.

EVIDENCE-BASED POLICY AND EPIC : This issue discusses evidence-based policy. The state has been expanding the use of evidence-based programs and the funding of those programs. Evidenced-based Practices Implementation for Capacity (EPIC) was established to provide assistance with implementation of evidenced-based practices within the executive and elected branches of government. This issue looks at the intersection of evidence-based policy and EPIC’s role in these areas.

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Department of Regulatory Agencies

The Department of Regulatory Agencies is statutorily-tasks with ensuring that individuals and businesses who provide Colorado with professional services are doing so ethically and responsibly. These duties are carried out through regulatory programs that license, establish standards, approve rates, investigate complaints, and conduct enforcement through boards, commissions, and advisory committees. The Department's FY 2019-20 appropriation represents 0.3 percent of statewide operating total funds appropriations and 0.0 percent of statewide General Fund appropriations.

FY 2019-20 APPROPRIATION AND FY 2020-21 REQUEST

DEPARTMENT OF REGULATORY AGENCIES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2019-20 APPROPRIATION:						
SB 19-207 (Long Bill)	\$115,085,662	\$2,093,519	\$106,186,725	\$5,482,149	\$1,323,269	572.9
Other legislation	3,742,270	231,000	3,511,270	0	0	18.9
TOTAL	\$118,827,932	\$2,324,519	\$109,697,995	\$5,482,149	\$1,323,269	591.8
FY 2020-21 REQUESTED APPROPRIATION:						
FY 2019-20 Appropriation	\$118,827,932	\$2,324,519	\$109,697,995	\$5,482,149	\$1,323,269	591.8
R-01 Adjust unused telecommunications spending authority	(561,860)	0	(561,860)	0	0	0.0
R-02 Intrastate pipeline safety enhancements	511,062	0	511,062	0	0	4.0
Centrally appropriated line items	1,990,283	58,914	1,796,507	71,083	63,779	0.0
Annualize prior year legislation	285,015	(223,809)	492,590	13,894	2,340	4.0
Non-prioritized request items	101,024	0	101,024	0	0	0.0
Indirect cost assessment	68,188	0	67,607	0	581	0.0
TOTAL	\$121,221,644	\$2,159,624	\$112,104,925	\$5,567,126	\$1,389,969	599.8
INCREASE/(DECREASE)	\$2,393,712	(\$164,895)	\$2,406,930	\$84,977	\$66,700	8.0
Percentage Change	2.0%	(7.1%)	2.2%	1.6%	5.0%	1.4%

R1 ADJUST UNUSED TELECOMMUNICATIONS SPENDING AUTHORITY: The request includes a decrease of \$561,860 in ongoing cash funds spending authority for the Disabled Telephone Users Fund Payments line item appropriation to the Public Utilities Commission. This request will bring spending authority levels in line with current projected use of Relay Colorado. Relay Colorado is a free telephone service enacted in statute (Section 40-17-101 C.R.S.) that provides text-telephone services to those who are deaf, hard of hearing, deaf-blind, or speech disabled. Usage of this service has fallen over the last five years, primarily because of advances in technology.

R2 INTRASTATE PIPELINE SAFETY ENHANCEMENTS: The request includes an increase of \$511,062 cash funds from the Fixed Utilities Cash Fund for FY 2020-21, and \$491,073 in subsequent fiscal years, as well as 4.0 FTE. The requested funds and FTE will go to the Public Utilities Commission Pipeline Safety Program. *There is a briefing issue related to this decision item included later in this document.*

CENTRALLY APPROPRIATED LINE ITEMS: The request includes an increase of \$1,990,283 total funds, including \$58,914 General Fund, for adjustments to centrally appropriated line items for the following: state contributions for health, life, and dental benefits; short-term disability; supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund; salary survey; workers' compensation; legal services; administrative law judges; payment to risk management and property funds; leased space; payments to the Governor's Office of Information Technology (OIT); and CORE operations. The following table itemizes each requested centrally appropriated line item change.

CENTRALLY APPROPRIATED LINE ITEMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Salary survey	\$969,706	\$29,807	\$872,602	\$57,598	\$9,699	0.0
Health, life, and dental	437,203	(31,686)	447,974	20,915	0	0.0
Leased space	139,310	3,913	79,938	53,403	2,056	0.0
ALJ	134,482	6,076	128,406	0	0	0.0
Legal services	130,736	21,174	96,270	(34,395)	47,687	0.0
CORE	83,126	3,221	74,609	4,280	1,016	0.0
AED	54,662	(5,897)	69,243	(10,417)	1,733	0.0
SAED	54,662	(5,897)	69,243	(10,417)	1,733	0.0
Payments to OIT	45,726	44,057	1,669	0	0	0.0
PERA Direct Distribution	(28,884)	(4,854)	(15,460)	(8,874)	304	0.0
Payment to risk management/property funds	(19,269)	(633)	(17,713)	(639)	(284)	0.0
Workers' compensation	(11,177)	(367)	(10,274)	(371)	(165)	0.0
TOTAL	\$1,990,283	\$58,914	\$1,796,507	\$71,083	\$63,779	0.0

ANNUALIZE PRIOR YEAR LEGISLATION: The request includes an increase of \$285,015 total funds, including a decrease of \$231,000 General Fund and an increase of 4.0 FTE, for adjustments related to prior year legislation. The following table itemizes each annualization.

ANNUALIZE PRIOR YEAR LEGISLATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
SB19-218 Sunset Medical Marijuana	\$384,743	\$0	\$384,743	\$0	\$0	1.0
HB19-1168 State Innovation Waiver Rein	229,218	0	229,218	0	0	1.0
SB18-200 PERA	226,556	7,191	203,131	13,894	2,340	0.0
HB19-1242 Board of Pharmacy Regulate	84,601	0	84,601	0	0	0.7
HB19-1283 Policy Information Disclosure	12,600	0	12,600	0	0	0.2
HB19-1332 Talking Book Library	(250,000)	0	(250,000)	0	0	0.0
HB19-1004 Affordable Health Coverage	(231,000)	(231,000)	0	0	0	0.0
HB19-1233 Primary Care Payment Reform	(60,170)	0	(60,170)	0	0	(0.1)
SB19-236 PUC Sunset	(34,732)	0	(34,732)	0	0	1.5
HB19-1174 Out of Network Charges	(29,211)	0	(29,211)	0	0	0.0
HB19-1069 Sign Language Interpreters	(19,440)	0	(19,440)	0	0	0.0
HB19-1216 Reduce Insulin Prices	(13,027)	0	(13,027)	0	0	(0.2)
HB19-1269 Mental Health Parity	(12,873)	0	(12,873)	0	0	(0.1)
HB19-1095 Physician Assistant Supervisio	(2,250)	0	(2,250)	0	0	0.0
TOTAL	\$285,015	(\$223,809)	\$492,590	\$13,894	\$2,340	4.0

NON-PRIORITIZED REQUEST ITEMS: The request includes an increase of \$101,024 cash funds, for items requested by other departments that impact the agencies covered in this briefing document. The following table itemizes each requested non-prioritized decision item.

NON-PRIORITIZED REQUEST ITEMS				
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	FTE
Paid Family Leave	\$81,688	\$0	\$81,688	0.0
OIT Budget Request Package	46,820	0	46,820	0.0
Annual Fleet Vehicle Request	(27,484)	0	(27,484)	0.0
TOTAL	\$101,024	\$0	\$101,024	0.0

INDIRECT COST ADJUSTMENTS: The request includes a net increase of \$68,188 total funds in the Department's indirect cost assessment.

INDIRECT COST ASSESSMENT					
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	FEDERAL FUNDS	FTE
Indirect cost assessment	\$68,188	\$0	\$67,607	\$581	0.0
TOTAL	\$68,188	\$0	\$67,607	\$581	0.0

SUMMARY OF ISSUES PRESENTED TO THE JOINT BUDGET COMMITTEE

INTRASTATE PIPELINE SAFETY ENHANCEMENTS: The Department request includes an increase of \$511,062 cash funds from the Fixed Utilities Cash Fund for FY 2020-21, and \$491,073 in subsequent fiscal years, as well as 4.0 FTE. The requested funds and FTE will go to the Public Utilities Commission Pipeline Safety Program. Colorado is currently averaging higher than the national median in both area covered per pipeline inspector, and pipeline incidents in relation to population. The Department is requesting \$511,062 cash funds in FY 2020-21 and \$491,073 in subsequent fiscal years appropriated from the Fixed Utilities Fund to add four FTE and four inspection vehicles to help bring these metrics in line with national averages.

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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 Enforcement Business Group regulates alcohol, tobacco, marijuana, horse racing and off-track betting, limited gaming, and automobile dealers and sales persons. The three functional groups are supported by the Executive Director's Office and Information Technology Divisions. The Department also operates the Colorado Lottery. The Department's FY 2019-20 appropriation represents approximately 1.2 percent of statewide operating appropriations and 1.0 percent of statewide General Fund appropriations.

FY 2019-20 APPROPRIATION AND FY 2020-21 REQUEST

DEPARTMENT OF REVENUE						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2019-20 APPROPRIATION:						
FY 2019-20 Long Bill (SB 19-207)	393,996,502	121,117,814	265,692,538	6,149,821	1,036,329	1,503.6
Other legislation	10,625,387	3,570,770	7,054,617	0	0	60.8
TOTAL	\$404,621,889	\$124,688,584	\$272,747,155	\$6,149,821	\$1,036,329	1,564.4
FY 2020-21 REQUESTED APPROPRIATION:						
FY 2019-20 Appropriation	\$404,621,889	124,688,584	\$272,747,155	\$6,149,821	\$1,036,329	1,564.4
R1 Auto Industry Division fingerprinting services	200,000	0	200,000	0	0	0.0
R2 Utilization reduction - product materials	(28,646)	0	(28,646)	0	0	0.0
R3 Budget efficiency - Taxation and Compliance Division	(310,466)	0	(310,466)	0	0	(5.0)
R4 Budget efficiencies - Taxpayer Services Division	(70,500)	0	(70,500)	0	0	(1.0)
R5 Budget efficiencies - Gaming Division	(450,000)	0	(450,000)	0	0	(3.0)
R6 Resource efficiencies - License Plate Services	(2,000,000)	0	(2,000,000)	0	0	0.0
R7 Budget efficiencies - Tax Conferee Office	(200,000)	(200,000)	0	0	0	0.0
R8 Budget efficiencies - Executive Directors Office	(50,000)	0	(50,000)	0	0	(1.0)
R9 Shift spending to cash funds - DMV	0	(1,000,000)	1,000,000	0	0	0.0
R10 Back office cashier re-alignment	0	0	0	0	0	0.0
R11 DMV training team re-alignment	0	0	0	0	0	0.0
R12 Lottery appropriation re-alignment	0	0	0	0	0	0.0
R13 Departmental staffing re-alignment	0	0	0	0	0	0.0
Non-prioritized requests	1,256,112	577,307	678,805	0	0	5.0
Centrally appropriated line items	14,341,140	3,785,875	6,616,673	3,905,590	33,002	0.0
Technical adjustments	1,913,931	285,722	319,279	1,308,930	0	0.0
Indirect cost adjustments	517,924	505,236	530,612	(517,924)	0	0.0
Annualize prior year budget actions	(927,374)	1,173,533	(2,099,388)	(1,519)	0	3.0
Annualize prior year legislation	(620,148)	(1,810,501)	1,185,554	541	4,258	28.6
TOTAL	\$418,193,862	\$128,005,756	\$278,269,078	\$10,845,439	\$1,073,589	1,591.0
INCREASE/(DECREASE)	\$13,571,973	\$3,317,172	\$5,521,923	\$4,695,618	\$37,260	26.6
Percentage Change	3.4%	2.7%	2.0%	76.4%	3.6%	1.7%

R1 AUTO INDUSTRY DIVISION FINGERPRINTING SERVICES: The Department requests an ongoing operating increase for the Auto Industry Division (AID) of \$200,000 cash funds from the Auto Dealers License Fund for existing payments being made to the Colorado Bureau of Investigation (CBI). Currently, AID collects the fee for

fingerprinting as part of the total transaction cost of license applications and passes on the revenues from applicants directly to CBI, instead of recording the full transaction cost as revenue to AID and separately recording payments to CBI as expenses. Within the Enforcement Division, Liquor and Marijuana Enforcement both report background check fees paid to CBI as expenses. This change would create consistency across the Enforcement Division and lead to the correct use of revenues and expenditures in line with accounting best practices.

R2 UTILIZATION REDUCTION – PRODUCT MATERIALS: The request includes an ongoing reduction in spending authority of \$28,646 from the Cigarette Ignition Propensity Standards Cash Fund. This fund has not generated sufficient revenue to support expenditures at the level appropriated for at least five years. This reduction is proposed as the revenues collected are not currently able to sustain the level of spending authority provided in the Long Bill. Workload is managed by existing staff with minimal impact to stakeholders, and all licensing and compliance requirements are being met.

R3 BUDGET EFFICIENCY - TAXATION AND COMPLIANCE DIVISION: The request includes a decrease of \$310,466 cash funds and 5.0 FTE in the Tax and Compliance Division. The Department states the request is a true-up due to lack of revenue collected to sustain the spending authority, including \$255,000 from the Marijuana Tax Cash Fund and \$55,466 the Tobacco Tax Enforcement Cash Fund and 5.0 FTE in unfilled positions in this Division.

R4 BUDGET EFFICIENCIES - TAXPAYER SERVICES DIVISION: The request includes a decrease of \$70,500 cash funds and 1.0 FTE in the Taxpayer Services Division. The Department states the request is a true-up due to lack of revenue collected to sustain the spending authority and vacancy savings due to recruitment challenges in this Division. Decreases include \$58,500 from the Private Letter Ruling Fund and \$12,000 from the Marijuana Tax Cash Fund.

R5 BUDGET EFFICIENCIES – GAMING DIVISION: The request includes an ongoing reduction of \$450,000 from the Gaming Division Cash Fund appropriation for the Division of Gaming. This reduction is to remove funding for 3.0 FTEs and other personal services funding for temporary positions and contracting within the division that have been vacant for the past year. Historically, the Gaming Division has experienced difficulties in hiring and retaining Criminal Investigator I and Auditor II positions. These positions primarily perform on-site underage gaming checks and audits. Limited impacts to stakeholders are expected since duties have been absorbed through other FTE to meeting Gaming's needs.

R6 RESOURCE EFFICIENCIES – LICENSE PLATE SERVICES: The Department is requesting an ongoing reduction of \$2,000,000 from the Division of Motor Vehicle's License Plate Cash Fund. The Department proposes this reduction as the revenue being generated in the fund is insufficient to allow spending up to the full appropriation within the license plate ordering line item. In FY 2018-19, the License Plate Cash Fund generated \$5.7 million, roughly in line with revenue from the past three fiscal years, but had an appropriation of \$10.3 million. Currently, the standard internal program practice is to have a nine-month inventory of plates on hand for distribution. At the end of FY 2018-19, DMV had one year of inventory on hand. Following this reduction, DMV operations will lower the amount of inventory purchased and held in a given year. DOR believes that this inventory level is sufficient to meet demand and absorb potential future production delays.

R7 BUDGET EFFICIENCIES - TAX CONFEREE OFFICE: The request includes a decrease of \$200,000 General Fund in the Tax Conferee Office. The Department states the request is a decrease of General Fund used to hire temporary staff during the high-volume tax season.

R8 BUDGET EFFICIENCIES - EXECUTIVE DIRECTORS OFFICE: The request includes a decrease of \$50,000 cash funds from various sources in the Executive Director's Office. The Department states the request is a true-up based on actual expenditures over the last two years.

R9 SHIFT SPENDING TO CASH FUNDS – DIVISION OF MOTOR VEHICLES: The request includes an ongoing reduction of \$1,000,000 from the General Fund appropriation to the Division of Motor Vehicles, and an accompanying increase of \$1,000,000 to the Division’s cash fund spending authority. The request maximizes DMV funding from non-General Fund resources to ensure that the services that customers receive are supported by the fees that they pay.

R10 BACK OFFICE CASHIER RE-ALIGNMENT: The request is for a net-zero realignment of the personal services appropriation for 2.0 FTE from the Executive Director’s Office to the Division of Motor Vehicles’ Driver Services section. Before implementation of the DRIVES system in February 2017, mailed-in payments for traffic tickets were processed by a work unit called the “central cashiers”, who are appropriated under the EDO. After DRIVES was implemented, the process was changed so that mailed-in payments for traffic tickets are now received and processed by a different unit called the “back-office cashiers”, located within the DMV’s Driver Services section. To address the workload shift that result from this process change, two employees from the central cashiers group (under EDO) were reassigned to the back-office cashiering unit (under DMV). This request will ensure that these two FTE are budgeted for within the unit in which they actually work.

R11 DIVISION OF MOTOR VEHICLES TRAINING TEAM RE-ALIGNMENT: The request includes a net-zero realignment to consolidate the personal services appropriation within the Division of Motor Vehicles for 8.0 FTE from the Driver Services section and 9.0 FTE from the Vehicle Services section into the DMV’s administration personal services and operating lines for a total cash fund shift of \$1,544,696. As part of the strategy to support the training needs of State and county end-users of DRIVES, the DMV consolidated all existing training staff from the Driver License, Titles and Registration, and Driver Control sections into a single functional unit. However, funding for these existing positions is currently appropriated across DMV sub-units. Putting the Training team under one appropriation within the administrative unit of the DMV budget will improve the accuracy and efficiency of administering the training program.

R12 LOTTERY APPROPRIATION RE-ALIGNMENT: The request is for an ongoing consolidation of the line item appropriations for the Operating Expenses, Travel, Marketing and Communications, and Research lines in the Long Bill into a single Operating Expenses appropriation within the State enterprise Lottery Division. This change will conform budgetary practices to departmental norms and allow the Lottery Division more flexibility in responding to market conditions, resulting in more efficient uses of resources.

R13 DEPARTMENTAL STAFFING RE-ALIGNMENT: The request is a net-zero budget realignment that repositions \$399,272 General Fund and 4.0 FTE from the Taxation and Compliance Division to the Executive Director’s Office.

NON-PRIORITIZED REQUESTS: The request includes adjustments related to budget requests made by the Governor’s Office of Information Technology that affect the Department of Revenue in FY 2020-21, which are summarized in the following table.

NON-PRIORITIZED REQUESTS				
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	FTE
OIT Budget request package	\$847,537	\$577,307	\$270,230	0.0
NP4 MyColoradoApp	408,575	0	408,575	5.0
TOTAL	\$1,256,112	\$577,307	\$678,805	5.0

CENTRALLY APPROPRIATED LINE ITEMS: The request includes an increase of \$14.3 million total funds including an increase of \$3.8 million General Fund related to employee benefits and other centrally appropriated items. This total includes the following changes:

CENTRALLY APPROPRIATED LINE ITEMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Payments to OIT	\$6,515,791	\$2,583,650	\$0	\$3,932,141	\$0	0.0
Health, life, and dental	3,660,310	622,449	3,046,556	(21,357)	12,662	0.0
Salary survey	2,141,253	813,048	1,309,458	2,114	16,633	0.0
CORE	560,317	213,549	346,768	0	0	0.0
AED	543,923	149,614	395,436	(2,831)	1,704	0.0
SAED	543,923	149,614	395,436	(2,831)	1,704	0.0
Legal services adjustment	476,244	278,850	197,394	0	0	0.0
Paid family leave	296,356	112,558	181,202	293	2,303	0.0
Leased space	234,637	49,374	185,263	0	0	0.0
Capitol Complex leased space	107,847	(634,022)	741,869	0	0	0.0
Short-term disability	18,910	5,080	13,863	(95)	62	0.0
Shift differential	9,305	0	9,305	0	0	0.0
Document management	(404,756)	(404,756)	0	0	0	0.0
Workers' compensation	(247,057)	(100,415)	(146,642)	0	0	0.0
PERA Direct Distribution	(75,510)	(36,645)	(34,955)	(1,844)	(2,066)	0.0
Payment to risk mgt. / property funds	(30,314)	(13,771)	(16,543)	0	0	0.0
DPA Annual fleet vehicle request	(9,345)	(2,302)	(7,043)	0	0	0.0
ALJ	(694)	0	(694)	0	0	0.0
TOTAL	\$14,341,140	\$3,785,875	\$6,616,673	\$3,905,590	\$33,002	0.0

TECHNICAL ADJUSTMENTS: The request includes technical adjustments, summarized in the following table.

TECHNICAL ADJUSTMENTS					
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FTE
Reappropriated fund true-up	\$1,308,930	\$0	\$0	\$1,308,930	0.0
FAST Enterprises contract escalator	605,001	285,722	319,279	0	0.0
TOTAL	\$1,913,931	\$285,722	\$319,279	\$1,308,930	0.0

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

ANNUALIZE PRIOR YEAR BUDGET ACTIONS: The request includes a net decrease of \$2.6 million total funds, including a net increase of \$1.0 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
FY19-20 R1 GenTax support enhancements	\$1,397,326	\$1,397,326	\$0	\$0	\$0	7.0
FY 19-20 R4 DMV drivers license documents	416,469	0	416,469	0	0	0.0
Annualize prior year salary survey	0	0	1,519	(1,519)	0	0.0
FY 19-20 R5 DMV leased space	(2,218,390)	0	(2,218,390)	0	0	0.0
FY 19-20 R7 MED operations	(298,986)	0	(298,986)	0	0	0.0
FY 19-20 R2 Sales and use tax collection	(223,793)	(223,793)	0	0	0	(4.0)
TOTAL	(\$927,374)	\$1,173,533	(\$2,099,388)	(\$1,519)	\$0	3.0

ANNUALIZE PRIOR YEAR LEGISLATION: The request includes a net decrease of \$715,712 total funds to reflect the FY 2020-21 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 19-1085 Grants for property tax rent and heat	\$777,853	\$777,853	\$0	\$0	\$0	0.0
HB 19-1234 Regulated marijuana delivery	716,761	0	716,761	0	0	9.3
SB 18-200 PERA unfunded liability	559,057	208,106	346,152	541	4,258	0.0
HB 19-1327 Authorize tax sports betting refer under TABOR	508,702	(1,739,015)	2,247,717	0	0	11.9
HB 19-1230 Marijuana hospitality establishments	317,058	0	317,058	0	0	5.3
HB 18-1190 Modify job creation main street revitalization	63,453	63,453	0	0	0	1.4
HB 19-1255 Mesa Verde National Park license plate	36,379	0	36,379	0	0	0.0
SB 19-167 Honor Colorado professional fire fighters	8,217	0	8,217	0	0	0.0
HB 18-1185 Market sourcing for business income tax	7,891	7,891	0	0	0	0.0
HB 18-1202 Income tax credit leave of absence organ donation	6,290	6,290	0	0	0	0.0
SB 19-256 Electronic documents motor vehicle appropriation	(1,015,552)	0	(1,015,552)	0	0	(0.2)
SB 19-006 Electronic sales and use tax simplification	(817,000)	(817,000)	0	0	0	0.0
HB 19-1090 Publicly licensed marijuana companies	(593,678)	0	(593,678)	0	0	0.0
SB 19-139 More CO Road and Community Safety Act offices	(337,419)	0	(337,419)	0	0	0.0
HB 19-1245 Affordable housing funding from vendor fee	(251,041)	(251,041)	0	0	0	0.3
SB 19-224 Sunset regulated marijuana	(215,463)	0	(215,463)	0	0	0.2
SB 18-141 Income tax checkoff nonprofit donation fund	(112,378)	0	(112,378)	0	0	0.4
HB 19-1039 Identity documents for transgender persons	(58,500)	0	(58,500)	0	0	0.0
HB 18-1217 Income tax credit for employer 529 contributions	(50,000)	0	(50,000)	0	0	0.0
SB 19-054 Military vehicle motor vehicle regulation	(45,000)	0	(45,000)	0	0	0.0
HB 18-1060 Income tax deduction for military retirement	(35,038)	(35,038)	0	0	0	0.0
SB 19-248 State tax system working group	(30,000)	(30,000)	0	0	0	0.0
SB 19-235 Automatic voter registration	(18,000)	0	(18,000)	0	0	0.0
SB 19-249 License business selling its used motor vehicles	(14,000)	0	(14,000)	0	0	0.0
HB 19-1138 Vehicle transfer registration fee credit	(7,200)	0	(7,200)	0	0	0.0
HB 19-1023 Foster children driving licenses	(6,750)	0	(6,750)	0	0	0.0
SB 19-035 DOR enforcement measure	(6,750)	0	(6,750)	0	0	0.0
HB 19-1265 Right-of-way for snowplows in echelon formation	(3,375)	0	(3,375)	0	0	0.0
SB 19-142 Hard cider exempt Wine Industry Development Act	(2,000)	(2,000)	0	0	0	0.0
SB 19-175 Serious bodily injury vulnerable road user penalties	(1,575)	0	(1,575)	0	0	0.0
SB 19-205 Honor service of women veterans	(1,090)	0	(1,090)	0	0	0.0
TOTAL	(\$620,148)	(\$1,810,501)	\$1,185,554	\$541	\$4,258	28.6

SUMMARY OF ISSUES PRESENTED TO THE JOINT BUDGET COMMITTEE

GEN TAX UPDATE – S.B. 19-248 STATE TAX SYSTEM WORKING GROUP AND DEPARTMENT RESPONSE TO 2018 LONG BILL RFI: The State Tax System Working Group, created in S.B. 19-248, comprised of representatives from the Department of Revenue, the Governor's Office of Information Technology (OIT) and Joint Technology Committee staff, tasked with conducting an analysis of the state tax system, GenTax, and convened during the 2019 interim released its final report in December. The Department of Revenue submitted its response to a 2018 Long Bill Request for Information (RFI) as required on November 1, 2018. The response included statutory recommendations and additional funding recommendations, but none were included in the Department of Revenue's budget request for FY 2019-20 and no action was taken on the Department's response. This issue brief provides a GenTax update on the basis of these two items.

LEGALIZATION AND TAXATION OF SPORTS BETTING: House Bill 19-1327 decriminalized sports betting and, conditional upon voter approval, authorized the State to levy a tax on sports betting revenue. Sports betting will be effective May 1, 2020 and will be regulated by the Department of Revenue, subject to supervision by the Limited Gaming Control Commission. This issue brief provides an overview of the sports betting program as described in the fiscal note for H.B. 19-1327 and discusses the Department's implementation progress and revised revenue expectations.

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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 2019-20 appropriation represents approximately 0.1 percent of statewide operating appropriations and 0.1 percent of statewide General Fund appropriations.

FY 2019-20 APPROPRIATION AND FY 2020-21 REQUEST

DEPARTMENT OF STATE				
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	FTE
FY 2019-20 APPROPRIATION:				
FY 2019-20 Long Bill (SB 19-207)	\$37,369,416	\$6,300,000	\$31,069,416	145.9
Other legislation	2,684,213	2,118,590	565,623	0.0
TOTAL	\$40,053,629	\$8,418,590	\$31,635,039	145.9
FY 2020-21 REQUESTED APPROPRIATION:				
FY 2019-20 Appropriation	\$40,053,629	\$8,418,590	\$31,635,039	145.9
R1 Outreach to Eligible but Unregistered Voters	135,000	0	135,000	0.0
Centrally appropriated line items	421,242	0	421,242	0.0
Technical changes	218,574	0	218,574	0.0
Non-prioritized request items	216,659	0	216,659	0.0
Annualize prior year legislation	(8,907,722)	(8,418,590)	(489,132)	0.0
Annualize prior year budget actions	(900,000)	0	(900,000)	0.0
TOTAL	\$31,237,382	\$0	\$31,237,382	145.9
INCREASE/(DECREASE)	(\$8,816,247)	(\$8,418,590)	(\$397,657)	0.0
Percentage Change	(22.0%)	(100.0%)	(1.3%)	0.0%

R1 OUTREACH TO ELIGIBLE BUT UNREGISTERED VOTERS: The request includes a one-time increase of \$135,000 from the Department of State Cash Fund to provide outreach to eligible, but unregistered voters. Colorado is a member of the Electronic Registration Information Center (ERIC), a multistate nonprofit organization with the sole mission of assisting states to improve the accuracy of voter rolls and increase access to voter registration for all eligible citizens. The additional spending authority would enable the Department to contact all citizens on ERIC's list of eligible, but unregistered voters. Absent this additional spending authority, the Department would only contact individuals who have been added to the list within the last two years.

CENTRALLY APPROPRIATED LINE ITEMS: The request includes an increase of \$421,242 cash funds for centrally appropriated line items summarized in the table below:

CENTRALLY APPROPRIATED LINE ITEMS				
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	FTE
Salary survey adjustment	\$231,151	\$0	\$231,151	0.0
Health, life, and dental adjustment	85,667	0	85,667	0.0
Payments to OIT	82,909	0	82,909	0.0
Legal services	81,558	0	81,558	0.0
Indirect cost assessment	9,141	0	9,141	0.0
AED adjustment	8,583	0	8,583	0.0
SAED adjustment	8,583	0	8,583	0.0
Workers' compensation	5,806	0	5,806	0.0
CORE adjustment	3,885	0	3,885	0.0

CENTRALLY APPROPRIATED LINE ITEMS				
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	FTE
Short-term disability adjustment	339	0	339	0.0
ALJ adjustment	(70,228)	0	(70,228)	0.0
Payment to risk management / property funds adjustment	(14,669)	0	(14,669)	0.0
PERA Direct Distribution	(11,483)	0	(11,483)	0.0
TOTAL	\$421,242	\$0	\$421,242	0.0

TECHNICAL CHANGES: The request includes an increase of \$218,574 from the Electronic Recording Technology Fund for an adjustment to the Electronic Recording Technology Board's beginning balance, provided for informational purposes.

NON-PRIORITIZED REQUESTS: The request includes an increase of \$216,659 cash funds for the non-prioritized request items summarized in the table below.

NON-PRIORITIZED REQUEST ITEMS				
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	FTE
Document management	\$199,126	\$0	\$199,126	0.0
Paid family leave	11,876	0	11,876	0.0
OIT Budget request package	3,593	0	3,593	0.0
DPA Annual fleet vehicle request	2,064	0	2,064	0.0
TOTAL	\$216,659	\$0	\$216,659	0.0

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

ANNUALIZE PRIOR YEAR LEGISLATION				
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	FTE
Annualize SB 18-200 (PERA)	\$55,941	\$0	\$55,941	0.0
SB 17-305 Primary Election Clean-up	(6,300,000)	(6,300,000)	0	0.0
HB 19-1278 Uniform Election Code	(2,381,693)	(2,118,590)	(263,103)	0.0
SB 19-235 Automatic Voter Registration	(67,840)	0	(67,840)	0.0
SB 19-086 Update Business Entity Laws	(59,360)	0	(59,360)	0.0
SB 19-202 Voters with Disabilities	(50,000)	0	(50,000)	0.0
HB 19-1318 Clean Campaign Act	(42,650)	0	(42,650)	0.0
HB 19-1248 Lobbyist Transparency Act	(38,160)	0	(38,160)	0.0
HB 19-1266 Restore Voting Rights to Parolees	(16,960)	0	(16,960)	0.0
HB 19-1007 Contribution Limits for County Offices	(7,000)	0	(7,000)	0.0
TOTAL	(\$8,907,722)	(\$8,418,590)	(\$489,132)	0.0

ANNUALIZE PRIOR YEAR BUDGET ACTIONS: The request includes a decrease of \$900,000 cash funds to reflect the annualization of 2020 Presidential primary public outreach for FY 2019-20.

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	FTE
Annualize prior year salary survey	\$0	\$0	\$0	0.0
2020 Presidential primary public outreach	(900,000)	0	(900,000)	0.0
TOTAL	(\$900,000)	\$0	(\$900,000)	0.0

SUMMARY OF ISSUES PRESENTED TO THE JOINT BUDGET COMMITTEE

R1 OUTREACH TO ELIGIBLE BUT UNREGISTERED VOTERS: The Department of State requests an increase of \$135,000 from the Department of State Cash Fund to provide outreach to eligible, but unregistered voters. The Electronic Registration Information Center (ERIC) estimates that the list of eligible, but unregistered Coloradans is between 400,000 and 900,000. Absent this additional spending authority, the Department would only contact individuals who have been added to the list within the last two years, estimated at 100,000. The outreach mailing would take place in September 2020 and allow recipients enough time to register as a voter and receive a ballot in the mail prior to Election Day.

REIMBURSEMENT ISSUES ARISING FROM HOUSE BILL 19-1278: This issue discusses deficiencies in House Bill 19-1278, which created the Local Elections Assistance Cash Fund and appropriated just over \$2.2 million from the General Fund to defray the costs of new Voter Service and Polling Centers (VSPCs) in the counties. Specific language in the legislation precludes the Department from reimbursing counties for some types of equipment necessary to establish VSPCs and in cases where counties choose to lease instead of buy equipment. The Department wants legislation introduced to amend the language causing these issues.

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Department of Transportation

The Colorado Department of Transportation's (CDOT's) primary responsibility is the construction, maintenance, and operation of Colorado's state highway system under the policy direction of the eleven-member Transportation Commission, with additional responsibilities relating to aviation, transit, rail, and other modes of transportation. The Department's FY 2019-20 appropriation represents approximately 6.5 percent of statewide operating appropriations and 0 percent of statewide General Fund appropriations. Though CDOT does not receive General Fund appropriations, it does receive periodic transfers from the General Fund and other sources. Under current law, in FY 2020-21, CDOT will receive \$50 million from the General Fund due to S.B. 18-001 and at least \$500 million from lease purchase agreements authorized by S.B. 17-267.

FY 2019-20 APPROPRIATION AND FY 2020-21 REQUEST

DEPARTMENT OF TRANSPORTATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2019-20 APPROPRIATION:						
SB 19-207 (Long Bill)	2,112,021,087	0	1,483,476,167	7,078,096	621,466,824	3,328.8
TOTAL	\$2,112,021,087	\$0	\$1,483,476,167	\$7,078,096	\$621,466,824	3,328.8
FY 2020-21 REQUESTED APPROPRIATION:						
FY 2019-20 Appropriation	\$2,112,021,087	0	\$1,483,476,167	\$7,078,096	\$621,466,824	3,328.8
Revenue adjustments						
Revenue adjustment for the Bridge Enterprise	2,770,162	0	2,770,162	0	0	0.0
Revenue adjustment for the Administration Division and the Construction, Maintenance, and Operations Division	(100,952,038)	0	(100,952,038)	0	0	0.0
Reduced revenue available from the Multimodal Transportation Options Fund	(22,500,000)	0	(22,500,000)	0	0	0.0
Reduced revenue requested from Marijuana Tax Cash Fund	(1,000,000)	0	(1,000,000)	0	0	0.0
Revenue adjustment for the High Performance Transportation Enterprise	(342,700)	0	(342,700)	0	0	0.0
Total revenue change	(\$122,024,576)	\$0	(\$122,024,576)	\$0	\$0	0.0
Offsetting expenditure adjustments						
R1 Administration Efficiency Savings, effect in Administration Division	(1,124,675)	0	(1,124,675)	0	0	0.0
R1 Administration Efficiency Savings, effect in CM&O Division*	1,124,675	0	1,124,675	0	0	0.0
Net effect of offsetting adjustments	0	0	0	0	0	0.0
Non-offsetting expenditure adjustments						
None	0	0	0	0	0	0.0
TOTAL	\$1,989,996,511	\$0	\$1,361,451,591	\$7,078,096	\$621,466,824	3,328.8
INCREASE/(DECREASE)	(\$122,024,576)	\$0	(\$122,024,576)	\$0	\$0	0.0
Percentage Change	(5.8%)	n/a	(8.2%)	0.0%	0.0%	0.0%

DESCRIPTION OF REQUESTED CHANGES

CDOT's Long Bill budget request shows how projected CDOT revenues will be allocated among its divisions. When CDOT submitted its FY 2019-20 budget request in November 2018, the total amount requested was a forecast of the total amount of revenue that CDOT expected to receive in FY 2019-20. This budget request, submitted in November 2019, forecasts the amount of revenue CDOT will receive in FY 2020-21.

REVENUE ADJUSTMENTS

Revenue adjustment for the Bridge Enterprise. CDOT's forecast of FY 2020-21 revenues from bridge safety surcharge fees, which support the Bridge Enterprise, is higher than its November 2018 forecast of Bridge Enterprise revenue for FY 2019-20.

Revenue adjustment for the Administration Division and the Construction, Maintenance, and Operations Division. In November 2018, CDOT anticipated S.B. 17-267 would provide \$500,000,000 of revenue in FY 19-20 and S.B. 18-001 would provide another \$105 million for highways. In November 2019, CDOT it looks forward to unchanged SB 17-267, but it can't count on \$105 million for highways from another bill like S.B. 18-001. Thus most of this revenue adjustment is due to the end of S.B. 18-001 funding.

Reduced revenue available from the Multimodal Transportation Options Fund. In November 2018, CDOT anticipate that during FY 2019-20 S.B. 18-001 would provide \$22.5 million for multimodal transportation. In FY 2020-21 S.B. 18-001 will provide no further multimodal funding for CDOT.

Reduced revenue requested from Marijuana Tax Cash Fund. A year ago, CDOT requested a one-time appropriation of \$1.0 million from the Marijuana Tax Cash Fund for a one time spending boost for the First Time Drunk Driving Offenders Account program. That one-time money won't be repeated in FY 20-21.

OFFSETTING EXPENDITURE ADJUSTMENTS

These adjustments move expenditures from one division of the Long Bill to another without altering the Department total. They usually arise in the Administration Division and the Construction, Maintenance, and Operations Division, which depend on the same revenue sources, meaning that a spending increase in one will be offset by an equal spending decrease in the other.

R1 Administration Efficiency Savings. CDOT requests a reduction of \$1,124,675 cash funds for FY 2020-21 and subsequent years within the appropriated Administration Division line item, which represents a 5 percent reduction of spending on administrative activities that are paid from the State Highway Fund. The saving will be used to increase cash funds spending in the continuously appropriated Construction, Maintenance, and Operations Division by an offsetting amount.

SUMMARY OF ISSUES PRESENTED TO THE JOINT BUDGET COMMITTEE

R1 Administration Efficiency Savings: To increase funding for highway construction, maintenance, and operations, CDOT has identified \$25.5 million of reductions for its FY 2020-21 budget, of which \$1,124,675 is within the Administration Division. The resulting expenditure reductions will be directed to construction, maintenance and operations. Because most of the Department's state funds are continuously appropriated, the Department can implement most of these changes without approval of the General Assembly. However, since the Administration Division is annually rather than continuously appropriated, CDOT requests that the Administration appropriation be reduced by \$1,124,675 cash funds (5 percent) for FY 2020-21 and subsequent years.

Senate Bill 17-267 Update. Senate Bill 17-267 permits the State to enter into \$2 billion of lease-purchase agreements (Certificates of Participation or COP's) over the four years that began with FY 2018-19. That's \$500 million of COP's

per year with all the proceeds in years 2 through 4 going to the Colorado Department of Transportation (CDOT). Colorado offered the first tranche of COP's in September, 2018, when it collateralized 25 buildings and received \$545.5 million in return, almost 10 percent more than expected. The second offering will probably occur in January 2020 and could again raise more than \$500 million. The State is still identifying properties for collateralization. A referred measure in S.B. 18-001 as amended by S.B. 19-263 would cancel the last two years of offerings if it passes at the polls in November 2020.

Performance Audit. In May 2019, the State Auditor released a multi-part Performance Audit of the Department of Transportation. The audit identified a number of reporting and process improvements CDOT can make in five areas: annual spending, budget transparency, fraud detection, construction debudgeting and closure, and master task order contracts. The Department is in the process of implementing all the auditor's recommendations. Implementation of the annual spending and budget recommendations will result in substantially improved Transportation-Commission budget documents that will more closely tie to the Department's Long Bill budget request, thus providing additional information on Long Bill appropriations.

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*Department of the Treasury
and PERA and Pension Issues*

The Department of the Treasury is responsible for the following primary duties: (1) acts as the State's banker and investment officer, providing investment, accounting, and cash management services and preparing related reports; (2) administers the Unclaimed Property Program; (3) disburses Senior Citizen and Disabled Veteran Property Tax Exemption payments to local governments; (4) provides short-term interest-free financing to school districts by issuing tax and revenue anticipation notes and making loans from the General Fund; (5) assists charter schools with long-term financing by making direct bond payments; (6) distributes Highway Users Tax Fund (HUTF) revenues to counties and municipalities; (7) distributes federal mineral leasing funds received for the State's share of sales, bonuses, royalties, and rentals of public lands within Colorado; (8) manages certain state public financing transactions; and (9) reimburses certain property taxes owed or paid for real and business personal property destroyed in a natural disaster. The Department's funding for FY 2018-19 consists of 49.2 percent General Fund, 48.7 percent cash funds, and 2.2 percent reappropriated funds. The Department's FY 2019-20 appropriation represents approximately 2.7 percent of statewide operating appropriations and 2.8 percent of statewide General Fund appropriations.

FY 2019-20 APPROPRIATION AND FY 2020-21 REQUEST

DEPARTMENT OF THE TREASURY						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2019-20 APPROPRIATION:						
SB 19-207 (Long Bill)	860,894,883	338,475,495	448,514,039	73,905,349	0	32.9
Other legislation	800,000	800,000	0	0	0	0.0
TOTAL	\$861,694,883	\$339,275,495	\$448,514,039	\$73,905,349	\$0	32.9
FY 2020-21 REQUESTED APPROPRIATION:						
FY 2019-20 Appropriation	\$861,694,883	339,275,495	\$448,514,039	\$73,905,349	\$0	32.9
R1 Unclaimed property technology upgrades	57,200	0	57,200	0	0	0.0
R2 Unclaimed property increased workload costs	92,000	0	92,000	0	0	0.0
R3 Department personnel costs	340,437	193,766	146,671	0	0	2.5
R4 Administrative office upgrades	99,725	99,725	0	0	0	0.0
Revenue forecast and pass-through adjustments	17,192,409	21,456,832	(4,263,417)	(1,006)	0	0.0
Centrally appropriated line items	314,551	107,116	207,435	0	0	0.0
Annualize prior year legislation and budget actions	(786,070)	(791,110)	5,040	0	0	0.0
TOTAL	\$879,005,135	\$360,341,824	\$444,758,968	\$73,904,343	\$0	35.4
INCREASE/(DECREASE)	\$17,310,252	\$21,066,329	(\$3,755,071)	(\$1,006)	\$0	2.5
Percentage Change	2.0%	6.2%	(0.8%)	(0.0%)	0.0%	7.6%

R1 UNCLAIMED PROPERTY TECHNOLOGY UPGRADES: The request includes an increase of \$57,200 cash funds from the Unclaimed Property Trust Fund in FY 2020-21 and \$53,200 ongoing. The request includes: \$46,000 for an upgrade for the KAPS unclaimed property administration system to provide for the purchase of Onbase, an imaging system that will create a seamless paperless IT system and process, and Lexis/Nexis services to process small value claims to free Unclaimed Property Program (UPP) staff to focus on larger and more complex claims; \$8,000 (\$4,000 ongoing) for a phone monitoring system to collect customer service data and allow for greater accuracy and customer service monitoring; and \$3,200 for related and ongoing staff training and education initiatives.

R2 UNCLAIMED PROPERTY INCREASED WORKLOAD COSTS: The request includes an increase of \$92,000 cash funds from the Unclaimed Property Trust Fund in FY 2020-21 and \$80,500 ongoing for costs related to the implementation of S.B. 19-088 Revised Uniform Unclaimed Property Act (RUUPA) as well as recommendations included in the July 2019, Division of Unclaimed Property performance audit by the Office of the State Auditor. One-time costs include: \$7,500 for a one-time auction to substantially reduce the existing tangible property inventory; \$1,000 for the purchase and installation of vault cameras; and \$3,000 for the replacement of deteriorated office furnishings. Ongoing costs include: \$80,000 for additional printing and postage costs; and \$500 for in-state travel related to communications with claimants and property owners as required by RUUPA.

R3 DEPARTMENT PERSONNEL COSTS: The request includes an increase of \$340,437 total funds, including \$193,766 General Fund and \$146,671 cash funds, and 2.5 FTE. The request includes three items: \$111,261 for an additional Junior Investment Officer for the Investment Division; \$95,334 for an additional 1.0 FTE for UPP claims and an additional 0.5 FTE for UPP tangible assets; and \$133,842 for a 5.0 percent across-the-board increase for current staff. The Department describes this as a workload true-up request related to increased responsibilities added in legislation over the last 15 years which the Department accepted within existing appropriations.

R4 ADMINISTRATIVE OFFICE UPGRADES: The request includes an increase of \$99,725 General Fund for FY 2020-21 and \$6,000 ongoing. The request includes: \$78,700 for State Capitol office deferred maintenance upgrades; \$7,300 for a large screen conference room monitor; and \$13,725 for a mobile Granicus unit for public meeting audio stream and archive, that includes \$6,000 (plus 7.0 percent annual increases) in annual licensing and subscription costs.

REVENUE FORECAST AND PASS-THROUGH ADJUSTMENTS: The request includes an increase of \$17.2 million total funds. This includes: an increase of \$21.5 million General Fund for a revenue forecast adjustment for the homestead exemption; and a decrease of \$4.3 million cash funds from the Highway Users Tax Fund for revenue forecast adjustments for distribution to local governments.

REVENUE FORECAST AND PASS-THROUGH ADJUSTMENTS					
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FTE
Homestead exemption forecast adjustment	\$21,456,832	\$21,456,832	\$0	\$0	0.0
HUTF forecast adjustment	(4,263,417)	0	(4,263,417)	0	0.0
Lease purchase adjustment	(1,006)	0	0	(1,006)	0.0
TOTAL	\$17,192,409	\$21,456,832	(\$4,263,417)	(\$1,006)	0.0

Centrally appropriated line items: The request includes adjustments to centrally appropriated line items including the following: health, life, and dental; short-term disability; supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund; merit pay; workers' compensation and payments to risk management; legal services; Capitol complex leased space; payments to the Governor's Office of Information Technology (OIT); and CORE operations.

CENTRALLY APPROPRIATED LINE ITEMS				
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	FTE
CORE	\$184,877	\$83,194	\$101,683	0.0
Legal services	68,826	5,688	63,138	0.0
Salary survey	52,047	33,217	18,830	0.0
AED	10,437	7,402	3,035	0.0
SAED	10,437	7,402	3,035	0.0
Payments to OIT	4,826	2,414	2,412	0.0
Capitol Complex leased space	4,232	4,232	0	0.0
UP leased space	1,733	0	1,733	0.0
Short-term disability	155	124	31	0.0

CENTRALLY APPROPRIATED LINE ITEMS				
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	FTE
Health, life, and dental	(20,067)	(34,809)	14,742	0.0
PERA Direct Distribution	(2,334)	(1,130)	(1,204)	0.0
Workers' compensation	(618)	(618)	0	0.0
TOTAL	\$314,551	\$107,116	\$207,435	0.0

ANNUALIZE PRIOR YEAR LEGISLATION AND BUDGET ACTIONS: The request includes a decrease of \$786,070 total funds, including a decrease of \$791,110 General Fund, to annualize prior year legislation and budget actions.

ANNUALIZE PRIOR YEAR LEGISLATION AND BUDGET ACTIONS				
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	FTE
SB18-200 PERA Unfunded Liability	\$13,930	\$8,890	\$5,040	0.0
Annualize prior year salary survey	0	0	0	0.0
SB19-173 CO Secure Savings Plan Board	(800,000)	(800,000)	0	0.0
TOTAL	(\$786,070)	(\$791,110)	\$5,040	0.0

SUMMARY OF ISSUES PRESENTED TO THE JOINT BUDGET COMMITTEE

TREASURY ITEMS – HOMESTEAD EXEMPTION STATUTORY TRANSFERS AND PROPERTY TAX REIMBURSEMENT FOR PROPERTY DESTROYED BY NATURAL CAUSE: This informational briefing issue summarizes two minor items for the JBC's consideration. Statute specifies automatic transfers for amounts not expended but included in the Homestead Exemption informational appropriation in the Long Bill. In FY 2018-19, transfers totaled \$16.9 million. The Property Tax Reimbursement for Property Destroyed by a Natural Cause includes a \$2.2 million General Fund appropriation annually that has been minimally expended. A reduced annual appropriation or creation of a cash fund to hold a specified reimbursement reserve to be backfilled as used would reduce General Fund appropriations and provide a more sustainable method to fund this reimbursement policy.

PERA UPDATE: This issue provides an informational PERA update based on PERA's 2018 Comprehensive Annual Financial Report (CAFR) and related documents. PERA experienced an investment return in 2018 of -3.5 percent, contributing to a decrease in the aggregate funded ratio of 59.8 percent and an increase in the aggregate unfunded liability of \$31.0 billion. Related actuarial measures cause the automatic adjustment provisions to be engaged for FY 2020-21, which include 0.5 percent contribution rate increases for both employees and employers.

OTHER PENSION ISSUES – FPPA REQUEST: The Pension Review Commission (PRC) has approved a bill draft for introduction requested by the Fire and Police Pension Association (FPPA). The bill includes changes related to FPPA retirement plans and includes a \$58.0 million payment from the State to additionally fund a state commitment considered fully paid in the late 1990s. Updated actuarial projections indicate a shortfall in funded status due to a decrease in the FPPA long-term rate of return from 7.5 to 7.0 percent.

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Capital Construction and IT Capital Projects

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, capital expansion, and IT capital projects. Capital construction appropriations are primarily supported by General Fund transferred to the Capital Construction Fund. The FY 2019-20 General Fund transfers to the Capital Construction Fund (\$225.7 million) represents 1.7 percent of FY 2019-20 General Fund revenues, based on the September 2019 Legislative Council Staff forecast.

FY 2019-20 APPROPRIATION AND FY 2020-21 REQUEST

		CAPITAL CONSTRUCTION (BUILDING CAPITAL ONLY)					ADD'L OUT-YEAR STATE FUNDS
		TOTAL FUNDS	CAPITAL CONSTRUCTION FUND	CASH FUNDS	REAPPROP. FUNDS	FEDERAL FUNDS	
		FY 2019-20 APPROPRIATION:					
		FY 2019-20 Long Bill (S.B. 19-207) - IT Projects excluded					
		224,613,001	156,122,857	68,092,774	0	397,370	
		TOTAL	\$224,613,001	\$156,122,857	\$68,092,774	\$0	\$397,370
							\$0
Priority							
OSP	CCHE	FY 2019-20 Approved State-funded 1331 Interim Supplemental Requests:					
		DHS: Hawkins Building L2 Unit, CMHIP					
		1,600,000	1,600,000	0	0	0	
		CDPHE: Replace Mechanical Systems, Laboratory Building					
		1,421,454	1,421,454	0	0	0	1,078,546
		PER: Capitol Annex Building Sewer Venting Repair					
		4,070,023	4,070,023	0	0	0	
		SUBTOTAL - FY 2019-20 Approved 1331s					
		\$7,091,477	\$7,091,477	\$0	\$0	\$0	\$1,078,546
Priority							
OSP	CCHE	FY 2019-20 State-funded Request Placeholders					
4		DNR: Increase State Park Access					
		10,000,000	10,000,000	0	0	0	
6		DHS: DYS Facility Refurbishment for Safety and Risk (ph.6)					
		473,131	473,131	0	0	0	
7		DHS: DYS Anti-climb Mesh (for 5 facilities)					
		1,575,058	1,575,058	0	0	0	
8		DHS: DYS Facility Refurbishment for Safety and Risk (ph. 3)					
		200,000	200,000	0	0	0	
		SUBTOTAL - FY 2019-20 Approved 1331s					
		\$12,248,189	\$12,248,189	\$0	\$0	\$0	\$0
Priority							
		SUBTOTAL - Additional FY 2019-20 State-funded Items					
		\$19,339,666	\$19,339,666	\$0	\$0	\$0	\$1,078,546
Priority							
OSP	CCHE	FY 2020-21 PRIORITIZED REQUESTS (STATE-FUNDED) REQUESTED APPROPRIATION:					
1		Level I Controlled Maintenance					
		29,977,955	29,977,955	0	0	0	
2		DOC: SCF Steam Condensate Line Replacement (capital renewal)					
		7,560,645	7,560,645	0	0	0	
3		AGR: Repair/Replace Water, Sanitary, and Stormwater Infrastructure, CSF (capital renewal)					
		3,299,747	3,299,747	0	0	0	
4		DNR: Increase State Park Access (FY19-20)					
		0	0	0	0	0	

CAPITAL CONSTRUCTION (BUILDING CAPITAL ONLY)

		TOTAL FUNDS	CAPITAL CONSTRUCTION FUND	CASH FUNDS	REAPPROP. FUNDS	FEDERAL FUNDS	ADD'L. OUT-YEAR STATE FUNDS
5							
	DOC:AVCF Utility Water Lines Replacement (capital renewal)	7,789,547	7,789,547	0	0	0	
6							
	DHS: DYS Facility Refurbishment for Safety and Risk (FY19-20)	0	0	0	0	0	
7							
	DHS: DYS Anti-climb Mesh (for 5 facilities) (FY19-20)	0	0	0	0	0	
8							
	DHS: DYS Facility Refurbishment for Safety and Risk (FY19-20)	0	0	0	0	0	
9							
	Level II Controlled Maintenance	35,022,045	35,022,045	0	0	0	
10							
	PER: EV Charging Stations, Merrick Garage	840,252	840,252	0	0	0	
11							
	PER: Infrastructure for State Fleet Electrification - placeholder	2,000,000	2,000,000	0	0	0	
12							
	DOC: AVCF Electronic Security System Replacement (capital renewal)	3,176,955	3,176,955	0	0	0	
13							
	PER: Centennial Building Renovation	28,595,728	7,000,000	21,595,728	0	0	
14	1						
	HED: FLC Whalen Gymnasium Expansion and Renovation for Exercise Science	29,524,323	26,571,891	2,952,432	0	0	
15	2						
	HED: ASU Plachy Hall HVAC Upgrade and Replacement, ph 2 of 2 (capital renewal)	2,819,630	2,819,630	0	0	0	
16	3						
	HED: UC-Denver CU Anschutz - Center for Personalized Medicine and Behavioral Health ¹	21,859,241	7,000,000	14,859,241	0	0	
17	4						
	HED: CSU Shepardson Building Renovation and Addition	17,051,200	17,051,200	0	0	0	
18	13						
	HED: UNC Boiler #3 Replacement (capital renewal)	3,826,172	3,779,372	46,800	0	0	
SUBTOTAL - Prioritized Requests		\$193,343,440	\$153,889,239	\$39,454,201	\$0	\$0	\$0
¹ This CU Anschutz project is requested by the insitution at \$21,859,241 CCF. The Governor's request recommends the reduced CCF amount shown but did not include the balance of the total requested as a cash funds appropriation. Staff reflects the balance amount included in the total request as cash funds.							
Priority							
FY 2020-21 NON-PRIORITIZED REQUESTS (100% CASH-FUNDED) REQUESTED							
OSP	CB	APPROPRIATION:					
1	5						
		HED: CSM Subsurface Frontiers Building ²	18,143,259	0	18,143,259	0	0
1	5						
		HED: CSM Subsurface Frontiers Building ²	110,630,982	0	110,630,982	0	0
2							
		CDPHE: Superfund, Colorado Smelter	35,000,000	0	3,507,544	0	31,492,456
3							
		HistCO: Regional Property Preservation Projects	700,000	0	700,000	0	0
4							
		DOC: Program Annex Building Renovation, SCF	3,536,046	0	3,536,046	0	0
5							
		DHS: DRCO Depreciation Fund Capital Improvements	745,110	0	745,110	0	0
6							
		DHS: Facility Upgrades, Fitzsimons VCLC	969,346	0	969,346	0	0
7							
		DHS: Facility Upgrades, McCandless VCLC	546,892	0	546,892	0	0
8							
		DHS: Facility Upgrades, Rifle VCLC	303,712	0	303,712	0	0
9							
		DHS: Facility Upgrades, Homelake VCLC	390,754	0	390,754	0	0

CAPITAL CONSTRUCTION (BUILDING CAPITAL ONLY)

		TOTAL FUNDS	CAPITAL CONSTRUCTION FUND	CASH FUNDS	REAPPROP. FUNDS	FEDERAL FUNDS	ADD'L OUT-YEAR STATE FUNDS
10	CDE: CSDB Disposition of Teller County Parcel ³	(19,300)	0	(19,300)	0	0	
11	CDE: CSDB Disposition of El Paso County Parcel ³	(113,517)	0	(113,517)	0	0	
12	CDE: CSDB Disposition of Bell Flower Drive Parcel ³	(19,500)	0	(19,500)	0	0	
13	DNR: Property Acquisitions	11,000,000	0	11,000,000	0	0	
14	DNR: Infrastructure and Facilities	9,569,600	0	9,569,600	0	0	
SUBTOTAL - Non-prioritized Requests		\$191,383,384	\$0	\$159,890,928	\$0	\$31,492,456	\$0
² CSM requested \$18.1m state funds and \$110.6m cash funds in FY20-21. OSPB recommends cash funds for the state-funded portion and does not include the balance of the request in its recommendation. The original request in FY 2019-20 identified a second year need of \$18.1 CCF and \$91.7m cash funds. In order to accurately reflect the institution's total request, staff reflects the institution's cash fund request amount in a separate line following the amount included in the Governor's request.							
³ The Colorado School for the Deaf and the Blind (CSDB) dispositions are included to accurately reflect the Governor's budget request. Negative appropriations applied up to an amount already appropriated are valid appropriation recommendations. However, there are no existing FY20-21 appropriations to offset. Additionally, disposition actions are contractual asset exchanges recorded on the accounting balance sheet, typically as an exchange of property for cash. Resulting cash assets may be used as a fund source but the disposition action is not in itself a budget item for appropriation. It is staff's understanding that these items were approved by the CDC and no further action is necessary from the JBC. Staff will not include these requested appropriations in the Long Bill as they are not items of appropriation.							
FY 2020-21 Cash-funded item not included in Governor's Request							
HED: CSU National Western Center							
	Lease Purchase Payments ⁴	18,696,574	0	18,696,574	0	0	
SUBTOTAL - Items not included		\$18,696,574	\$0	\$18,696,574	\$0	\$0	\$0
⁴ This amount originates as General Fund transferred to the National Western Center Trust Fund pursuant to section 23-31-902 (3), C.R.S., and is included in the Long Bill as a cash funds appropriation.							
TOTAL		\$403,423,398	\$153,889,239	\$218,041,703	\$0	\$31,492,456	\$0
INCREASE/(DECREASE)		\$178,810,397	(\$2,233,618)	\$149,948,929	\$0	\$31,095,086	
Percentage Change		79.6%	(1.4%)	220.2%	n/a	7,825.2%	
TOTAL - 2-year additional appropriations requested		\$422,763,064	\$173,228,905	\$218,041,703	\$0	\$31,492,456	\$1,078,546

IT CAPITAL

		TOTAL FUNDS	CAPITAL CONSTRUCTION FUND	CASH FUNDS	REAPPROP. FUNDS	FEDERAL FUNDS	ADD'L OUT-YEAR STATE FUNDS
FY 2019-20 APPROPRIATION:							
FY 2019-20 Long Bill (S.B. 19-207)		36,114,453	12,337,676	4,597,441	8,911,836	10,267,500	
TOTAL		\$36,114,453	\$12,337,676	\$4,597,441	\$8,911,836	\$10,267,500	\$0
Priority							
OSP	B	FY 2019-20 Approved State-funded 1331 Interim Supplemental Requests:					
		DHS: Child Welfare Case Mgt. Sys. Replacement (TRAILS)					
		9,829,233	5,897,540	0	0	3,931,693	
		SUBTOTAL - FY 2019-20 Approved 1331s					
		\$9,829,233	\$5,897,540	\$0	\$0	\$3,931,693	\$0

		IT CAPITAL					ADD'L OUT-YEAR STATE FUNDS
		TOTAL FUNDS	CAPITAL CONSTRUCTION FUND	CASH FUNDS	REAPPROP. FUNDS	FEDERAL FUNDS	
Priority							
OSP	CCHE	FY 2019-20 State-funded Request Placeholders					
1		PER: HRWorks supp. placeholder	2,700,000	2,700,000	0	0	0
		SUBTOTAL - FY 2019-20 Requested Placeholders	\$2,700,000	\$2,700,000	\$0	\$0	\$0
		SUBTOTAL - Additional FY 2019-20 State-funded Items	\$12,529,233	\$8,597,540	\$0	\$0	\$3,931,693
Priority							
OSP	CCHE	FY 2020-21 PRIORITIZED REQUESTS (STATE-FUNDED) REQUESTED APPROPRIATION:					
1		PER: HRWorks	11,300,000	11,300,000	0	0	0
2		GOV: CO Health IT Roadmap Initiatives, Off. of eHealth Innov.	4,450,000	445,000	0	0	4,005,000
3	2	HED: ASU/FLC/WSCU Digital Transformation Initiative for Rural Higher Education (ph. 1 of 2)	9,082,500	8,991,675	90,825	0	0
		SUBTOTAL - Prioritized Requests	\$24,832,500	\$20,736,675	\$90,825	\$0	\$4,005,000
Priority							
OSP	CCHE	FY 2020-21 NON-PRIORITIZED REQUESTS (100% CASH-FUNDED) REQUESTED APPROPRIATION:					
1		DNR: Parks and Wildlife Website Redesign and Platform Migration	924,000	0	924,000	0	0
2		DPS: Colorado Crime Information Center (CCIC) Migration	2,083,537	0	2,083,537	0	0
3		DOC: DeCORuM spending authority extension ¹	0	0	0	0	0
		SUBTOTAL - Non-prioritized Requests	\$3,007,537	\$0	\$3,007,537	\$0	\$0
¹ The DeCORuM request is identified as a cash-funde request in the Governor's request. However, this project includes \$30.3 million state-funded CCF appropriations, of which \$7.5m is identified as unspent and for which the extension is requested. If approved, the last appropriation in FY 2017-18 totaling \$12.6 million would be amended to provide an extension of spending authority; as a supplemental budget action, this item would not appear as an appropriated item in the FY 2020-21 budget.							
TOTAL			\$27,840,037	\$20,736,675	\$3,098,362	\$0	\$4,005,000
INCREASE/(DECREASE)			(\$8,274,416)	\$8,398,999	(\$1,499,079)	(\$8,911,836)	(\$6,262,500)
Percentage Change			(22.9%)	68.1%	(32.6%)	(100.0%)	n/a
TOTAL - 2-year additional appropriations requested			\$40,369,270	\$29,334,215	\$3,098,362	\$0	\$7,936,693

SUMMARY OF ISSUES PRESENTED TO THE JOINT BUDGET COMMITTEE

EXEMPT LEGISLATIVE CASH FUND FROM DEPRECIATION-LEASE EQUIVALENT PAYMENTS: Section 24-30-1310, C.R.S., enacted in S.B. 15-211, requires depreciation-lease equivalent payments from the General Fund to the Capital Construction Fund and the Controlled Maintenance Trust Fund equal to depreciation on state-funded capital construction projects as a recapitalization mechanism for the State's capital accounts. Cash funds are similarly required to set aside depreciation in a capital reserve account within the cash fund. This cash fund set-aside is intended to provide for recapitalization of assets from fee revenue cash funds for programs that include the regular use of capital assets. Inappropriate depreciation-lease equivalent payments were added to the 2018 and 2019 Long Bills that included payments from the Legislative Cash Fund.

CAPITAL ASSET MANAGEMENT ENTERPRISE FOR STATE AGENCY BUILDINGS: The JBC requested a bill draft for a Capital Asset Management Enterprise in the 2019 legislative session although the legislation was not pursued. The Committee indicated a desire to proceed with work on such legislation for the 2020 session. A capital asset management enterprise for state agency buildings would be structured as an independent enterprise charged with a primary goal of maximizing the value of capital assets under management (stewardship) and a secondary goal of minimizing lease costs to state agencies (operating cost savings). The authority would be responsible for the lifecycle management of its portfolio of state buildings through the finance, construction, controlled maintenance, renovation, and demolition or sale of capital assets. The authority would lease buildings to state agencies for long-term (near-lifecycle) periods through formal lease agreements, hold ownership of capital assets in trust for the State, and return to the State, a majority of any realized profits on each building at the end of its lifecycle.

AGILE METHODOLOGY AND IMPROVED FUNDING GATE-KEEPING FOR IT CAPITAL PROJECTS: The Governor's Office of State Planning and Budgeting (OSPB) and Office of Information Technology (OIT) are moving toward the use of agile methodology and principles for information technology (IT) projects. This issue brief describes agile methodology practices and why agile IT practices may lead to improved IT project management and development generally and to improved budgeting, procurement, and fund gate-keeping for IT projects.

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Statewide Compensation Common Policies

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 amortization payments to improve PERA's funded status. The statewide FY 2019-20 appropriation for: the estimated salary base represents approximately 9.2 percent of statewide operating General Fund appropriations; compensation common policies represents approximately 1.8 percent of statewide operating General Fund appropriations; and PERA amortization payments (AED, SAED, and PERA Direct Distribution) represent approximately 1.1 percent of statewide operating General Fund appropriations.

FY 2019-20 APPROPRIATION AND FY 2020-21 REQUEST

SALARY BASE, EMPLOYEE COMPENSATION COMMON POLICIES, AND PERA AMORTIZATION PAYMENTS					
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
FY 2019-20 Appropriation					
Base Salary Estimate	\$1,831,228,117	\$1,006,506,795	\$451,929,556	\$195,219,862	\$177,571,904
PERA	194,469,064	106,934,437	48,519,945	20,486,241	18,528,441
Medicare (FICA)	26,552,809	14,594,349	6,552,979	2,830,688	2,574,793
Shift Differential	18,059,304	14,125,081	594,743	3,285,532	53,948
Salary Survey	58,966,456	29,759,916	16,033,773	7,312,806	5,859,961
Merit Pay	11,641,074	10,559,751	580,610	492,399	8,314
Health, Life, Dental	287,247,601	168,977,137	63,372,916	31,744,675	23,152,873
Short-term Disability	3,147,472	1,734,352	748,012	377,387	287,721
AED	96,798,550	53,950,650	22,983,454	11,272,443	8,592,003
SAED	96,620,642	53,773,958	22,983,382	11,271,629	8,591,673
PERA Direct Distribution	56,469,931	28,486,185	17,519,667	5,552,654	4,911,425
TOTAL	\$2,681,201,020	\$1,489,402,611	\$651,819,037	\$289,846,316	\$250,133,056
FY 2020-21 Request					
Base Salary Estimate	\$1,965,618,938	\$1,100,380,399	\$455,104,895	\$241,323,905	\$168,809,739
PERA	218,701,444	122,631,902	51,116,299	26,495,165	18,458,078
Medicare (FICA)	28,501,471	15,955,515	6,599,020	3,499,196	2,447,740
Shift Differential	18,106,359	14,177,714	721,901	2,204,984	1,001,760
Salary Survey	41,589,232	22,163,035	10,034,278	5,596,534	3,795,385
Merit Pay	5,089,106	4,397,070	388,076	301,713	2,247
Health, Life, Dental	309,794,012	178,372,572	70,221,943	35,911,351	25,288,146
Short-term Disability	3,250,006	1,782,981	761,953	416,472	288,600
AED	100,495,338	56,179,080	23,235,605	12,426,627	8,654,026
SAED	100,495,338	56,179,080	23,235,605	12,426,627	8,654,026
PERA Direct Distribution	54,050,594	27,180,898	16,496,901	5,658,443	4,714,352
TOTAL	\$2,845,691,838	\$1,599,400,246	\$657,916,476	\$346,261,017	\$242,114,099
Increase/(Decrease)	\$164,490,818	\$109,997,635	\$6,097,439	\$56,414,701	(\$8,018,957)
Percent Change	6.1%	7.4%	0.9%	19.5%	(3.2%)

The following table isolates the estimated salary base within total compensation.

SALARY BASE					
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
FY 2019-20 Appropriation					
Base Salary Estimate	\$1,831,228,117	\$1,006,506,795	\$451,929,556	\$195,219,862	\$177,571,904
PERA	194,469,064	106,934,437	48,519,945	20,486,241	18,528,441
Medicare (FICA)	26,552,809	14,594,349	6,552,979	2,830,688	2,574,793
TOTAL	\$2,052,249,990	\$1,128,035,581	\$507,002,480	\$218,536,791	\$198,675,138

SALARY BASE					
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
FY 2020-21 Request					
Base Salary Estimate	\$1,965,618,938	\$1,100,380,399	\$455,104,895	\$241,323,905	\$168,809,739
PERA	218,701,444	122,631,902	51,116,299	26,495,165	18,458,078
Medicare (FICA)	28,501,471	15,955,515	6,599,020	3,499,196	2,447,740
TOTAL	\$2,212,821,853	\$1,238,967,816	\$512,820,214	\$271,318,266	\$189,715,557
Increase/(Decrease)	\$160,571,863	\$110,932,235	\$5,817,734	\$52,781,475	(\$8,959,581)
Percent Change	7.8%	9.8%	1.1%	24.2%	(4.5%)
Percent of Total Comp.	77.8%	77.5%	77.9%	78.4%	78.4%

The estimated salary base includes adjustments approved in prior year policy decisions related to salary and staffing increases. Salary base is estimated at \$2.21 billion total funds including \$1.24 billion General Fund; an increase of \$160.6 million total funds or 7.8 percent and an increase of \$110.9 million General Fund or 9.8 percent. The salary base (previously approved policy decisions) represents 77.8 percent of total compensation.

The following table outlines the FY 2020-21 request for employee compensation common policies representing the discretionary compensation items in total compensation.

EMPLOYEE COMPENSATION COMMON POLICIES (DISCRETIONARY ITEMS)					
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
FY 2019-20 Appropriation					
Shift Differential	18,059,304	14,125,081	594,743	3,285,532	53,948
Salary Survey	58,966,456	29,759,916	16,033,773	7,312,806	5,859,961
Merit Pay	11,641,074	10,559,751	580,610	492,399	8,314
Health, Life, Dental	287,247,601	168,977,137	63,372,916	31,744,675	23,152,873
Short-term Disability	3,147,472	1,734,352	748,012	377,387	287,721
TOTAL	\$379,061,907	\$225,156,237	\$81,330,054	\$43,212,799	\$29,362,817
FY 2020-21 Request					
Shift Differential	18,106,359	14,177,714	721,901	2,204,984	1,001,760
Salary Survey	41,589,232	22,163,035	10,034,278	5,596,534	3,795,385
Merit Pay	5,089,106	4,397,070	388,076	301,713	2,247
Health, Life, Dental	309,794,012	178,372,572	70,221,943	35,911,351	25,288,146
Short-term Disability	3,250,006	1,782,981	761,953	416,472	288,600
TOTAL	\$377,828,715	\$220,893,372	\$82,128,151	\$44,431,054	\$30,376,138
Increase/(Decrease)	(\$1,233,192)	(\$4,262,865)	\$798,097	\$1,218,255	\$1,013,321
Percent Change	(0.3%)	(1.9%)	1.0%	2.8%	3.5%
Percent of Total Comp.	13.3%	13.8%	12.5%	12.8%	12.5%

Discretionary compensation items total \$377.8 million including \$220.9 million General Fund. The request reflects a decrease of \$1.2 million total funds or 0.3 percent and a decrease of \$4.3 million General Fund or 1.9 percent compared to the discretionary item appropriations in the prior fiscal year. Discretionary compensation items represent 13.3 percent of total compensation.

The following table outlines PERA amortization payments. AED and SAED are calculated as a percentage on payroll as set in statute. The PERA Direct Distribution is allocated to state agencies by fund source in the same proportion as included for AED and SAED.

PERA AMORTIZATION PAYMENTS FOR THE UNFUNDED LIABILITY

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
FY 2019-20 Appropriation					
AED	\$96,798,550	\$53,950,650	\$22,983,454	\$11,272,443	\$8,592,003
SAED	96,620,642	53,773,958	22,983,382	11,271,629	8,591,673
PERA Direct Distribution	56,469,931	28,486,185	17,519,667	5,552,654	4,911,425
TOTAL	\$249,889,123	\$136,210,793	\$63,486,503	\$28,096,726	\$22,095,101
FY 2020-21 Request					
AED	\$100,495,338	\$56,179,080	\$23,235,605	\$12,426,627	\$8,654,026
SAED	100,495,338	56,179,080	23,235,605	12,426,627	8,654,026
PERA Direct Distribution	54,050,594	27,180,898	16,496,901	5,658,443	4,714,352
TOTAL	\$255,041,270	\$139,539,058	\$62,968,111	\$30,511,697	\$22,022,404
Increase/(Decrease)	\$5,152,147	\$3,328,265	(\$518,392)	\$2,414,971	(\$72,697)
Percent Change	2.1%	2.4%	(0.8%)	8.6%	(0.3%)
Percent of Total Comp.	9.0%	8.7%	9.6%	8.8%	9.1%

Amortization payments to improve PERA's funded status are estimated at \$255.0 million total funds, including \$139.5 million General Fund; an increase of \$5.2 million total funds or 2.1 percent and an increase of \$3.3 million General Fund or 2.4 percent. PERA Amortization Payments represent 9.0 percent of total compensation.

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 2019-20 Appropriation					
PERA – std. employer contrib.	194,469,064	106,934,437	48,519,945	20,486,241	18,528,441
AED	96,798,550	53,950,650	22,983,454	11,272,443	8,592,003
SAED	96,620,642	53,773,958	22,983,382	11,271,629	8,591,673
PERA Direct Distribution	56,469,931	28,486,185	17,519,667	5,552,654	4,911,425
TOTAL	444,358,187	243,145,230	112,006,448	48,582,967	40,623,542
FY 2020-21 Request					
PERA – std. employer contrib.	218,701,444	122,631,902	51,116,299	26,495,165	18,458,078
AED	100,495,338	56,179,080	23,235,605	12,426,627	8,654,026
SAED	100,495,338	56,179,080	23,235,605	12,426,627	8,654,026
PERA Direct Distribution	54,050,594	27,180,898	16,496,901	5,658,443	4,714,352
TOTAL	\$473,742,714	\$262,170,960	\$114,084,410	\$57,006,862	40,480,482
Increase/(Decrease)	\$29,384,527	\$19,025,730	\$2,077,962	\$8,423,895	(\$143,060)
Percent Change	6.6%	7.8%	1.9%	17.3%	(0.4%)

THE FY 2020-21 TOTAL COMPENSATION REQUEST

The FY 2020-21 total compensation request – including salary base, discretionary employee compensation and benefits, and PERA amortization payments – is estimated at \$2.85 billion total funds, an increase of \$169.5 million over the prior year appropriation, which represents a 6.1 percent increase in total compensation-related appropriations.

The FY 2020-21 total compensation request for discretionary employee compensation and benefits and PERA amortization payments totals \$632.9 million total funds, an increase of \$3.9 million over the prior year. The request includes the following items:

SALARY SURVEY: The Salary Survey request includes:

- A 2.0 percent across-the-board or ATB salary increase for all occupational groups including all State Patrol Trooper classes;
- A 2.0 percent salary range adjustment for all occupational groups; and
- A system maintenance request for salary structure adjustments for the Electronic Engineer, Electronics Specialist, and Customer Support Coordinator class series at a statewide cost of \$5,959.

The Salary Survey request totals \$41.6 million, including \$22.2 million General Fund.

The Judicial Department includes an independent salary survey increase request at a cost of \$5.0 million total funds, including \$4.9 million General Fund. The Judicial request is based on a Segal Waters salary survey report with recommended increases and matching salary adjustments by occupational class for 21 classes that range from 2.0 to 10.0 percent, with an average increase of 3.8 percent. The Judicial request includes a 2.0 percent increase for judges and executive level employees with salaries linked to judges compensation.

The Department of Law request totals \$1.3 million, including \$355,000 General Fund, is based on a Gallagher salary survey report, and includes the following components:

- A 2.0 percent increase for classified employees;
- A 2.5 percent increase for all attorney classes, except Deputy; and
- A 4.0 percent increase for the Deputy AG class.

MERIT PAY: The Governor's request includes no Merit Pay increase. However, Judicial includes a request for \$4.7 million total funds, including \$4.3 million General Fund, for an average 2.0 percent increase. Employees other than judges and executive level employees with salaries linked to judges are included in the merit increase. The Department of Law includes a request for \$431,931 total funds, including \$103,000 General Fund, for a 1.1 percent merit increase for attorneys.

SHIFT DIFFERENTIAL: Shift Differential funds increase adjustments for employee hours worked outside of normal work hours. Shift Differential is requested at 100 percent of prior year actual expenditures. For FY 2020-21, Shift Differential is requested at \$18.1 million total funds, including \$14.2 million General Fund. Shift Differential increases by \$47,000 total funds, including \$989,000 General Fund; a 0.3 percent increase in total funds and a 0.4 percent increase in General Fund.

AED: Amortization Equalization Disbursement is set at a statutory rate of 5.0 percent, except for judges set at 3.8 percent in 2020 and 4.2 percent in 2021. AED is estimated at \$100.5 million total funds, including \$56.2 million General Fund. The AED increase is estimated to be \$3.7 million total funds, including \$2.2 million General Fund; a 3.8 percent increase in total funds and a 4.1 percent increase in General Fund.

SAED: Supplemental Amortization Equalization Disbursement is set at a statutory rate of 5.0 percent, except for judges set at 3.8 percent in 2020 and 4.2 percent in 2021. SAED is estimated at \$100.5 million total funds, including \$56.2 million General Fund. The SAED increase is estimated to be \$3.9 million total funds, including \$2.4 million General Fund; a 4.0 percent increase in total funds and a 4.5 percent increase in General Fund.

STD: Short Term Disability is requested at a continuation rate of 0.17 percent of revised base salaries. STD is estimated at \$3.3 million total funds, including \$1.8 million General Fund. The STD adjustment is estimated to increase by \$103,000 total funds, including an increase of \$49,000 General Fund; a 3.3 percent increase in total funds and a 2.8 percent increase in General Fund.

HLD: Request amounts submitted for Health, Life, and Dental are based on employee health and dental elections as of July of the current year. Health premiums are projected to increase 5.0 percent and dental premiums are projected to increase 3.0 percent. Additional adjustments may be included in a budget amendment based on new actuarial recommendations received in December. The HLD request is estimated at \$309.8 million total funds, including \$178.4 million General Fund. The base adjustment request reflects an increase of \$22.5 million total funds, including \$9.4 million General Fund; a 7.8 percent increase in total funds and a 5.6 percent increase in 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 allocation is not created in statute as a calculation on payroll but was handled as a budget process construct. The methodology agreed upon in FY 2019-20 is that the allocation to fund sources by state agency should match the proportions included for the AED and SAED appropriations.

The executive branch has submitted this common policy as an operating common policy. However, JBC staff will continue to reflect this item as a compensation common policy for PERA amortization payments for the unfunded liability, primarily due to its connection to AED and SAED policy. In JBC staff's opinion, operating common policies are services provided to state agencies by a centralized service provider. There is no service provided for the PERA Direct Distribution common policy payment. This is simply a payment to PERA that reduces the State's General Fund obligation that is more similar to the existing AED and SAED amortization payment policies.

The PERA Direct Distribution totals \$54.1 million in FY 2020-21. This reflects a decrease of \$2.4 million from FY 2019-20. The total PERA Direct Distribution is allocated to the public schools divisions and the state employee divisions of PERA based on total payroll. This decrease indicates that total payroll for public schools increased relative to total payroll for state employees.

SUMMARY OF ISSUES PRESENTED TO THE JOINT BUDGET COMMITTEE

CONSOLIDATION OF COMPENSATION REQUESTS: JBC staff will begin consolidating compensation-related requests within the responsibility of the statewide compensation analyst. This year's requests include the Governor's statewide request; the annual compensation requests from the Judicial Department and the Department of Law; a Department of Human Services request for compression pay increases for supervisors in the Division of Youth Services; and, although not a request, a JBC staff-initiated recommendation for compression pay adjustments for Department of Corrections correctional staff managers.

EXECUTIVE REQUEST TO UNWIND THE PAY DATE SHIFT: The Governor has included a request for \$75.0 million General Fund to unwind the pay date shift for executive branch employees only. This item relates to the executive branch's plan to transition employees in the executive branch from a monthly current payroll system to a biweekly lag payroll system as positions turn over. The request also suggests that repayment will position these funds to be available at the next downturn through a re-initiation of the pay date shift. Due to the accounting and budget policy complexity of moving into and out of a pay date shift, it is better fundamental policy to set the \$75 million identified into a budget reserve than to oscillate in and out of a pay date shift.

DEPARTMENT OF PERSONNEL OPERATING REQUEST R1 PAID FAMILY LEAVE: The November budget request includes a request for a Paid Family Leave benefit. A similar request in the 2019 legislative session was determined by staff to require statutory authority and the JBC did not take action on the request as a budget item, nor was legislation initiated or pursued. The current request similarly requires statutory authority and also appears to have potential policy design and fiscal structure problems.

PERA DIRECT DISTRIBUTION COMMON POLICY TRUE-UP METHODOLOGY: The Governor's request includes an FY 2019-20 supplemental set-aside of \$2.0 million related to the PERA Direct Distribution allocation. The \$2.0 million set-aside is to backfill with General Fund the federal funds portion that is not being paid by particular federal sources. It appears that the proposed ongoing budget 'methodology' is to make the proper allocation appropriation each year and then make a true-up supplemental correction for the amount not collected. A better approach may be to cleanly backfill the federal funds portion with General Fund in each budget cycle and then consistently collect all federal funds through the indirect cost recovery process.

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APPENDIX A: SUMMARY OF MID-YEAR BUDGET ADJUSTMENTS REFLECTED IN GOVERNOR'S REQUEST

FY 2019-20 INTERIM SUPPLEMENTAL OPERATING REQUESTS APPROVED BY THE JBC							
DEPARTMENT	REQUEST TITLE	TOTAL FUNDS	FTE	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
Judicial	Informational Technology Infrastructure	\$203,612	0.0	\$203,612	\$0	\$0	\$0
Public Health and Environment	ES-01 - Hepatitis A Outbreak Response	538,999	0.0	538,999	0	0	0
Public Safety	ES-01 Additional Resources for School Safety Resource Center	327,549	0.0	0	327,549	0	0
Governor	Colorado Digital Services	674,963	4.7	674,963	0	0	0
Human Services	Implementation of federal Family First Prevention Services Act (FFPSA)	1,692,819	5.6	1,332,590	0	0	360,229
Human Services	Cash Fund Spending Authority for Background Checks for Adult Protective Services	139,766	3.0	(125,304)	265,070	0	0
Public Safety	Overtime Pay for Fire Inspectors	610,827	0.0	95,289	515,538	0	0
Revenue	Technical Corrections to Appropriations in 2019 legislation	0	0.0	0	0	0	0
Personnel	Technical Correction to Appropriation in SB 19-135	0	0.0	0	0	0	0
Public Health and Environment	Contract resources for testing drinking water	500,000	0.0	500,000	0	0	0
TOTAL		\$4,688,535	13.3	\$3,220,149	\$1,108,157	\$0	\$360,229

GOVERNOR'S PLANNED FY 2019-20 SUPPLEMENTAL OPERATING REQUESTS							
DEPARTMENT	REQUEST TITLE	TOTAL FUNDS	FTE	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
Public Safety	Community Corrections Caseload	\$2,601,195	0.0	\$2,601,195	\$0	\$0	\$0
Human Services	Early Intervention Caseload	1,503,074	0.0	1,503,074	0	0	0
Corrections	Medical Caseload	7,438,696	0.0	7,438,696	0	0	0
Corrections	External Capacity Caseload	998,003	0.0	998,003	0	0	0
Health Care Policy and Financing	Medical Services Premiums Caseload	64,206,386	0.0	36,885,502	42,906,264	0	(15,585,380)
Health Care Policy and Financing	Behavioral Health Caseload	(15,654,741)	0.0	(2,733,519)	(985,814)	0	(11,935,408)
Health Care Policy and Financing	Child Health Plan Plus Caseload	(3,536,486)	0.0	0	(737,600)	0	(2,798,886)

APPENDIX A: SUMMARY OF MID-YEAR BUDGET ADJUSTMENTS REFLECTED IN GOVERNOR'S REQUEST

GOVERNOR'S PLANNED FY 2019-20 SUPPLEMENTAL OPERATING REQUESTS							
DEPARTMENT	REQUEST TITLE	TOTAL FUNDS	FTE	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
Health Care Policy and Financing	Medicare Modernization Act Caseload	9,321,829	0.0	9,321,829	0	0	0
Health Care Policy and Financing	Office of Community Living Caseload	(2,658,717)	0.0	(1,098,342)	(579,579)	0	(980,796)
Education	State Share of Districts' Total Program Funding	15,000,000	0.0	15,000,000	0	0	0
Personnel	PERA Direct Distribution'	2,114,653	0.0	2,114,653	0	0	0
Higher Education	Chief Educational Equity Officer (R-7 for FY 2020-21)	55,020	1.0	55,020	0	0	0
Human Services	Drug Detection Devices, Canines, and Staffing (R-5a for FY 2020-21)	366,500	1.7	366,500	0	0	0
Human Services	DYS - Splitting Lookout Mountain into Distinct Facilities (R-5b for FY 2020-21)	180,410	1.2	180,410	0	0	0
Human Services	Child Support Pass-through (R-10 for FY 2020-21)	800,182	0.0	800,182	0	0	0
Natural Resources	Electronic Oil and Gas Filing System (R-1 for FY 2020-21)	350,000	0.0	0	350,000	0	0
Corrections	Reducing Private Prison Use (R-3 for FY 2020-21)	4,077,095	??	4,077,095	0	0	0
Personnel	Collections Services Refinance and Restructure (R-8 for FY 2020-21)	(677,373)	(21.8)	1,499,330	(2,453,517)	276,814	0
Health Care Policy and Financing	Pharmacy Pricing and Technology (R-7 for FY 2020-21)	7,135,879	0.0	1,408,842	325,528	0	5,401,509
Health Care Policy and Financing	Patient Placement and Benefit Implementation (R-11 for FY 2020-21)	80,000	0.0	26,400	13,600	0	40,000
Health Care Policy and Financing	Leased Space (R-19 for FY 2020-21)	72,035	0.0	29,865	6,152	0	36,018
TOTAL		\$93,773,640	(17.9)	\$80,474,735	\$38,845,034	\$276,814	(\$25,822,943)

APPENDIX A: SUMMARY OF MID-YEAR BUDGET ADJUSTMENTS REFLECTED IN GOVERNOR'S REQUEST

FY 2019-20 INTERIM SUPPLEMENTAL <i>CAPITAL</i> REQUESTS APPROVED BY THE JBC						
DEPARTMENT	REQUEST TITLE	TOTAL FUNDS	GENERAL FUND (TRANSFER TO CAPITAL CONSTRUCTION FUND)	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
Human Services	Hawkins building L2 Unit, CMHIP	\$1,600,000	\$1,600,000	\$0	\$0	\$0
Public Health and Environment	Replace mechanical systems, laboratory building	1,421,454	1,421,454	0	0	0
Human Services	Colorado Trails Modernization and Integration of federal legislation	9,829,233	5,897,540	0	0	3,931,693
Personnel	Annex sewer venting repair	4,070,023	4,070,023	0	0	0
TOTAL		\$16,920,710	\$12,989,017	\$0	\$0	\$3,931,693

GOVERNOR'S PLANNED FY 2019-20 SUPPLEMENTAL <i>CAPITAL</i> REQUESTS						
DEPARTMENT	REQUEST TITLE	TOTAL FUNDS	GENERAL FUND (TRANSFER TO CAPITAL CONSTRUCTION FUND)	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
Natural Resources	Increase state park access	\$10,000,000	\$10,000,000	\$0	\$0	\$0
Human Services	DYS Facility refurbishment for safety and risk (phase 6)	473,131	473,131	0	0	0
Human Services	DYS Anticlimb mesh	1,575,058	1,575,058	0	0	0
Human Services	DYS Facility refurbishment for safety and risk (phase 3 smoke detectors)	200,000	200,000	0	0	0
Personnel	HR Works placeholder	2,700,000	2,700,000	0	0	0
TOTAL		\$14,948,189	\$14,948,189	\$0	\$0	\$0

APPENDIX B: JOINT BUDGET COMMITTEE STAFF CONTACTS AND ASSIGNMENTS

The Joint Budget Committee (JBC) main office telephone number is 303-866-2061. Each staff member may be reached at the main number or by dialing 303-866- and the extension number shown below.

KEY CONTACTS	STAFF	EXT.	EMAIL
Staff Director	Carolyn Kampman	4959	carolyn.kampman@state.co.us
General Professional II	Jessi Neuberg	2061	jessi.neuberg@state.co.us
Administrative Assistant II	Diva Mardones	2587	diva.mardones@state.co.us
Appropriations Committee Coordinators:			
House	Christina Beisel	2149	christina.beisel@state.co.us
Senate	Tom Dermody	4963	tom.dermody@state.co.us
Capital Construction:	Alfredo Kemm	4549	alfredo.kemm@state.co.us
Controlled Maintenance; Capital Renewal and Recapitalization; and Capital Expansion Information Technology Projects			
Community Provider Rate Common Policy	Eric Kurtz	4952	eric.kurtz@state.co.us
Marijuana Tax Policy	Craig Harper	3481	craig.harper@state.co.us
Tobacco Master Settlement Agreement	Christina Beisel	2149	christina.beisel@state.co.us

STATE AGENCIES	STAFF ANALYST	EXT.	EMAIL
Agriculture	Scott Thompson	4957	scott.thompson@state.co.us
Corrections	Steve Allen	4961	steve.allen@state.co.us
Education	Craig Harper	3481	craig.harper@state.co.us
Governor <i>OIT Common Policies</i>	Scott Thompson	4957	scott.thompson@state.co.us
Health Care Policy & Financing			
Executive Director's Office Medical Services Premiums Indigent Care Program Other Medical Services	Eric Kurtz	4952	eric.kurtz@state.co.us
Behavioral Health Community Programs DHS Medicaid-funded Programs: Office of Behavioral Health	Christina Beisel	2149	christina.beisel@state.co.us
Office of Community Living DHS Medicaid-funded Programs: Executive Director's Office Division of Child Welfare Services for People with Disabilities Division of Youth Services Other (indirect costs)	Robin Smart	4955	robin.smart@state.co.us
DHS Medicaid-funded Programs: Office of Information Technology Services Office of Early Childhood Office of Self Sufficiency Adult Assistance Programs	Tom Dermody	4963	tom.dermody@state.co.us
Higher Education	Amanda Bickel	4960	amanda.bickel@state.co.us

APPENDIX B: JOINT BUDGET COMMITTEE STAFF CONTACTS AND ASSIGNMENTS

STATE AGENCIES	STAFF ANALYST	EXT.	EMAIL
Human Services			
Executive Director's Office <i>Indirect Costs (lead)</i> Division of Child Welfare Services for People with Disabilities Division of Youth Services	Robin Smart	4955	robin.smart@state.co.us
Office of Operations Office of Behavioral Health Office of the Ombudsman for Behavioral Health Access to Care (in EDO)	Christina Beisel	2149	christina.beisel@state.co.us
Office of Information Technology Services HIPPA Security Remediation; and CBMS Emergency Processing Unit (in EDO) County Administration Office of Early Childhood Office of Self Sufficiency SNAP Quality Assurance (in EDO) Adult Assistance Programs Records & Reports of At-Risk Adult Abuse or Neglect (in EDO)	Tom Dermody	4963	tom.dermody@state.co.us
Judicial <i>Correctional Treatment Cash Fund (lead)</i>	Steve Allen	4961	steve.allen@state.co.us
Labor & Employment	Amanda Bickel	4960	amanda.bickel@state.co.us
Law (Attorney General's Office) <i>Legal Services Common Policy</i>	Christina Beisel	2149	christina.beisel@state.co.us
Legislature	Carolyn Kampman	4959	carolyn.kampman@state.co.us
Local Affairs <i>Federal Mineral Lease Revenues (lead)</i>	Andrea Uhl	4956	andrea.uhl@state.co.us
Military & Veterans Affairs	Amanda Bickel	4960	amanda.bickel@state.co.us
Natural Resources			
Executive Director's Office Division of Parks & Wildlife Colorado Water Conservation Board Division of Water Resources	Justin Brakke	4958	justin.brakke@state.co.us
Division of Reclamation, Mining & Safety Oil & Gas Conservation Commission State Board of Land Commissioners <i>Severance Tax Policy</i>	Alfredo Kemm	4549	alfredo.kemm@state.co.us
Personnel			
Executive Director's Office Division of Human Resources Constitutionally Ind. Entities (Personnel Board) Division of Central Services Division of Accounts and Control Administrative Courts Division of Capital Assets <i>Operating Common Policies</i>	Scott Thompson	4957	scott.thompson@state.co.us
<i>Compensation Common Policies</i>	Alfredo Kemm	4549	alfredo.kemm@state.co.us

APPENDIX B: JOINT BUDGET COMMITTEE STAFF CONTACTS AND ASSIGNMENTS

STATE AGENCIES	STAFF ANALYST	EXT.	EMAIL
Public Health & Environment			
Administration and Support (A&S) Laboratory Services Air Pollution and Control Water Quality Control Hazardous Materials and Waste Management Div. of Environmental Health & Sustainability	Tom Dermody	4963	tom.dermody@state.co.us
Office of Health Equity; Office of Planning, Partnerships, and Improvement (in A&S) Center for Health & Environ. Information Disease Control & Environ. Epidemiology Prevention Services Division Health Facilities & Emergency Medical Services Emergency Preparedness and Response	Andrew Forbes	2062	andrew.forbes@state.co.us
Public Safety			
Executive Director's Office Division of Criminal Justice	Justin Brakke	4958	justin.brakke@state.co.us
Colorado State Patrol (<i>HUTF off-the-top limit</i>) Division of Fire Prevention and Control Colorado Bureau of Investigation School Safety Resource Center (in EDO) Div. of Homeland Security & Emergency Mgmt.	Justin Brakke	4958	justin.brakke@state.co.us
<i>Disaster Emergency Fund (lead)</i>	Christina Beisel	2149	christina.beisel@state.co.us
Regulatory Agencies	Andrew Forbes	2062	andrew.forbes@state.co.us
Revenue			
Executive Director's Office Taxation Business Group	Alfredo Kemm	4549	alfredo.kemm@state.co.us
Information Technology Division Division of Motor Vehicles Enforcement Business Group <i>Limited Gaming revenues (lead)</i> State Lottery Division	Andrea Uhl	4956	andrea.uhl@state.co.us
State (Secretary of State)	Andrea Uhl	4956	andrea.uhl@state.co.us
Transportation	Steve Allen	4961	steve.allen@state.co.us
Treasury	Alfredo Kemm	4549	alfredo.kemm@state.co.us
PERA <i>Unclaimed Property Trust Fund (lead)</i>			

This document is current as of January 10, 2020.