

JOINT BUDGET COMMITTEE



SUPPLEMENTAL BUDGET REQUESTS FY 2023-24

DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT

JBC WORKING DOCUMENT - SUBJECT TO CHANGE
STAFF RECOMMENDATION DOES NOT REPRESENT COMMITTEE DECISION

PREPARED BY:
ABBY MAGNUS AND ANDREW MCLEER, JBC STAFF
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JOINT BUDGET COMMITTEE STAFF
200 E. 14TH AVENUE, 3RD FLOOR • DENVER • COLORADO • 80203
TELEPHONE: (303) 866-2061 • TDD: (303) 866-3472
<https://leg.colorado.gov/agencies/joint-budget-committee>

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DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT

DEPARTMENT OVERVIEW

The Department of Public Health and Environment administers ten divisions. A brief description of each division and its functions is provided below.

ADMINISTRATION AND SUPPORT (A&S)

- Houses the Health Disparities Program, which provides grants for health initiatives aimed at reducing and eliminating disparities in the provision of health services across the state; and
- Houses the Office of Planning, Partnerships, and Improvement, which oversees the distribution of state funds to local public health agencies (LPHAs).

CENTER FOR HEALTH AND ENVIRONMENTAL DATA (CHED)

- Maintains a database of all Colorado births, deaths, marriages, and divorces;
- Provides birth and death certificates;
- Gathers and analyzes health data for use by public and private agencies; and
- Operates the Medical Marijuana Registry.

DISEASE CONTROL AND PUBLIC HEALTH RESPONSE (DCPHR)

- Operates the Immunization Program, including the Immunization Outreach Program, the Colorado Immunization Information System, and immunization clinic grants to LPHAs;
- Assesses the threat risk from environmental contaminants on human health, and, when needed, takes action to contain and/or nullify these threats;
- Provides testing, analysis, and results reporting of laboratory tests on specimens and samples submitted by other divisions, departments, and private clients;
- Includes the following laboratory units: Molecular Sciences and Newborn Screening Units, Public Health Microbiology and Environmental Microbiology Units, Organic and Inorganic Units, and Evidential Breath and Alcohol Testing and Certification Units;
- Works with local agencies and other state departments to ensure Colorado is prepared for, and able to respond to, a variety of natural and man-made disasters; and
- Coordinates a statewide network of laboratories, local agencies, hospitals, and other resources that can be utilized during disaster response.

AIR POLLUTION CONTROL DIVISION (APCD)

- Performs statewide air monitoring, pollutant analysis, and air emission modeling;
- Researches the causes and effects of pollution from mobile vehicles and implements strategies aimed at reducing emissions from mobile sources; and
- Permits, monitors, and inspects factories, power plants, and other commercial air pollutant emitters for compliance with air pollutant emissions standards.

WATER QUALITY CONTROL DIVISION (WQCD)

- Issues waste water discharge permits and, if necessary, takes enforcement action to ensure compliance with water quality standards;
- Issues water quality permits for the following sectors: construction, public and private utilities, commerce and industry, pesticides, and water quality certification;
- Monitors the pollutant levels in rivers, streams, and other bodies of water;
- Conducts surveillance of public and non-public drinking water sources to ensure compliance with federal and state water quality standards; and
- Reviews designs and specifications of new and/or expanding water treatment facilities.

HAZARDOUS MATERIALS AND WASTE MANAGEMENT DIVISION (HAZ)

- Regulates the treatment, storage, and disposal of solid and hazardous waste in Colorado;
- Performs inspections of solid waste facilities;
- Oversees hazardous waste generators, transporters, and storage facilities;
- Regulates commercial radioactive materials in Colorado; and
- Administers the Waste Tire Program.

DIVISION OF ENVIRONMENTAL HEALTH AND SUSTAINABILITY (DEHS)

- Certifies and inspects wholesale food distributors and dairy processors;
- Oversees restaurant, child care facility, and school inspections done by local public health agencies;
- Administers the following environmental sustainability programs: Environmental Leadership Program, Pollution Prevention Program, Pharmaceutical Take-Back Program;
- Administers the Recycling Resources Opportunity Program; and
- Administers the Animal Feeding Operations Program.

OFFICE OF HIV, VIRAL HEPATITIS, AND STP's (OHVS)

- Identifies, contains, controls, and tracks the spread of communicable diseases, with a focus on hepatitis, tuberculosis, sexually transmitted infections, and HIV/AIDS;
- Houses the Colorado HIV and AIDS Prevention Grant Program and the Ryan White Program.

PREVENTION SERVICES DIVISION (PSD)

- Tobacco Education, Prevention, and Cessation Program and the Cancer, Cardiovascular Disease, and Chronic Pulmonary Disease Prevention, Early Detection, and Treatment Program;
- Breast and Cervical Cancer Screening Program;
- Programs for children with special needs and the Genetics Counseling Program;
- The School-Based Health Centers Program;
- Injury and suicide prevention programs;
- Primary Care Office and Oral Health Program; and
- Women, Infants, and Children and Child and Adult Care Food federal assistance programs.

HEALTH FACILITIES AND EMERGENCY MEDICAL SERVICES DIVISION (HFEMSD)

- Enforces, through certification and inspections, the standards for the operation of health care facilities, including hospitals and nursing facilities; and
- Inspects and certifies emergency medical and trauma service providers.

SUMMARY: FY 2023-24 APPROPRIATION AND RECOMMENDATION

DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT: RECOMMENDED CHANGES FOR FY 2023-24						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2023-24 APPROPRIATION						
Long Bill (S.B. 23-214)	\$808,083,100	\$115,954,005	\$295,300,422	\$66,298,363	\$330,530,310	1,848.6
Other legislation	26,371,471	22,357,576	435,745	3,578,150	0	33.1
CURRENT FY 2023-24 APPROPRIATION:	\$834,454,571	\$138,311,581	\$295,736,167	\$69,876,513	\$330,530,310	1,881.7
RECOMMENDED CHANGES						
Current FY 2023-24 Appropriation	\$834,454,571	\$138,311,581	\$295,736,167	\$69,876,513	\$330,530,310	1,881.7
S1 Air toxics database system	305,331	305,331	0	0	0	0.0
S2 Lawn equip electrification grant renewal	1,322,728	1,322,728	0	0	0	0.0
S3 State lab utilities	97,000	0	0	97,000	0	0.0
S4 Admin indirect costs	5,584,476	0	0	5,584,476	0	0.0
S5 CCVS spending authority	(3,000,000)	(4,000,000)	1,000,000	0	0	0.0
S6 Phone system modernization	145,000	0	0	145,000	0	0.0
S7 HSRF spending authority	1,800,000	0	1,800,000	0	0	0.0
S8 Waste tire program	0	0	0	0	0	0.0
S9 Vital records ARPA return	(1,203,409)	0	(1,203,409)	0	0	0.0
S10 ARPA pay date shift	927,790	0	927,790	0	0	0.0
Staff-initiated RLRCF letternote adjustment	0	0	0	0	0	0.0
ES1 WOTUS	214,797	0	214,797	0	0	0.9
Non-prioritized requests	1,715,180	145,272	(102,769)	1,672,677	0	0.0
RECOMMENDED FY 2023-24 APPROPRIATION:	\$842,363,464	\$136,084,912	\$298,372,576	\$77,375,666	\$330,530,310	1,882.6
RECOMMENDED INCREASE/(DECREASE)	\$7,908,893	(\$2,226,669)	\$2,636,409	\$7,499,153	\$0	0.9
Percentage Change	0.9%	(1.6%)	0.9%	10.7%	0.0%	0.0%
FY 2023-24 EXECUTIVE REQUEST	\$849,755,361	\$140,376,809	\$301,472,576	\$77,375,666	\$330,530,310	1,882.6
Request Above/(Below) Recommendation	\$7,391,897	\$4,291,897	\$3,100,000	\$0	\$0	0.0

REQUEST/RECOMMENDATION DESCRIPTIONS

S1 AIR TOXICS DATABASE SYSTEM: The request includes an appropriation renewal of \$597,228 General Fund in FY 2023-24 to continue construction of the unfinished air toxics database due to contractor and OIT delays resulting from the complexity of the project. House Bill 22-1244 (Public Protection from Air Toxics) requires the Department to develop a database for monitoring annual emissions of toxic air contaminants and provided an initial appropriation of \$597,228 General Fund for the necessary programming and development. However, the Department was unable to complete the project in FY 2022-23, and is requesting a new appropriation of \$597,228 General Fund for FY 2023-24. Staff recommends partial approval of this request, totaling \$305,331 General Fund. This figure is derived from the Department's General Fund reversion at the end of FY 2022-23 of \$423,071, minus the appropriation of \$117,740 General Fund for ongoing computer programming costs of the incomplete project.

S2 LAWN EQUIPMENT ELECTRIFICATION GRANT RENEWAL: The request includes \$1,322,728 General Fund to replace funds that reverted on June 30, 2023, to complete grant payments awarded and under contract via the Lawn and Garden Equipment Electrification grant program. For Fiscal Year 2022-23, the General Assembly approved the Department's request R-01 Air Quality

Transformation which included \$1.5 million General Fund for the Department to develop a Lawn and Garden Equipment Electrification grant program. However, the Department was only able to spend a portion of that money in FY 2022-23 because of complications with program implementation. The Department is requesting a new appropriation of the amount that reverted at the end of FY 2022-23 (\$1,322,728) to fulfill the State's obligations to award these funds. Staff recommends approval of this request to meet the contractual obligations of these grant funds.

S3/BA3 STATE LAB UTILITIES: The request includes an increase of \$97,000 in reappropriated fund spending authority for FY 2023-24 and ongoing for State laboratory utilities. Actual State Lab utility expenses are higher than anticipated in FY 2023-24 due to the expansion of the Lab and a rise in utility rate costs. The source of the \$97,000 in reappropriated funds will be departmental indirect cost recovery assessments to meet the funding gap within the Utilities long bill line item. Staff recommends approval of the request.

S4 ADMINISTRATIVE INDIRECT COSTS: The request includes a one-time \$5.6 million increase in reappropriated fund spending authority to repay the federal government for prior year over-collection of indirect cost recoveries. The source of these funds is the Department's Indirect Costs Excess Recovery Fund balance where the over-collected funds have been accumulated, and which had a balance of \$25.9 million at the beginning of FY 2023-24. Staff recommends approval of the request.

S5 CCVS SPENDING AUTHORITY [LEGISLATION RECOMMENDED]: The request includes a one-time appropriation of \$4.0 million General Fund into the Community Crime Victims Services (CCVS) cash fund. The program received a one-time \$4.0 million General Fund appropriation for FY 2023-24 via a Long Bill amendment that it cannot spend by the end of FY 2023-24. Staff recommendation is that the Committee sponsor legislation to reduce the existing General Fund appropriation of \$4.0 million in the line, transfer \$4.0 million General Fund into the CCVS cash fund, make the cash fund subject to annual appropriation, exempt the fund from cash fund reserve requirements, and then add annual ongoing program appropriations of \$1.0 million with one-year of roll-forward authority from the fund.

S6/BA4 PHONE SYSTEM MODERNIZATION: The request includes an increase of \$145,000 in reappropriated fund spending authority for FY 2023-24 and ongoing to maintain the Department's modernized phone system and cover monthly phone charges. The Department initially requested \$395,250 in FY 2022-23 to transition to an OIT-supported phone system, and the Committee approved an appropriation of \$259,686. Based on recent numbers, the project will end up costing closer to the initially requested amount, and this supplemental request will cover the current funding gap and allow for monthly fluctuations. The source of the reappropriated funds will be departmental indirect cost assessments directly billed to divisions. Staff recommends approval of the request.

S7 HSRF SPENDING AUTHORITY: The request includes \$1,800,000 in additional spending authority from the Hazardous Substance Response Fund (HSRF). For FY 2023-24, the General Assembly passed S.B. 23-239, which transferred \$1.8 million from the Hazardous Substance Site Response Fund to the Hazardous Substance Response Fund, allowing for continued maintenance of Superfund sites within Colorado. While the bill transferred funding to the HSRF, it did not actually appropriate the money from the fund. It is staff's understanding that this was simply an oversight, since the Departmental request was made due to a projected \$1.2 million deficit in HSRF for 2023-24 obligations. Staff recommends approval of this request to meet the State's superfund obligations.

S8/BA5 WASTE TIRE PROGRAM: The request includes a supplemental \$100,000 cash funds from the Waste Tire Administration Fund for FY 2023-24 and an increase of \$645,000 for FY 2024-25 (above the November 1 request) to fund clean-up activities of illegal waste tire stockpiles. The Department has identified seven new waste tire removal projects since the enactment of the FY 2023-24 appropriation, which will cost an estimated \$745,000 to complete. The request would start the projects in FY 2023-24 and complete them in FY 2024-25, and the Department has suggested that the projects may not be undertaken by stakeholders if funding is delayed. Staff does not believe this request meets supplemental criteria and recommends denial of the request for \$100,000 cash funds for FY 2023-24. Staff will provide further analysis of BA5 in the forthcoming figure setting presentation for FY 2024-25.

S9 VITAL RECORDS ARPA RETURN: The request includes a one-time decrease in spending authority from the Revenue Loss Restoration Cash Fund of \$1.2 million in FY 2023-24. In FY 2023-24, the JBC approved a \$1.2 million appropriation for the Vital Records program from the Revenue Loss Restoration Cash Fund in order to reduce expenditures out of the Vital Statistics Records Cash Fund. The fund received more revenue and had fewer expenditures in FY 2022-23 than expected through debt collection efforts, federal grant funding, and increased service volumes. Due to this, the Vital Statistics Records Cash Fund will actually be out of compliance with maximum reserve requirements for the 2023-24 fiscal year, and is thus requesting to reduce the \$1.2 million appropriation to \$0. Staff recommends approval of the request.

S10 ARPA PAY DATE SHIFT: The request includes a one-time supplemental appropriation of \$927,790 from the Revenue Loss Restoration Cash Fund in FY 2023-24 for June 2023 payroll expenditures. In FY 2023-24, the JBC initiated a refinance of previously General Fund financed appropriations under S.B. 21-243 for FY 2023-24 from the Revenue Restoration Loss Cash Fund. This funding is currently scheduled to end after FY 2023-24 and is subject to a partial continuation request as part of the Department's budget request for FY 2024-25 (R1 Public Health Infrastructure Continuation). Based on the current funding structure, the Department does not have the needed appropriation in FY 2023-24 to pay for the June 2023 (FY 2022-23) payroll cost incurred in July of 2023 (FY 2023-24) due to the General Fund pay date shift. In consultation with the JBC analyst for compensation, staff recommends approval of the request.

STAFF-INITIATED SUPPLEMENTAL REQUESTS

STAFF-INITIATED RLRCF LETTERNOTE ADJUSTMENT: Staff requests that the Committee approve a technical correction to amend letternote a on the Distributions to Local Public Health Agencies line item in the Office of Public Health Practice, Planning, and Local Partnerships to identify that of the cash fund appropriation in the line, \$1,949,240 shall be from the Marijuana Tax Cash Fund and \$10.0 million shall be from the Revenue Loss Restoration Cash Fund. Currently the letternote identifies the entire amount as coming from the Marijuana Tax Cash Fund which is inaccurate and was a technical error made in drafting the FY 2023-24 Long Bill.

PREVIOUSLY APPROVED INTERIM SUPPLEMENTAL REQUEST DESCRIPTIONS

ES1 WATERS OF THE UNITED STATES (WOTUS): The request includes a one-time increase of \$214,797 cash fund spending authority in FY 2023-24 to support 0.9 term-limited FTE and ensure the State is able to provide education on and protection of Colorado's wetlands after the Sackett v. EPA Supreme Court decision that reduced federal protections of wetlands in Colorado. The

Committee approved staff recommendation for a one-time \$214,797 cash fund appropriation from the Construction Sector Cash fund created in Section 25-8-502 (1.5)(a)(II), C.R.S., for FY 2023-24 on June 20, 2023. Staff will include the approved adjustments in the supplemental bill for the Department. No further action is required.

STATEWIDE COMMON POLICY SUPPLEMENTAL REQUESTS

NON-PRIORITIZED REQUESTS: The request includes a total increase of \$1.7 million total funds, including \$145,272 General Fund, for statewide common policy requests. The staff recommendation is pending Committee action on common policies. Detail is provided in the table below.

NON-PRIORITIZED REQUESTS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
SNP Risk management	\$1,213,102	\$145,272	\$0	\$1,067,830	\$0	0.0
SNP OIT Real time billing	609,447	0	0	609,447	0	0.0
DPA Annual fleet supplemental	(107,369)	0	(102,769)	(4,600)	0	0.0
TOTAL	\$1,715,180	\$145,272	(\$102,769)	\$1,672,677	\$0	0.0

PRIORITIZED SUPPLEMENTAL REQUESTS

S1 AIR TOXICS DATABASE SYSTEM

	REQUEST	RECOMMENDATION
TOTAL	\$597,228	\$305,331
FTE	0.0	0.0
General Fund	597,228	305,331
Cash Funds	0	0
Federal Funds	0	0

Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria? YES

[An emergency or act of God; a technical error in calculating the original appropriation; data that was not available when the original appropriation was made; or an unforeseen contingency.]

Explanation: JBC staff and the Department agree that this request is due to unforeseen complications arising from development of an IT project, with development hindered by operational changes required by OIT during the procurement and contracting stage of the project. Staff recommends partial approval of the request for the portion of the funding which was reverted to the General Fund at the end of FY 2022-23.

DEPARTMENT REQUEST: The Department requests an appropriation renewal of \$597,228 General Fund in FY 2023-24 to continue construction of the unfinished air toxics database due to contractor and OIT delays resulting from the complexity of the project. The initial appropriation was granted through H.B. 22-1244 (Public Protections from Air Toxics) and required the Department to develop a database for monitoring annual emissions.

STAFF RECOMMENDATION: Staff recommends partial approval of this request, totaling \$305,331 General Fund. This total represents the General Fund reversion of \$423,071 from the Payments to OIT line item at the end of FY 2022-23, minus the ongoing maintenance costs of \$117,740 General Fund for the air monitoring database already appropriated for FY 2023-24. As the database is still under development, staff believes that the appropriation for ongoing maintenance should be used for development in the current year.

STAFF ANALYSIS: House Bill 22-1244 requires the Department to develop an air toxics data base and provides an appropriation of \$597,228 General Fund for that purpose in FY 2022-23. The bill assumed that the Department would complete development in FY 2022-23 and transition to ongoing maintenance in FY 2023-24. However, the Department argues that development was unavoidably delayed during the procurement and contracting phase of the project and is effectively requesting an extension of that appropriation for FY 2023-24.

The Department is statutorily required to regulate toxic air contaminants by H.B. 21-1189 (Regulate Air Toxics) and H.B. 22-1244. The appropriation in H.B. 22-1244 for database development was intended to cover the costs for computer programming, database development, and data storage associated with six air monitoring sites in Colorado. The Department attempted to develop the air toxics database beginning in the first week of FY 2022-23.

The Department initiated the procurement process on July 6, 2022, following receipt of funding to develop the air toxics database through H.B. 22-1244, and a vendor was selected on November 18, 2022. Negotiations with the vendor occurred from December of 2022 through February of 2023, with

the contract start date established as March 17, 2023. Terms of the negotiated contract included terms and conditions reviews by the selected vendor, as well as pre-reviews by the Office of Information Technology (OIT), the Office of the State Controller, and the Department.

However, the Department reports that changes within OIT further delayed development of database. During the procurement process, OIT was simultaneously developing guidance in project management oversight and database hosting requirements. This guidance had not been fully developed at the time the contractor was ready to begin development, with the contractor needing to wait for OIT project work to be completed. Delays in the development timeline of OIT projects necessary for the contractor to continue development also inhibited contractor access to necessary state resources. These logistical challenges have been overcome and development commenced on June 15, 2023, and has continued unobstructed now that contractual and project management guidelines have been fully implemented.

At the end of FY 2022-23, the Department reverted \$423,071 to the General Fund. Further discussion with the Department suggests that this figure is the correct amount for the reversion, with the additional \$174,157 having been spent on the project to date. In addition to this funding for the startup costs of the project, the Department was also appropriated \$117,740 General Fund for ongoing computer programming costs related to maintenance of this database system. Given that the database system is still in development, staff believes that these ongoing costs are not applicable until FY 2024-25, upon completion of the development phase of the air toxics database.

Staff agrees with the Department's assessment that the project delays were due to unforeseen circumstances beyond the Department's control, with the delayed development of guidelines for project management and contractual requirements occurring outside the Department, and that additional time is needed to develop the project to meet requirements under H.B. 21-1189. However, staff also notes that some of the initial appropriation has been expended for early development work, which the Department has agreed with in subsequent communications with JBC staff. Additionally, staff has identified ongoing maintenance costs for the system which can be delayed until 2024-25, upon completion of the database system, reducing the additional appropriation required for FY 2023-24 appropriation by a further \$117,740. The staff recommendation for an appropriation of \$305,331 General Fund accounts for this partial expenditure of the initial appropriation for development, as well as the fact that the ongoing maintenance costs are unnecessary at this stage in development.

S2 LAWN EQUIPMENT ELECTRIFICATION GRANT RENEWAL

	REQUEST	RECOMMENDATION
TOTAL	\$1,322,728	\$1,322,728
FTE	0.0	0
General Fund	1,322,728	1,322,728
Cash Funds	0	0
Federal Funds	0	0

Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria? **YES**

[An emergency or act of God; a technical error in calculating the original appropriation; data that was not available when the original appropriation was made; or an unforeseen contingency.]

Explanation: JBC staff agrees with the Department that collection and assessment of lawn equipment electrification grant proposals, coupled with supply chain issues for the acquisition of equipment, represents an unforeseen contingency.

DEPARTMENT REQUEST: The Department requests an appropriation of \$1,322,728 General Fund to complete the work of the Lawn and Garden Equipment Electrification Grant Program.

STAFF RECOMMENDATION: Staff recommends that the Committee approve the Department's request for \$1,322,728 General Fund.

STAFF ANALYSIS: The Department's FY 2022-23 R1 request (Air Quality Transformation) provided \$1.5 million General Fund for the Lawn and Garden Equipment Electrification program within the Air Pollution and Control Division Mobile Sources Program. The Department identifies mobile sources, including vehicles and non-vehicle equipment, including lawn and garden equipment, as the largest source of air pollutants within Colorado. The grant program was initiated to reduce greenhouse gas (GHG) emissions from lawn and garden equipment, incentivizing municipalities to transition to electric equipment through the grant program.

The Lawn and Garden Equipment Electrification grant program was initiated in FY 2022-23, with a focus on the Denver Metro Northern Front Range, due to the ongoing problems of ozone nonattainment of Environmental Protection Agency (EPA) standards. The Department contracted with the Regional Air Quality Council (RAQC) to implement the grant program, given the organization's expertise and experience with managing similar grant programs in the Denver Metro region. However, while the appropriation was only available for FY 2022-23, the program design did not allow for distribution of the funds in that fiscal year.

Of the \$1.5 million appropriated for FY 2022-23, the Department spent a total of \$177,272 that year (primarily for program development), reverting \$1,322,728 to the General Fund. The inability of the Department to award these outstanding grants to local governments appears to be the result of unforeseen delays. Two major drivers of these delays are misaligned fiscal years at the local level and supply chain disruptions.

- At the local level, many municipalities have fiscal years which end on December 31. Due to this, many local governments were unable to even begin the application process until six months after the program was initiated, since the local entity bears the upfront costs (with the state reimbursing those costs under the program). In turn, this limits the amount of time in which the RAQC can review and approve applications.

- Additionally, supply chain delays have further delayed equipment acquisition, and the grant program distributes awards after confirmation of acquisition. According to the Department, the combination of delayed applications and delayed equipment acquisition prevented distribution of the grant funds during FY 2022-23. Thus, the Department suggests that appropriating these reverted funds to the Department is necessary to meet the legislative intent of the Lawn and Garden Equipment Electrification grant program.

The Department request for \$1,322,728 General Fund represents the reverted amount of General Fund from the original FY 2022-23 appropriation. Staff recommends approval of the request due to the logistical problems in the application process and the supply chain delays in equipment acquisitions which the Department could not foresee. If approved, the Department and the RAQC expect the funds to be expended by the end of FY 2023-24. Staff recommends approval of this request.

S3/BA3 STATE LAB UTILITIES

	REQUEST	RECOMMENDATION
TOTAL	\$97,000	\$97,000
FTE	0.0	0.0
General Fund	0	0
Cash Funds	0	0
Reappropriated Funds	97,000	97,000
Federal Funds	0	0

Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria? **YES**

[An emergency or act of God; a technical error in calculating the original appropriation; data that was not available when the original appropriation was made; or an unforeseen contingency.]

Explanation: JBC staff and the Department agree that this request is the result of new data surrounding increased utility costs due to higher rates and prior laboratory expansions. Initial appropriations were based off of historical costs, and actual data is showing higher costs and usage in FY 2023-24.

DEPARTMENT REQUEST: The Department requests an increase of \$97,000 in reappropriated fund spending authority for FY 2023-24 and ongoing for State laboratory utilities from departmental indirect cost recoveries.

STAFF RECOMMENDATION: Staff recommends approval of the request.

STAFF ANALYSIS:

In FY 2023-24, the Department reports that State Lab utility expenses have outpaced projections due to the prior expansion of the Lab and a rise in utility rate costs. In the first four months of FY 2023-24, gas, electric, and water use has been about 60.0 percent higher on average than the previous two years. This increased use is due to updates and expansions of the State Lab that have occurred over the last few years. Additionally, utility rates have increased in FY 2023-24 compared to the previous two years. The Department was appropriated \$390,727 in reappropriated funds for State Lab utilities in FY 2023-24, and the projected need will be \$487,605. The request is to meet this gap in funding of \$96,878 with a supplemental appropriation rounded up to \$97,000 to allow for monthly fluctuations.

S4 ADMINISTRATIVE INDIRECT COSTS

	REQUEST	RECOMMENDATION
TOTAL	\$5,584,476	\$5,584,476
FTE	0.0	0.0
General Fund	0	0
Cash Funds	0	0
Reappropriated Funds	5,584,476	5,584,476
Federal Funds	0	0

Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria? **YES**

[An emergency or act of God; a technical error in calculating the original appropriation; data that was not available when the original appropriation was made; or an unforeseen contingency.]

Explanation: JBC staff and the Department agree that this request is the result data that was not available when the original appropriation was made regarding the Department's federal indirect cost rate and plan.

DEPARTMENT REQUEST: The Department requests a one-time \$5.6 million increase in reappropriated fund spending authority from the Department's Indirect Costs Excess Recovery Fund balance to repay the federal government for prior year over-collection of indirect cost recoveries.

STAFF RECOMMENDATION: Staff recommends approval of the request.

STAFF ANALYSIS:

During the COVID-19 pandemic, the Department processed more than \$1.8 billion in related funding that was off-budget. During this time, the Department made an error in how it accounted for temporary administrative staff, classifying them as program staff paid for with direct federal dollars rather than indirect costs. Essentially the Department received federal indirect cost funding, but did not use the indirect cost funding for the associated staff. This led to a large over-collection of federal indirect costs, and raised the Department's balance in the Indirect Cost Excess Recovery Fund from \$2.3 million in 2020 to \$25.9 million 2023.

CDPHE INDIRECT COSTS

Indirect costs are charged to cash and federally funded programs within the Department to pay for Department wide services (e.g. human resources, accounting, grant administration, etc.). The Department's indirect cost rate is calculated as a fraction of prior-year expenditures: the numerator equating to administrative overhead expenses, and the denominator equating to the total expenditure base for the entire Department. This methodology is shown in the graphic below. Any excess collections from the previous year are also reduced from the numerator with the expectation that a lower rate will correct against future over-collections. The Department's indirect cost recovery plan applies a uniform indirect rate across all fund sources, federal and state, except as specified according to statute, law, or grant.

Administrative Expenditures (\$)



Total Cost Base (\$)



Indirect Cost Rate (%)

HISTORICAL INDIRECT COST RATE CALCULATIONS			
FISCAL YEAR	ADMINISTRATIVE EXPENSES (MILLIONS)	TOTAL COST BASE (MILLIONS)	INDIRECT COST RATE
2018-19	\$31.9	\$157.1	20.3%
2019-20	32.1	168.8	19.0
2020-21	32.4	190.5	19.6
2021-22	30.2	279.7	17.4
2022-23	30.4	317.9	13.4
2023-24*	35.5	-	4.2

*estimate

The indirect rate is calculated from prior year data, so the indirect rate for any given year is applied to future year costs.

The over-collection of federal indirect costs is going to have a delayed but significant effect of reducing the Department's indirect cost rate down from 17.4 percent in FY 2021-22 to 13.4 percent in FY 2022-23 and down to an anticipated 4.2 percent in FY 2023-24, as shown in the table above. Accurately accounting for the increased administrative needs that each federal grant contributes to the Department's administrative services will help stabilize the indirect cost rate in the future by allowing the rates in the numerator to grow in proportion to the denominator. To begin to right size this appropriation, the Department needs increased reappropriated fund spending authority to pay back indirect cost collections related to the CDC's Strengthening U.S. Public Health Infrastructure, Workforce, and Data Systems grant.

INDIRECT COSTS EXCESS RECOVERY FUND

Indirect cost rates are typically based on historical appropriations, and it is common for rates to change each year. For years when historical appropriations were higher, the rate may be too high and collections are greater than what is necessary to maintain operational costs. In years when historical appropriations are lower, the opposite is true and the Department may not collect sufficient indirect costs. Due to the varied nature of indirect cost collections, the General Assembly created the Indirect Costs Excess Recovery Fund in FY 2013-14 for the purpose of reducing budget adjustments related to the over- and under-collection of indirect costs in a given fiscal year. The fund is used by Departments to hold excess indirect cost collections for use in years when collections are insufficient.

While the Department's balance in the Indirect Cost Excess Recovery Fund began at \$25.9 million in FY 2023-24, it is estimated to decrease to \$9.0 million by June 2024. The Department already made a payment to the federal government of \$2.4 million in 2023, and it is anticipating making this requested payment and one more in 2024 that will be between \$2.0 and 3.0 million. It also continues to pay indirect costs out of the account. While forecasting for FY 2024-25 is difficult without FY 2023-24 rates confirmed, an unknown volume of grant awards, and the setting of the FY 2024-25 budget for the Department, ideally the balance of the account will be nearing \$0 in FY 2025-26. Given this, staff recommends caution in utilizing the Department's balance in the fund for anything other than repayments to the federal government and the Department's indirect costs.

FEDERAL GOVERNMENT AND INDIRECT COST PLANS

The federal government allows state programs to charge federal funding they receive at a determined rate for indirect costs, however was delayed in approving federal indirect cost plans in 2023. The U.S. Department of Health and Human Services made a determination of the Department's indirect cost rates for FY 2023-24 on November 21, 2023. This email stated, "As a result of the adjustments, the On-Site, Off-Site, and Sub-Award rates will be 4.2%, 1.7%, and 0.7% respectively, given that CDPHE

refunds the Federal Government \$5,584,476 for the FY 22 Sub-Award rate over-recovery....Also, please provide an estimated date for the refund payment or if CDPHE is able to make the Federal refund payment within 30 days so that I can proceed to issue the determination letter for the refund as well as the new rate agreement.” Without this payment to the federal government, FY 2023-24 federal indirect cost rates will be too low and will require further readjustment. This increased spending authority will allow the Department to pay back the federal government the \$5.6 million it owes.

S5 CCVS SPENDING AUTHORITY [LEGISLATION RECOMMENDED]

	REQUEST	RECOMMENDATION
TOTAL	\$4,000,000	(\$3,000,000)
FTE	0.0	0.0
General Fund	0	(4,000,000)
Cash Funds	4,000,000	1,000,000
Reappropriated Funds	0	0
Federal Funds	0	0

Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria? YES

[An emergency or act of God; a technical error in calculating the original appropriation; data that was not available when the original appropriation was made; or an unforeseen contingency.]

Explanation: The Department believes this request is the result of a technical error in drafting an amendment to the FY 2023-24 Long Bill. JBC staff believes this is actually more appropriately considered an unforeseen contingency in the program’s ability to spend the appropriation by the end of the 2023-24 fiscal year.

DEPARTMENT REQUEST: The Department requests a one-time appropriation of \$4.0 million General Fund into the Community Crime Victims Services (CCVS) cash fund. The program received a one-time \$4.0 million General Fund appropriation for FY 2023-24 via a Long Bill amendment that it cannot spend by the end of FY 2023-24.

STAFF RECOMMENDATION: Staff recommends that the Committee sponsor legislation to reduce the existing General Fund appropriation of \$4.0 million in the line, transfer \$4.0 million General Fund into the CCVS cash fund, make the cash fund subject to annual appropriation, exempt the fund from cash fund reserve requirements, and then add annual ongoing appropriations of \$1.0 million with one year of roll-forward from the fund for the program.

STAFF ANALYSIS:

The program received a one-time \$4.0 million General Fund appropriation for FY 2023-24 via a Long Bill amendment that it cannot spend by the end of FY 2023-24.

COMMUNITY CRIME VICTIMS SERVICES PROGRAM (CCVS)

The CCVS program was created via H.B. 18-1409 (Crime Survivors Grant Program and Presumptive Parole) in response to a study that found that people of color, youth, and men typically experience the highest rates of victimization, but are also the least likely to pursue and obtain victim support services. The CCVS grant program is housed in the Prevention Services Division of the Department. So far, the program has found that participants seeking services through the program reflect high levels of satisfaction and the number of participants consistently exceeds program goals. Waitlists for services

remain heavy because the grantee organizations are beyond their maximum capacity. A sunset review of the program recommended a continuation, and S.B. 23-160 (Sunset Continue Community Crime Victims Grant Program) continued the program through September 1, 2028, with another sunset review of the grant program before its repeal.

The program receives an annual General Fund appropriation of \$882,349, which is adjusted annually for salary increases. The amount supports 0.3 FTE, administrative costs, and annual grants. Additionally, there is a C CVS cash fund over which the Department has continuous spending authority. All money in the fund will revert to General Fund in September 2029. The cash fund received General Fund transfers in FY 2019-20 (\$568,431) and FY 2020-21 (\$402,407). Senate Bill 22-183 (Crime Victims Services) transferred \$1.0 million General Fund to the C CVS cash fund in FY 2022-23.

LONG BILL AMENDMENT APPROPRIATION

The Department expects to spend approximately \$460,000 of the \$4.0 million appropriation from the Long Bill amendment in FY 2023-24. The Department states that planned expenditures will vary across each fiscal year due to the nature of the work and changing community needs, and it plans to distribute the appropriation through FY 2027-28. This funding would be allocated to existing grantees to sustain and grow services and would also be used to fund at least two new community partners. A request for proposals was released in late 2023 and new grantees will be awarded in FY 2023-24.

The Department states it would like to maintain the continuous spending authority on the fund to allow for a dynamic response with community partners working with vulnerable populations. It states that access to continuous spending authority allows the Department to ensure a responsive approach to support budgets over multi-year projects. The Department requests that if an annual appropriations are required, the appropriations have one-year roll-forward authority to allow for full expenditures by the grantees.

STAFF RECOMMENDATION

Staff recommends that the Committee sponsor legislation to:

- 1 Reduce the existing General Fund appropriation of \$4.0 million in the line;
- 2 Transfer \$4.0 million General Fund into the C CVS cash fund;
- 3 Make the cash fund subject to annual appropriation and exempt the fund from cash fund reserve requirements; and
- 4 Add annual ongoing appropriations of \$1.0 million with one-year of roll-forward authority from the fund for the program.

If the Committee is not in agreement on running an orbital bill, the Committee could approve the Department's request instead of staff recommendation. The request would involve adding a new line item to the Long Bill that creates an appropriation to the C CVS cash fund, reduce the \$4.0 million General Fund appropriation in the program line, and add a \$4.0 million General Fund appropriation to this new line item. This would appropriate funding to the C CVS cash fund in FY 2023-24 and allow the Department to spend the appropriation over multiple years. Staff believes a transfer is a more appropriate mechanism than an appropriation, however a transfer requires legislation and an appropriation change does not.

S6/BA4 PHONE SYSTEM MODERNIZATION

	REQUEST	RECOMMENDATION
TOTAL	\$145,000	\$145,000
FTE	0.0	0.0
General Fund	0	0
Cash Funds	0	0
Reappropriated Funds	145,000	145,000
Federal Funds	0	0

Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria? YES

[An emergency or act of God; a technical error in calculating the original appropriation; data that was not available when the original appropriation was made; or an unforeseen contingency.]

Explanation: JBC staff and the Department agree that this request is the result of new data unavailable when the original appropriation was made, as reporting data on actual use became available in October 2023.

DEPARTMENT REQUEST: The Department requests an increase of \$145,000 in reappropriated fund spending authority for FY 2023-24 and ongoing for its phone system modernization project coming from departmental indirect cost recoveries.

STAFF RECOMMENDATION: Staff recommends approval of the request.

STAFF ANALYSIS:

The Department initially requested \$395,250 General Fund in FY 2022-23 to transition to an OIT-supported phone system. Staff recommended and the Committee approved an appropriation of \$259,686 reappropriated funds for the project. Based on recent numbers, the project will end up costing closer to the initially requested amount, and this supplemental request will cover the current funding gap as well as allow for monthly fluctuations. The source of the reappropriated funds will be departmental indirect cost recoveries directly billed to the divisions for actual usage of the system as these costs are already built into the Department's indirect cost structure.

The initial request to update the Department's phone system was set to start in the fall or winter of 2022. Implementation was delayed due to a new vendor being on-boarded by OIT. OIT eventually directed the Department to utilize the existing vendor in early 2023, and implementation occurred in July of 2023. This delay is what caused the request to be submitted as a supplemental request for FY 2023-24.

The expected cost of the system was originally \$395,250 per the FY 2022-23 decision item. The Department states that the increase in cost to \$404,686 is primarily due to a slight increase in demand to increased staffing in DCPHR and APCD over the past two legislative sessions and the implementation of a softphone option that allowed staff working remotely to utilize the Department's phone system versus cell phones or personnel phones.

S7 HSRF SPENDING AUTHORITY

	REQUEST	RECOMMENDATION
TOTAL	\$1,800,000	\$1,800,000
FTE	0.0	0.0
General Fund	0	0
Cash Funds	1,800,000	1,800,000
Federal Funds	0	0

Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria? **YES**

[An emergency or act of God; a technical error in calculating the original appropriation; data that was not available when the original appropriation was made; or an unforeseen contingency.]

Explanation: JBC staff and the Department agree that this request is the result of a technical error in the initial transfer of funds to the HSRF from the Hazardous Substance Site Response Fund through S.B. 23-239, whereby the Department did not receive spending authority for the transferred funds.

DEPARTMENT REQUEST: The Department requests spending authority of \$1,800,000 cash funds from the Hazardous Substance Response Fund (HSRF) for FY 2023-24. This figure represents the amount transferred to the HSRF from the Hazardous Substance Site Response Fund (HSSRF) by S.B. 23-239. The bill transferred the funds did not include an appropriations clause for the funds, necessitating the Department's request, which will allow for the Department to expend the funding for Superfund site maintenance.

STAFF RECOMMENDATION: Staff recommends that the Committee approve the Department's request for \$1,800,000 spending authority from the HSRF to meet the Department's hazardous waste obligations.

STAFF ANALYSIS: The HSRF was established to fund the state's hazardous material disposal needs, including management of Colorado's Superfund sites as required under the federal Comprehensive Environmental Response, Compensation and Liability Act of 1980 (CERCLA). The Department request for \$1,800,000 in spending authority from the HSRF is due to an oversight in S.B. 23-214 (The 2023-24 Long Bill), wherein the funds from the transfer to the HSRF were not included in the appropriation to the Department. The transfer of funds to the HSRF was requested due to a projected \$1.2 million deficit in the HSRF, with the request made in the face of increased expenditures for Superfund site maintenance in FY 2023-24. Given that these funds are necessary for the Department to meet the State's operations maintenance requirements under CERCLA, and that the lack of spending authority of these funds appears to be due to a technical error, staff recommends granting expenditure authority over the transferred funds.

S8/BA5 WASTE TIRE PROGRAM

	REQUEST	RECOMMENDATION
TOTAL	\$100,000	\$0
FTE	0.0	0.0
General Fund	0	0
Cash Funds	100,000	0
Federal Funds	0	0

Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria? **NO**

[An emergency or act of God; a technical error in calculating the original appropriation; data that was not available when the original appropriation was made; or an unforeseen contingency.]

Explanation: JBC staff disagrees with the Department that this request meets supplemental criteria. The Department has suggested that the identification of new waste tire stockpiles constitutes new data. However, JBC staff typically does not consider expansion of the scope of a program to be new data.

DEPARTMENT REQUEST: The Department requests spending authority of \$100,000 cash funds from the Waste Tire Administration Fund for FY 2023-24 and \$645,000 for FY 2024-25 to complete seven newly identified waste tire cleanup projects across the state.

STAFF RECOMMENDATION: Staff recommends that the Committee reject the Department's request for \$100,000 spending authority from the Waste Tire Administration Fund, since it does not meet supplemental criteria. Staff further recommends that the Committee consider the entirety of the \$745,000 in this request as a budget amendment to the Department's FY 2024-25 request.

STAFF ANALYSIS: The Hazardous Materials and Waste Management Division within the Department is tasked with managing the disposal of waste tires after their intended use, including recycling and disposal. The Department's goal is to prevent the release of harmful contaminants from waste tires into the environment. Additionally, waste tire stockpiles can have detrimental health impacts on surrounding communities, as they can be breeding grounds for mosquitos, as well as resulting infectious disease such as West Nile virus. Furthermore, waste tires are highly flammable, representing further environmental risk.

In spring and summer of 2023, the Department identified seven new illegal waste tire stockpiles, with the owners of the stockpiles wishing to move forward on removal. The Department wishes to move forward with removal of these waste tire stockpiles through the Illegal Waste Tire Cleanup Grant program, funded by the Waste Tire Administration Fund. These seven additional waste tire removal projects would remove nearly 132,000 waste tires from illegal stockpile sites at a total cost of \$745,000.

The Department has suggested that the lack of spending authority to initiate these projects would delay these projects and risks them not being completed altogether. Given that the waste tire removal projects are negotiated with landowners, the Department has expressed concern that landowners with illegal waste tires on premises may not enter into contract to have the remediation work done if there is a delay in beginning the projects. Additionally, the Department has identified rising expense for waste tire removal as a reason to limit the delay on starting these projects, as well as further negative health and environmental impacts which could arise if the project were to be delayed until the

beginning of FY 2023-24 (e.g., risk of West Nile virus from mosquitos as we move into the summer months).

The Department argues that the additional funding is necessary for FY 2023-24, and that the identification of these sites meets supplemental criteria as “new data.” However, staff disagrees that the expansion of programmatic needs meets the new data criteria. Staff does note that the Waste Tire Administration Fund has adequate funding to absorb the cost for this project, and that no further fee increases are necessary for the fund to remain solvent, irrespective of whether the project were to be initiated in FY 2023-24 or FY 2024-25.

S9 VITAL RECORDS ARPA RETURN

	REQUEST	RECOMMENDATION
TOTAL	(\$1,203,409)	(\$1,203,409)
FTE	0.0	0.0
General Fund	0	0
Cash Funds	(\$1,203,409)	(\$1,203,409)
Reappropriated Funds	0	0
Federal Funds	0	0

Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria? **YES**

[An emergency or act of God; a technical error in calculating the original appropriation; data that was not available when the original appropriation was made; or an unforeseen contingency.]

Explanation: JBC staff and the Department agree that this request is the result data that was unavailable at the time of the original appropriation, given the program’s unexpected increase of revenue as well as receiving federal grant funding.

DEPARTMENT REQUEST: The Department requests a one-time decrease in spending authority from the Revenue Loss Restoration Cash Fund of \$1.2 million in FY 2023-24.

STAFF RECOMMENDATION: Staff recommends approval of the request.

STAFF ANALYSIS:

In FY 2023-24, the JBC approved a \$1.2 million appropriation for the Vital Records program from the Revenue Loss Restoration Cash Fund in order to reduce expenditures out of the Vital Statistics Records Cash Fund. The Department noted reduced revenue due to the COVID-19 pandemic and desire not to increase fees related to the program as the rationale behind the request.

By the close of FY 2022-23, the Cash Fund had a significantly higher balance than expected through debt collection efforts, federal grant funding, and increased service volumes. Due to this increased revenue and decreased expenditures, the Vital Statistics Records Cash Fund will actually be out of compliance with maximum reserve requirements in the 2023-24 fiscal year. The Department is thus requesting to reduce the \$1.2 million appropriation to \$0.

The Vital Records Office applied for a federal funding opportunity in the spring of 2021, however received the award notification from the Centers for Disease Control after the November 2022 budget cycle submission. Funds were additionally delayed until an updated budget for all grant components

was received, negotiated, and approved by the agency. These grant funds could only be used until the end of fiscal year 2022-23 to pay upfront system costs. The grant funds reduced costs that would have been otherwise charged to the cash fund.

The Department also states it reduced fees as of January 1, 2024, to help bring the Vital Records cash fund into maximum reserve compliance. This reduction is projected to reduce the revenue in the cash fund by an estimated \$250,000 by the end of FY 2023-24 and \$500,000 for FY 2024-25. When the cash fund was projected to be in deficit during and immediately after the COVID-19 pandemic, the Office intentionally held vacancies to maximize cost savings. Since that time, the Office has returned to pre-pandemic normal business operations and has filled these vacancies.

S10 ARPA PAY DATE SHIFT

	REQUEST	RECOMMENDATION
TOTAL	\$927,790	\$927,790
FTE	0.0	0.0
General Fund	0	0
Cash Funds	927,790	927,790
Reappropriated Funds	0	0
Federal Funds	0	0

Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria? YES

[An emergency or act of God; a technical error in calculating the original appropriation; data that was not available when the original appropriation was made; or an unforeseen contingency.]

Explanation: JBC staff and the Department agree that this request is the result of unforeseen contingencies around the technical nature of switching between cash funds and General Fund to support temporary FTE, which has left the Department with 13 months of payroll expenditures in FY 2023-24.

DEPARTMENT REQUEST: The Department requests a one-time supplemental appropriation of \$927,790 from the Revenue Loss Restoration Cash Fund in FY 2023-24 for June 2023 payroll expenditures.

STAFF RECOMMENDATION: In consultation with the JBC analyst for compensation, staff recommends approval of the request.

STAFF ANALYSIS:

SENATE BILL 21-243 (CDPHE APPROPRIATION PUBLIC HEALTH INFRASTRUCTURE)

For FY 2021-22 through FY 2023-24, S.B. 21-243 increased annual expenditures in the Division of Disease Control and Public Health Response by \$11.1 million and 121.3 FTEs. In FY 2021-22, expenditures were from the Economic Recovery and Relief Cash Fund, and in FY 2022-23 and FY 2023-24, expenditures were planned to come from the General Fund. The JBC made the decision last year to have the FY 2023-24 appropriation come from the Revenue Loss Restoration Cash Fund.

PAY DATE SHIFT

As part of the General Fund pay date shift implemented by the state in 2003, one month of overall payroll costs were saved in that fiscal year by paying on the first day of the next fiscal year. The long-

term impact of this decision is that this budget action must be applied in all subsequent years. The existing executive branch payroll system automatically applies this to all General Funded employees that are paid on a monthly basis.

With the pay date shift, the S.B. 21-243 June 2023 payroll costs were borne in the first month of FY 2023-24. This resulted in 11 months of payroll costs in FY 2022-23 and 13 months of payroll costs in FY 2023-24, with the program being appropriated 12 months of payroll costs for each fiscal year. This request does account for employees paid on a bi-weekly basis, and the Department reverted about \$2.6 million General Fund in this line item in FY 2022-23.

IMPACT ON F1 PUBLIC HEALTH INFRASTRUCTURE CONTINUATION

This funding is currently scheduled to end after FY 2023-24 and is subject to a partial continuation request as part of the Department's budget request for FY 2024-25 (R1 Public Health Infrastructure Continuation). As part of the staff recommendation for that request, staff will consider the reduced fiscal impacts of any FTE related funding that the Committee decides to continue.

STAFF-INITIATED SUPPLEMENTAL REQUESTS

STAFF-INITIATED RLRCF LETTERNOTE ADJUSTMENT

	REQUEST	RECOMMENDATION
TOTAL	\$0	\$0
FTE	0	0
General Fund	0	0
Cash Funds	0	0
Federal Funds	0	0

Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria? **YES**

[An emergency or act of God; a technical error in calculating the original appropriation; data that was not available when the original appropriation was made; or an unforeseen contingency.]

Explanation: JBC staff requests this change due to a technical error made in drafting the FY 2023-24 Long Bill.

DEPARTMENT REQUEST: The Department did not request this change however is aware of staff's recommendation. The Department brought this drafting error to staff's attention in the spring, and JBC staff confirmed with the Department and Controller at that time that staff would request to amend the technical error during the supplemental process.

STAFF RECOMMENDATION: Staff recommends that the Committee approve amending letternote a on the Distributions to Local Public Health Agencies line item in the Office of Public Health Practice, Planning, and Local Partnerships to identify that of the cash fund appropriation in the line, \$1,949,240 shall be from the Marijuana Tax Cash Fund and \$10.0 million shall be from the Revenue Loss Restoration Cash Fund. Currently the letternote identifies the entire amount as coming from the Marijuana Tax Cash Fund which is inaccurate.

STAFF ANALYSIS: Senate Bill 21-243 (Colorado Department of Public Health And Environment Appropriation Public Health Infrastructure) laid out appropriations of \$10.0 million for distributions to local public health agencies from the Economic Recovery and Relief Cash Fund in FY 2021-22 and from the General Fund in FY 2022-23 and FY 2023-24. During the 2023 figure setting process, the JBC voted to fund the appropriations from the Revenue Loss Restoration Cash Fund (RLRCF) in FY 2023-24. In drafting the FY 2023-24 Long Bill to reflect the Committee's decision, staff switched the fund source from General Fund to cash funds however failed to identify in the letternote that the source of the cash funds shall be from the RLRCF. Amending the letternote to identify the correct cash fund source will ensure the Committee's action is accurately represented in the Long Bill and the appropriations come from the RLRCF rather than the Marijuana Tax Cash Fund.

PREVIOUSLY APPROVED INTERIM SUPPLEMENTAL REQUEST

ES1 WATERS OF THE UNITED STATES (WOTUS)

	REQUEST	APPROVED
TOTAL	\$214,797	\$214,797
FTE	0.0	0.0
General Fund	214,797	0
Cash Funds	0	214,797
Federal Funds	0	0

DEPARTMENT REQUEST: The Department requested a one-time increase of \$214,797 General Fund in FY 2023-24 to support 0.9 term-limited FTE and ensure the State is able to provide education on and protection of Colorado’s wetlands after the Sackett v. EPA Supreme Court decision which reduced federal protections of wetlands in Colorado.

SUMMARY: On May 25, 2023, the U.S. Supreme Court (SCOTUS) ruled that the previous interpretation of what constitutes federal waters, subject to regulation by the U.S. government, was too broad, and these waters will now be regulated at the discretion of the states. Because the new federal definition is narrower than Colorado’s definition, there is a regulatory gap on dredge and fill activities, and Colorado will now be responsible for regulating state waters previously under federal jurisdiction. The SCOTUS ruling requires the Department to work with stakeholders, the Water Quality Control Commission, and the Corps and EPA to determine next steps to continue to provide regulation of Colorado’s wetlands. CDPHE proposed this short-term solution to allow continued protection of Colorado’s waters while also beginning immediate work with stakeholders to identify a framework for permitting, compliance, and enforcement to address the gap in federal and state water protections. Staff believes the Department has not yet received directives from the Corps or EPA at this time, which is why a budget request was not submitted for FY 2024-25. The Committee will likely see another supplemental request once the Department receives federal guidance.

COMMITTEE ACTION: On June 20, 2023, staff recommended and the Committee approved a one-time \$214,797 cash fund appropriation from the Construction Sector Cash fund created in Section 25-8-502 (1.5)(a)(II), C.R.S., for FY 2023-24. Staff will include the approved adjustments in the supplemental bill for the Department. No further action is required.

STATEWIDE COMMON POLICY SUPPLEMENTAL REQUESTS

These requests are not prioritized and are not analyzed in this packet. The JBC will act on these items later when it makes decisions regarding common policies.

DEPARTMENT'S PORTION OF STATEWIDE SUPPLEMENTAL REQUESTS	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROP. FUNDS	FEDERAL FUNDS	FTE
SNP Risk management	\$1,213,102	\$145,272	\$0	\$1,067,830	\$0	0.0
SNP OIT Real time billing	609,447	0	0	609,447	0	0.0
DPA Annual fleet supplemental	(107,369)	0	(102,769)	(4,600)	0	0.0
DEPARTMENT'S TOTAL STATEWIDE SUPPLEMENTAL REQUESTS	\$1,715,180	\$145,272	(\$102,769)	\$1,672,677	\$0	0.0

STAFF RECOMMENDATION: The staff recommendation for this request is pending Committee action on common policy supplementals. Staff asks permission to include the corresponding appropriations in the Department's supplemental bill when the Committee acts on common policy supplementals. If staff believes there is reason to deviate from the common policy, staff will appear before the Committee at a later date to present the relevant analysis.

APPENDIX A: NUMBERS PAGES

JBC Staff Supplemental Recommendations - FY 2023-24
Staff Working Document - Does Not Represent Committee Decision

Appendix A: Numbers Pages

	FY 2022-23 Actual	FY 2023-24 Appropriation	FY 2023-24 Requested Change	FY 2023-24 Rec'd Change	FY 2023-24 Total w/Rec'd Change
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DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT

Jill Ryan, Executive Director

S1 Air toxics database system

(1) ADMINISTRATION AND SUPPORT

(A) Administration

Payments to OIT	<u>10,158,190</u>	<u>17,605,610</u>	<u>597,228</u>	<u>305,331</u>	<u>17,910,941</u>
General Fund	6,709,886	7,121,120	597,228	305,331	7,426,451
Cash Funds	626,826	64,806	0	0	64,806
Reappropriated Funds	2,599,861	8,397,344	0	0	8,397,344
Federal Funds	221,616	2,022,340	0	0	2,022,340

Total for S1 Air toxics database system	<u>10,158,190</u>	<u>17,605,610</u>	<u>597,228</u>	<u>305,331</u>	<u>17,910,941</u>
<i>FTE</i>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
General Fund	6,709,886	7,121,120	597,228	305,331	7,426,451
Cash Funds	626,826	64,806	0	0	64,806
Reappropriated Funds	2,599,861	8,397,344	0	0	8,397,344
Federal Funds	221,616	2,022,340	0	0	2,022,340

JBC Staff Supplemental Recommendations - FY 2023-24
Staff Working Document - Does Not Represent Committee Decision

	FY 2022-23 Actual	FY 2023-24 Appropriation	FY 2023-24 Requested Change	FY 2023-24 Rec'd Change	FY 2023-24 Total w/Rec'd Change
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S2 Lawn equip electrification renewal

(4) AIR POLLUTION CONTROL DIVISION

(C) Mobile Sources

Local Grants	<u>227,719</u>	<u>77,597</u>	<u>1,322,728</u>	<u>1,322,728</u>	<u>1,400,325</u>
General Fund	169,322	0	1,322,728	1,322,728	1,322,728
Cash Funds	58,397	77,597	0	0	77,597
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

Total for S2 Lawn equip electrification renewal	227,719	77,597	1,322,728	1,322,728	1,400,325
<i>FTE</i>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
General Fund	169,322	0	1,322,728	1,322,728	1,322,728
Cash Funds	58,397	77,597	0	0	77,597
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

JBC Staff Supplemental Recommendations - FY 2023-24
Staff Working Document - Does Not Represent Committee Decision

	FY 2022-23 Actual	FY 2023-24 Appropriation	FY 2023-24 Requested Change	FY 2023-24 Rec'd Change	FY 2023-24 Total w/Rec'd Change
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S3 State lab utilities

(1) ADMINISTRATION AND SUPPORT

(A) Administration

Utilities	<u>366,097</u>	<u>563,651</u>	<u>97,000</u>	<u>97,000</u>	<u>660,651</u>
General Fund	29,909	29,909	0	0	29,909
Cash Funds	80,120	161,324	0	0	161,324
Reappropriated Funds	247,585	360,818	97,000	97,000	457,818
Federal Funds	8,483	11,600	0	0	11,600

Total for S3 State lab utilities	366,097	563,651	97,000	97,000	660,651
<i>FTE</i>	<u>0 .0</u>	<u>0 .0</u>	<u>0 .0</u>	<u>0 .0</u>	<u>0 .0</u>
General Fund	29,909	29,909	0	0	29,909
Cash Funds	80,120	161,324	0	0	161,324
Reappropriated Funds	247,585	360,818	97,000	97,000	457,818
Federal Funds	8,483	11,600	0	0	11,600

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S4 Admin indirect costs

(1) ADMINISTRATION AND SUPPORT

(A) Administration

Indirect Costs Assessment	<u>578,615</u>	<u>648,697</u>	<u>5,584,476</u>	<u>5,584,476</u>	<u>6,233,173</u>
General Fund	0	0	0	0	0
Cash Funds	314,422	339,422	0	0	339,422
Reappropriated Funds	27,642	88,603	5,584,476	5,584,476	5,673,079
Federal Funds	236,551	220,672	0	0	220,672

Total for S4 Admin indirect costs	578,615	648,697	5,584,476	5,584,476	6,233,173
<i>FTE</i>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
General Fund	0	0	0	0	0
Cash Funds	314,422	339,422	0	0	339,422
Reappropriated Funds	27,642	88,603	5,584,476	5,584,476	5,673,079
Federal Funds	236,551	220,672	0	0	220,672

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S5 CCVS spending authority

(9) PREVENTION SERVICES DIVISION

(D) Family and Community Health

(3) Injury and Violence Prevention - Mental Health Promotion

Community Crime Victims Grant Program	<u>1,082,287</u>	<u>4,882,349</u>	<u>4,000,000</u>	<u>(3,000,000)</u>	<u>1,882,349</u>
General Fund	881,078	4,882,349	0	(4,000,000)	882,349
Cash Funds	201,209	0	4,000,000	1,000,000	1,000,000
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

Total for S5 CCVS spending authority	<u>1,082,287</u>	<u>4,882,349</u>	<u>4,000,000</u>	<u>(3,000,000)</u>	<u>1,882,349</u>
<i>FTE</i>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
General Fund	881,078	4,882,349	0	(4,000,000)	882,349
Cash Funds	201,209	0	4,000,000	1,000,000	1,000,000
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

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S6 Phone system modernization

(1) ADMINISTRATION AND SUPPORT

(A) Administration

Operating Expenses	<u>2,663,903</u>	<u>3,312,760</u>	<u>145,000</u>	<u>145,000</u>	<u>3,457,760</u>
General Fund	198,793	239,936	0	0	239,936
Cash Funds	0	0	0	0	0
Reappropriated Funds	2,465,110	3,072,824	145,000	145,000	3,217,824
Federal Funds	0	0	0	0	0

Total for S6 Phone system modernization	2,663,903	3,312,760	145,000	145,000	3,457,760
<i>FTE</i>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
General Fund	198,793	239,936	0	0	239,936
Cash Funds	0	0	0	0	0
Reappropriated Funds	2,465,110	3,072,824	145,000	145,000	3,217,824
Federal Funds	0	0	0	0	0

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S7 HSRF spending authority

(6) HAZARDOUS MATERIALS AND WASTE MANAGEMENT DIVISION

(D) Contaminated Site Cleanups and Remediation Programs

Personal Services	<u>4,952,448</u>	<u>4,676,773</u>	<u>1,800,000</u>	<u>1,800,000</u>	<u>6,476,773</u>
FTE	18.8	18.8	0.0	0.0	18.8
General Fund	0	0	0	0	0
Cash Funds	768,236	1,027,959	1,800,000	1,800,000	2,827,959
Reappropriated Funds	0	0	0	0	0
Federal Funds	4,184,212	3,648,814	0	0	3,648,814

Total for S7 HSRF spending authority	<u>4,952,448</u>	<u>4,676,773</u>	<u>1,800,000</u>	<u>1,800,000</u>	<u>6,476,773</u>
<i>FTE</i>	<u>18.8</u>	<u>18.8</u>	<u>0.0</u>	<u>0.0</u>	<u>18.8</u>
General Fund	0	0	0	0	0
Cash Funds	768,236	1,027,959	1,800,000	1,800,000	2,827,959
Reappropriated Funds	0	0	0	0	0
Federal Funds	4,184,212	3,648,814	0	0	3,648,814

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S8 Waste tire program

(6) HAZARDOUS MATERIALS AND WASTE MANAGEMENT DIVISION

(F) Waste Tire Program

Waste Tire Program Administration and Cleanup

Program Enforcement	<u>2,200,835</u>	<u>2,225,511</u>	<u>100,000</u>	<u>0</u>	<u>2,225,511</u>
FTE	7.8	7.8	0.0	0.0	7.8
General Fund	0	0	0	0	0
Cash Funds	2,200,835	2,225,511	100,000	0	2,225,511
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

Total for S8 Waste tire program	2,200,835	2,225,511	100,000	0	2,225,511
<i>FTE</i>	<u>7.8</u>	<u>7.8</u>	<u>0.0</u>	<u>0.0</u>	<u>7.8</u>
General Fund	0	0	0	0	0
Cash Funds	2,200,835	2,225,511	100,000	0	2,225,511
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

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S9 Vital records ARPA return

(2) CENTER FOR HEALTH AND ENVIRONMENTAL DATA

(B) Health Statistics and Vital Records

Personal Services	<u>3,562,592</u>	<u>5,501,811</u>	<u>(1,080,909)</u>	<u>(1,080,909)</u>	<u>4,420,902</u>
FTE	51.0	51.0	0.0	0.0	51.0
General Fund	131,999	193,615	0	0	193,615
Cash Funds	2,529,170	3,809,562	(1,080,909)	(1,080,909)	2,728,653
Reappropriated Funds	6,034	6,196	0	0	6,196
Federal Funds	895,389	1,492,438	0	0	1,492,438
Operating Expenses	<u>879,397</u>	<u>958,906</u>	<u>(122,500)</u>	<u>(122,500)</u>	<u>836,406</u>
General Fund	55,126	385,613	0	0	385,613
Cash Funds	244,343	385,185	(122,500)	(122,500)	262,685
Reappropriated Funds	0	0	0	0	0
Federal Funds	579,928	188,108	0	0	188,108
Total for S9 Vital records ARPA return	4,441,989	6,460,717	(1,203,409)	(1,203,409)	5,257,308
FTE	<u>51.0</u>	<u>51.0</u>	<u>0.0</u>	<u>0.0</u>	<u>51.0</u>
General Fund	187,125	579,228	0	0	579,228
Cash Funds	2,773,512	4,194,747	(1,203,409)	(1,203,409)	2,991,338
Reappropriated Funds	6,034	6,196	0	0	6,196
Federal Funds	1,475,318	1,680,546	0	0	1,680,546

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S10 ARPA pay date shift

(3) DIVISION OF DISEASE CONTROL AND PUBLIC HEALTH RESPONSE

(A) Administration

Administration and Support	<u>13,292,727</u>	<u>16,122,471</u>	<u>927,790</u>	<u>927,790</u>	<u>17,050,261</u>
FTE	180.0	181.9	0.0	0.0	181.9
General Fund	13,210,192	2,349,958	0	0	2,349,958
Cash Funds	54,283	11,609,081	927,790	927,790	12,536,871
Reappropriated Funds	28,252	29,437	0	0	29,437
Federal Funds	0	2,133,995	0	0	2,133,995
Total for S10 ARPA pay date shift	13,292,727	16,122,471	927,790	927,790	17,050,261
FTE	<u>180.0</u>	<u>181.9</u>	<u>0.0</u>	<u>0.0</u>	<u>181.9</u>
General Fund	13,210,192	2,349,958	0	0	2,349,958
Cash Funds	54,283	11,609,081	927,790	927,790	12,536,871
Reappropriated Funds	28,252	29,437	0	0	29,437
Federal Funds	0	2,133,995	0	0	2,133,995

Totals Excluding Pending Items					
PUBLIC HEALTH AND ENVIRONMENT					
TOTALS for ALL Departmental line items	1,007,995,668	834,454,571	13,370,813	5,978,916	840,433,487
FTE	<u>1,732.9</u>	<u>1,881.7</u>	<u>0.0</u>	<u>0.0</u>	<u>1,881.7</u>
General Fund	184,971,638	138,006,257	1,919,956	(2,371,941)	135,634,316
General Fund Exempt	0	305,324	0	0	305,324
Cash Funds	169,188,430	295,736,167	5,624,381	2,524,381	298,260,548
Reappropriated Funds	59,092,451	69,876,513	5,826,476	5,826,476	75,702,989
Federal Funds	594,743,149	330,530,310	0	0	330,530,310