DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT
FY 2023-24 JOINT BUDGET COMMITTEE HEARING AGENDA

Friday, December 9, 2022
9:00 am – 11:00 am

9:00-9:10 INTRODUCTIONS AND OPENING COMMENTS

Presenter: Jill Hunsaker Ryan, Executive Director, Slide Presentation, Slides 1-13

9:10-9:20 COMMON QUESTIONS

Main Presenters:

- Jill Hunsaker Ryan, Executive Director
- Erick Scheminske, Chief Operating Officer

Supporting Presenters:

- Karl Paulson, Budget Director
- Dr. Eric France, Chief Medical Officer
- Tara Trujillo, Deputy Director
- Trisha Oeth, Director of Environmental Health and Protection

Topics:

- Question 1, One-time Stimulus: Page 1-2,
- Question 2, Rule Promulgation: Page 2-3,
- Question 3, Temporary FTE: Page 3,
- Question 4, Partnership Agreement: Page 3-4

9:20-9:30 GENERAL DEPARTMENT QUESTIONS

Main Presenters:

- Jill Hunsaker Ryan, Executive Director
- Erick Scheminske, Chief Operating Officer

Supporting Presenters:

- Karl Paulson, Budget Director
- Dr. Eric France, Chief Medical Officer
- Tara Trujillo, Deputy Director
- Trisha Oeth, Director of Environmental Health and Protection

Topics: Common Questions for Departments

- Question 1, Custodial Funds Employees: Pages 1-2
- Question 2, Rule Promulgation: Pages 2-3
- Question 3, Temporary FTE: Pages 3-5
- Question 4, Partnership Agreement: Page 5

Topics: Department Wide Questions

- Question 1, Temporary and Contract Employees and SB21-243: Page 5
- Question 2, Vacancy Savings: Page 6

9:30-10:15 ENVIRONMENTAL DIVISIONS QUESTIONS #1-#11

Main Presenters:

- Jill Hunsaker Ryan, Executive Director
- Trisha Oeth, Director of Environmental Health and Protection
- Erick Scheminske, Chief Operating Officer
- Nicole Rowan, Division Director of Water Quality Control
- Brenda Berlin, Administration Program Manager of Hazardous Materials and Waste Management Division
- Jeff Lawrence, Division Director of Environmental Health and Sustainability

- Michael Ogletree, Division Director of Air Pollution Control

Supporting Presenters:

- Jim Reasor, Deputy Director for Business Operations of Air Quality Control Division

Topics:

- Water Quality Control: Pages 6-8, Environmental Divisions Questions 1-4 in the packet
- Hazardous Substance Response Fund: Page 8, Environmental Divisions Questions 5-6 in the packet
- Dairy Protection Fee Relief: Page 9, Environmental Divisions Questions 7-8 in the packet
- LPHA Caseload Formula: Page 9, Environmental Divisions Question 9 in the packet
- HB 21-1266: Page 10, Environmental Divisions Question 10 in the packet
- Air Quality Transformation: Page 10, Environmental Divisions Question 11 in the packet

10:15-11:00 PUBLIC HEALTH DIVISIONS QUESTIONS #1-#15

Main Presenters:

- Jill Hunsaker Ryan, Executive Director

Supporting Presenters:

- Elaine McManis, Division Director of Health Facilities and Emergency Medical Services
- Chris Wells, Division Director of Center for Health and Environmental Data
- Erick Scheminske, Chief Operating Officer
- Jessica Forsyth, Director of Office of HIV, Viral Hepatitis, and STIs
- Christine McGroarty, Fiscal & Administrative Services Branch Chief, Health Facilities and Emergency Medical Services Division (Zoom)

Topics:

- Provider Rates and Vaccination Rates: Page 11, Public Health Divisions Questions 1-3 in the packet
- Vital Records Questions: Pages 11-13, Question 4 in the packet

- Health Facilities Questions: Pages 13-23, Questions 5-11 in the packet
- Congenital Syphilis Prevention Request: Pages 23-25, Questions 12-15 in the packet

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COMMON QUESTIONS FOR DISCUSSION AT DEPARTMENT HEARINGS

1. **Please describe the implementation plan for new programs added to the Department from one-time stimulus funds (such as the CARES Act, ARPA, and one-time General Fund), as well as any challenges or delays to program implementation.**

Response: Of the $1.29 billion CDPHE was allocated to respond to the pandemic, $741.22 million has been spent or encumbered so far, while CDPHE is currently working on spending the remaining $553.29 million. Out of that $553.29 million, $86.5 million was allocated in 2022 legislation, and this amount is in the process of being encumbered/spent by the 2024/2026 deadlines of ARPA. The vast majority of the remaining unspent funds come from Direct-to-Agency CDC awards, which the agency intends to continue drawing down and implementing over the next two years. For more information on the implementation of CDPHE's one-time stimulus funds for new and existing programs, please see the public website here.

Information on implementation of one-time funds for new programs by Division:

DCPHR & PSD - SB 22-226 appropriated American Rescue Plan Act funds to develop programs to meet the demands of Colorado's health care workforce. $20 million of ARPA funds were appropriated to the Primary Care Office for the new Practice-based Incentive Grant Program. Two stakeholder engagements were conducted in the fall to inform the Request for Applications (RFA), formally posting in December 2022. Applicants may select from up to four different categories of funding: technology and simulation (increases hands-on experience for students where a live patient is not available); training facilitation (coordinating and linking students in need of training opportunities with available training slots); academic programs (giving schools additional resources to recruit training sites and finance student clinical training experiences); training institutions (financing costs associated with hosting and coordinating students).

Additionally, the Division of Disease Control and Public Health Response (DCPHR) is launching new programming using the ARPA funds. $10 million was earmarked for the Health Care Workforce Recruitment and Re-engagement Fund Grant Program. The program incentivizes and assists employers in the recruitment of different licensed health care professionals to employment in long-term care facilities, pediatric serving hospitals and facilities that hold the official federal designation as a Health Care Professional Shortage Area (HPSA). The RFA was released November 17, and the Department is currently accepting applications with the intention of awarding funds beginning in late January to February. Since the program's launch, the Department has received extensive interest and will continue reviewing applications on a rolling basis until such time as the funds are exhausted.

$2 million will support the resiliency and retention of health care workers. CDPHE intends to use these funds to contract with external entities to establish or expand programs that offer peer-to-peer mentorship and

health and wellness programs. The Department is reviewing proposals from the request for procurement process and expects to have three organizations under contract by early January.

APCD - HB 22-1329 (Long Bill) appropriated $43.4 million in one-time General Fund and 65.7 FTE in FY 2022-23 for the *Air Quality Transformation (R-01)* request. Part of this funding created two new programs: a lawn and garden electrification program to work with home improvement stores such as Home Depot and Lowe's to offer discounts on residential lawn and garden equipment to be administered by the Regional Air Quality Council.; and the Emission Reduction Credits & Oil and Gas Minor Source Offset Program.

WQCD - HB 22-1358 (Clean Water in Schools and Child Care Centers) required the Department to provide training and technical assistance to eligible schools and child care centers to test drinking water sources and remediate drinking water sources with lead levels at or above 5 parts per billion. The Department's role is to help ensure compliance, and reimburse facilities for their costs of compliance. The bill appropriated one-time funds of $21.0 million from the GF to the Child Care Clean Drinking Water Fund for CDPHE to reimburse facilities for costs incurred installing and maintaining filters and conducting annual testing; and $1.3 million GF for technical assistance. WQCD has been diligently working to implement this program, especially given the extremely tight deadlines outlined in the statute. WQCD formally launched the program to all schools and child care facilities earlier in the fall. Launching the program involved developing a new data management system, identifying and securing contracts with lab partners to conduct the testing, and implementing outreach to schools and child care centers. Next steps involve additional outreach, managing sample results data, and organizing any necessary remediation efforts.

ADMIN - N/A

CHED - N/A

HMWMD - N/A

DEHS - N/A

OHVHS - N/A

HFEMSD - N/A

2. **Please identify how many rules you have promulgated in the past year (FY 2021-22). With respect to these rules, have you done any cost-benefit analyses pursuant to Section 24-4-103 (2.5), C.R.S., regulatory analyses pursuant to Section 24-4-103 (4.5), C.R.S., or any other similar analysis? Have you conducted a cost-benefit analysis of the Department's rules as a whole? If so, please provide an overview of each analysis.**

Response: In FY 2021-22, the seven rulemaking boards and commissions at the Department and the Executive Director/Chief Medical Officer, held 41 rulemaking hearings to repeal, revise or promulgate new rules to implement new federal or state directives. Of the 41 rulemaking hearings, 4 promulgated new rules and 37 revised existing rules. For FY 21-22, the Department completed three cost-benefit analyses. Three regulatory analyses were completed pursuant to the Administrative Procedure Act; however, some boards and

commissions have incorporated a comparable assessment as part of their rulemaking process and as such an economic impact statement or a regulatory analysis was developed for all rules that came before the board or commission.

There is no single cost-benefit assessment of the Department's rules as a whole; however, pursuant to E.O. 12-002 and Section 24-4-103.3, C.R.S., the Department reviews its rules. The review includes an assessment of the overall costs and benefits of the rule. Staff work across the Department, with other state agencies, and with stakeholders to increase efficiency and achieve or maintain alignment. For more information, please see the 2021 and 2022 Regulatory Agenda Summaries published on the Department's website or review the Department's Regulatory Efficiency Review policy.

3. **How many temporary FTE has the Department appropriated funding for in each of the following fiscal years: FY 2019-20, FY 2020-21, FY 2021-22, and FY 2022-23? For how many of the temporary FTE was the appropriation made in the Long Bill? In other legislation? Please indicate the amount of funding that was appropriated. What is the department's strategy related to ensuring the short term nature of these positions? Does the department intend to make the positions permanent in the future?**

Response: Within Colorado's payroll systems, there are two different methods of identifying "temporary" positions: either with a "Temporary Aide" job classification or as a "Term-Limited FTE."

Temporary Aides may serve in their roles for no more than nine months and are not eligible to receive fringe benefits (such as health/life/dental insurance and leave accruals). CDPHE typically hires Temporary Aides when we have short-term projects or when we have an immediate business need that needs to be addressed before a hiring process can be completed. In some cases, Temporary Aides fill a short-term gap that will eventually be filled with a permanent FTE – when this happens, we will typically use permanent sources of funding to pay for these positions. In others, Temporary Aides fill a temporary business need – when this happens, we will use many different sources to fund the positions, including vacancy savings or other one-time funds (such as grants or donations).

Temporary Aide positions are readily identifiable in the State's payroll systems, and the following table summarizes the total number of Temporary Aide positions in CDPHE from FY 2019-20 through FY 2022-23 (year-to-date):

Temporary Aides in CDPHE

Fiscal Year	Total Temporary Aide Positions	Federal-Funds-Only Temporary Aides
FY 2019-20	76	35
FY 2020-21	191	56
FY 2021-22	126	68
FY 2022-23 (YTD)	57	27

Because so many of our programs depend on federal grant sources, CDPHE has historically hired large numbers of Term-Limited FTE. Individuals who occupy these positions sign an acknowledgement when they are hired that the funding for their positions is finite, and that the term of their position has a specific end-date. Term-Limited FTE are eligible to receive fringe benefits, including health benefits and leave accruals. However, individuals hired into term-limited positions waive the retention rights that are granted to other classified State employees.

As a matter of business practice, CDPHE hires any position funded with finite funding such as one-time federal grants, donations, or short-term appropriations from the General Assembly, as Term-Limited. With a small handful of exceptions, this has been the case for the hundreds of FTE hired by our Department to respond to the COVID-19 pandemic. In fact, some Term-Limited positions related to the Department's COVID-19 response began to expire in November, and about two-dozen Term-Limited positions within DCPHR have been vacated in just the last few weeks.

Unfortunately, Term-Limited FTE are not tracked separately within the State's payroll systems, and a manual effort is required to identify the number of term-limited positions we have in place at any given time. The following table shows the number of employees in CDPHE who currently occupy term-limited positions, of various terms, as of December 7, 2022:

Term-Limited Positions in CDPHE, December 7, 2022

Division	**Occupied Term-Limited Positions**
Administration Division	19
Air Pollution Control Division	4
Hazardous Materials and Waste Management Division	1
Division of Environmental Health and Sustainability	2
Water Quality Control Division	4
Disease Control and Public Health Response Division	299
Center for Health and Environmental Data	23
Prevention Services Division	36
Health Facilities and Emergency Medical Services Division	3
Office of HIV/STI/VH	31
TOTAL	**422**

Temporary FTE are not included in the statutory definition of FTE pursuant to Section 24-75-112(1)(d)(II), C.R.S. which states that FTE does not include contractual, temporary, or permanent season positions. The Department has provided as part of the November 1 request the Schedule 14A and 14B which provides actual expenditures. For the upcoming years, the Department manages the dollar appropriation which has been affirmed by two Supreme Court cases (Colorado GA vs Owens and Anderson v Lamm).

4. **Please provide a description, calculation, and the assumptions for the fiscal impact of implementing the provisions of the Partnership Agreement, including but not limited to changes in annual leave accrual, holiday pay, and paid family and medical leave. If your department includes employees who are exempt from the Partnership Agreement, please indicate whether or not you intend to implement similar benefit changes as those required for covered employees. Please provide a breakdown of the fiscal impact of implementing the provisions of the Partnership Agreement for: a) employees who are subject to the Agreement, and b) employees who are exempt from the Agreement.**

Response: The cost to Departments for employees using the paid family medical leave was requested and approved last year (DPA FY 2022-23 R-02). For FY 2023-24, the cost is part of the POTS appropriation called Temporary Employees Related to Authorized Leave. The adjustment to annual leave and the additional holiday, as noted in the fiscal note for the bill (S.B. 22-139) were expected to be minimal and if necessary will be addressed through the annual budget process. The Governor's November 1, 2022 budget included funding for the economic articles of the Partnership Agreement, including funding for paid family medical leave. The Department is working with OSPB and DPA to submit a January budget amendment if necessary to seek additional adjustments related to the Partnership Agreement. In addition, OSPB will provide the JBC with a breakdown of the fiscal impact of implementing the Partnership Agreement by Department.

DEPARTMENT WIDE QUESTIONS

1. **[Sen. Rankin] Talk about the large number of temporary and contract employees hired with custodial funds. Are these employees still with the Department? Are they now full time employees? How do these employees, as well as the funding/employees allocated in S.B. 21-243, prepare the Department for the next pandemic?**

Response: The majority of term limited staff thatwere hired with federal funds for COVID-19 response are still with the Department as the funding terms have not yet expired. In some instances, temporary and contract employees applied for vacant full time positions and were hired into the Department. If term limited staff do not apply for, and get hired into, full time positions prior to the end of the funding term then their employment will end once the funding is no longer available. Please see response to Common Question #3 for further information on how the Department manages temporary and contract employees. Employees allocated in SB21-243 position the Department to be prepared for the next pandemic by providing expanded immunization education and outreach; increasing lab capacity, increased case investigation and contact tracing; adding essential capacity to enable timely and consistent disease control, laboratory, and emergency preparedness services and the ability to scale promptly to meet the demands of future public health emergencies.

2. **[Rep. Sirota] Explain, in more detail, how the Department is using the vacancy savings as a follow-up to the Department's RFI response.**

Response: Due to the vast array of the Department programs, and the unique challenges each program and Division face, the primary responsibility for managing each appropriation is done at the programmatic level. For personnel services, any vacancy savings can only be used for personnel costs (salaries, leave payouts, Medicare and PERA contributions, temporary aides, and personal services contracts). If at the end of the fiscal year a personal services line item has unexpended General Fund, the Department will transfer those dollars pursuant to statute to the State Employee Reserve Fund. Any unused funds appropriated from a non-General Fund source will revert back to the original source at the end of the fiscal year. Additionally, the Department has provided as part of the November 1 request the Schedule 14A and 14B which provides actual expenditures by line item as well as the Schedule 3A and 3B which show the actual expenditure as compared to the appropriation by line item. As shown by the recent and large growth in the Department's appropriations of both funds and FTE, the Department has been able to maintain hiring to meet programmatic requirements.

ENVIRONMENTAL DIVISIONS

WATER QUALITY CONTROL DIVISION QUESTIONS

1. **[Sen. Zenzinger] Discuss the Department's cash fund solvency and funding plans, including possible legislative fee changes to sustain the Department's R1 request. In addition, describe whether this is a temporary issue due to inflation, or a more systemic issue. What actions can the General Assembly take to address the imbalance between revenues and expenditures?**

Response: The WQCD is supported by fees (31%), federal funds (50%), and General Funds (19%). WQCD's fees are set in statute. As a result of this structure, every 5 to 7 years, the Division has experienced "fiscal cliffs" where it faces a critical imbalance in its revenues vs. obligations, creating a looming budget deficit shortfall if funding or operations are not adjusted. Drinking Water Program fees were last adjusted in 2007, while Clean Water Program fees were last increased in 2017 and were intended to support the program until FY 2022-23.

General Fund is a critical portion of the division's funding portfolio. A significant number of the Division's regulated entities are local governments such as public drinking water and wastewater systems. While fees are the cost of doing business for industry, local governments are not similarly situated to other fee payors. This challenge of local governments paying fees is exacerbated by local governments often needing more division support as they work through increasing complexity in regulation, emerging public health risks and heightened federal standards. This is a systemic issue and ongoing need is not met with current appropriations.

The General Fund request is intended to provide the Division with the resources necessary to address its most critical challenges, while also allowing the Division time to restructure its fiscal mechanisms to allow for better adaptability, flexibility, and sustainability to changes in State and federal environmental pressures. The department appreciated the Joint Budget Committee's discussion of fees during the JBC Briefing, and can

work with stakeholders to develop legislation that would modernize the fee structure and support long-term sustainability. Finally, the Department believes that the proper regulation of both clean water and drinking water in the State represents, at least in part, a public good, therefore the General Fund is an appropriate partial funding source although it has not historically been allocated for these programs at the levels in the budget request.

2. **[Rep. Bockenfeld] For which of these issues relating to R1 does the State have the option of requesting a waiver, to provide time for communities to address the underlying issues?**

Response: The Environmental Protection Agency (EPA) does not allow for waivers of the regulatory permitting and inspection targets. The Division's permitting and inspections are required to implement the Clean Water Act and Safe Drinking Water Act in Colorado. The Environmental Protection Agency (EPA) currently requires Colorado to keep 75% of all permits and general permit certifications current and requires the division to provide community drinking water systems a sanitary survey inspection at least once every three years, and non-community drinking water systems (like campgrounds, lodges, and businesses with their own water source) every five years. Currently, the Department is not meeting these required targets. Addressing these two backlogs is a critical first step to protect public health, continue to receive federal funds to support Colorado services, and help public water systems identify deficiencies in a timely manner so local communities can fully leverage the federal infrastructure funds to implement sustained system improvements.

The General Fund request is intended to provide the Division with the resources to address these required federal targets, while also allowing for time to restructure its fiscal mechanisms to allow for better adaptability, flexibility, and sustainability to changes in State and federal environmental pressures.

3. **[Rep. Bird] The Department is requesting a large number of FTE in the R1 request. Given the current labor market, is the Department likely to be able to fill the requested positions?**

Response: The Department will be able to fill these positions. The division is successfully filling the vast majority of our positions.. Under the leadership of the Office of Human Resources, the Department has undertaken significant efforts to improve the timely recruitment of talent as well as efforts to develop and diversify our talent to meet our recruitment and retention goals. Some examples of this are reduced processing times from job posting to job offer, filling multiple positions from a single recruitment, actively sourcing passive applicants on platforms, such as LinkedIn and Indeed and working with Talent Acquisition firms for challenging job classifications. The division is also actively engaged in retaining our talent to minimize our recruitment needs and support onboarding, cross-training and succession planning.

4. **[Rep. Sirota] Are the FTE outlined in the R1 request temporary until the Department catches up or intended to be permanent?**

Response: The FTE requested in R-01 are intended to be permanent. Clean Water permits are renewed every five years, while the Safe Drinking Water Act requires that all community drinking water systems receive a sanitary survey inspection at least once every three years and non-community drinking water systems (like campgrounds, lodges, and businesses with their own water source) every five years. The FTE outlined in R-01 are intended to allow the Division to address the current backlog of permits and inspections, while also adequately staffing the Division to maintain an increasing workload and prevent backlogs in the future. Up

front work with permittees is essential to swiftly address compliance issues and minimize the need for enforcement.

HAZARDOUS SUBSTANCE RESPONSE FUND QUESTIONS

5. **[Rep. Bird] Why is the Hazardous Substance Response Fund projected to go insolvent? What are the funding sources and why are they not sufficient to pay for existing programs and to cover the requested expansion in the Low Income Radon Mitigation program?**

Response: The investigation and cleanup of Superfund sites can be extremely costly. First, sites placed on the National Priority List (i.e. Superfund sites) typically have significant contamination that requires complex and costly cleanup remedies. In order to meet the necessary environmental standards, environmental investigations and cleanups often take decades to implement under the federal Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) process. Second, many Superfund sites in Colorado are mining sites which have extremely high waste volumes and\or perpetual sources of contamination (e.g., draining mines) which require constant and continuing treatment or maintenance. Two of the state's most expensive Superfund sites (Summitville and Clear Creek) require perpetual treatment of contaminated water discharging from historic mines. The costs for these two sites alone are over $4 million per year.

The revenue source for the Hazardous Substance Response Fund is the solid waste user fee. The portion of the solid waste user fee that is transferred to the HSRF is $0.05/cubic yard of solid waste and is assessed on each load of solid waste transported into a disposal site. The fee is remitted to the Hazardous Substance Response Fund which pays for activities related to Colorado's responsibilities for implementing CERCLA, commonly referred to as Superfund. This includes the state's share of site remediation costs for Superfund sites when there is no financially-viable responsible party. Currently, the Hazardous Materials and Waste Management Division within CDPHE oversees 12 Superfund sites that are either in remediation or the Operations & Maintenance phase and are funded by the Hazardous Substance Response Fund.

The Hazardous Substance Response Fund is projected to have a balance at the end of FY 2022-23 of approximately $1,736,780. This balance, when combined with the estimated revenue earnings in the Fund during FY 2023-24 will not be sufficient to keep the fund solvent in FY 2023-24.

The solid waste user fee and the HSRF have specific uses delineated in statute. These fees are for solid waste management and CERLA activities. The Low Income Radon Mitigation (LIRMA) program is separate and distinct. LIRMA enables homeowners to install a radon mitigation system in their home to reduce the health risks associated with high radon levels.

6. **[Sen. Zenzinger] What is the path forward to achieving a balance between Hazardous Substance Response Fund revenues and expenditures?**

Response: The HSRF fund is composed of general fund, money derived from the solid waste user fee, interest, and some monies recovered from responsible parties or through litigation. On-going General Fund may be required. Given the funding level needed a continuous appropriation and exemption from the uncommitted reserves requirement is needed to effectively utilize the fund. To the extent a change is needed to the solid waste user fee, the Department would ask that this be done in partnership with stakeholders.

DAIRY PROTECTION FEE RELIEF QUESTIONS

7. **[Sen. Bridges] Why is the Department proposing a $150,000 cap in the RFI relating to the Dairy Protection Program?**

Response: The Division of Environmental Health and Sustainability has been working with fee-paying stakeholders for several years on a fee model that is aligned with other states and accepted by the milk industry, which includes the $150,000 cap for the very largest dairy processing plant(s). The total cash revenue generated by this type of fee model is driven by two variables; 1) the volume-based fee per hundred pounds (hundred weight or CWT) of milk processed, and 2) the fee cap. Stakeholders (the fee payors) considered volume-based fees of 1, 1.5 and 2 cents per CWT and fee caps ranging from $60,000 to $150,000. Stakeholders reached consensus on the model of one cent per CWT with a $150,000 cap.

8. **[Rep. Bird] Why has the Department not raised any fees for the Dairy Protection Program since 2009?**

Response: The Division of Environmental Health and Sustainability has been working with stakeholders for several years on a potential fee model based on work other states have done and the actual resources needed by the program to ensure safe milk products in accordance with national standards for a steadily growing industry. A proposal for a more durable and scalable fee model is included in the department's response to the RFI (**see Appendix A**). The Department has delayed a statutory fee request given several years of economic uncertainty resulting from COVID, TABOR, and other factors. The General Fund request offsets the need for fee increases and/or fee restructuring in FY 2023-24 while the JBC and the General Assembly reviews the RFI response with the fee restructure proposal and determines whether pursuing it is the right next step for long-term program sustainability in FY 2023-24 and beyond.

LPHA ENVIRONMENTAL HEALTH FUNDING FORMULA QUESTION

9. **[Sen. Rankin] How does the transition of one local public health agency into multiple agencies increase the need for state support? Will the counties be required to pay a portion of the increased costs, or is the State expected to cover the full cost?**

Response: This support is base-building Environmental Health funding to support a small portion of LPHA activities specific to primarily retail food, child care, and school inspections. The department's funding formula distributes all the current funding available to all LPHAs that choose to engage in these activities locally. There is no reserve available to fund new/additional LPHAs. The dissolution of Tri-County Health Department resulted in one LPHA becoming three, with Adams, Arapahoe, and Douglas becoming their own LPHAs. Any economies of scale captured under the Tri-County model are no longer present; each agency has the cost of opening its doors. The department does not have the funding to support an additional two LPHA's.

Counties are not required to pay a portion of these costs. If counties choose to be delegated oversight of retail food establishments, childcares, and schools they receive these funds and are able to collect fees up to the statutory cap to cover their costs associated with programmatic oversight.

HB 21-1266 QUESTION

10. **[Rep. Bird] Discuss the timing of the new greenhouse gas fee outlined in HB 21-1266 and make a hard commitment about when the Department will be ready to implement the bill.**

Response: House Bill 21-1266 directed the Air Quality Control Commission (AQCC) to add GHG to the list of air pollutants required to be reported in an Air Pollutant Emissions Notice (APEN) by December 31, 2022 and to establish in rule a per-ton fee on GHG emissions in an amount that is sufficient to cover the indirect and direct costs required to develop and administer GHG programs. The APEN reporting hearing is slated for December 13-16, 2022. If adopted, as proposed, reporting will occur by December 31, 2023 as doing so supports the collection of GHG Fees to cover department FY 2024-25 costs. As for the GHG fee, the department intends to engage stakeholders in the spring 2023 and propose the new Fee to the Air Quality Control Commission by the end of CY2023. Invoicing and payment processes will be established in early 2024 and revenue collection will begin in time to cover FY2024-25 costs. To prepare for the stakeholder engagement, the department is studying other state's structures, stakeholder feedback during HB21-1266 rulemakings, other lessons learned from the HB21-1266 implementation, and is assessing needs of other Cash Funds of interest to fee payors. This information will be shared during the stakeholder engagement process.

AIR QUALITY TRANSFORMATION QUESTION

11. **[Rep. Kennedy] Please discuss the Department's multi-year plan for FTE levels and funding to support them relating to the FY 2022-23 R1 Air Quality Transformation Request.**

Response: In FY 2022-23, the General Assembly included a one-time increase of $43.4M General Fund and 65.7 FTE for R-01 Air Quality Transformation. As of December 2022, 28 FTE of the 65.7 FTE approved have been hired. 28.0 FTE reside in Stationary Sources Title V permitting, emissions modeling, school bus electrification grant program, oil and gas compliance monitoring, policy, communications/outreach, administration, climate, technology, enforcement and inventory. We anticipate having 50 positions filled by March and all Year 1 hiring completed by May 2023. This will allow the division to begin the Year 2 hiring process by June 2023.

Ongoing funding for these positions will come from two sources:

1. The implementation of GHG fees approved in HB 21-1266 (Environmental Justice Act). The bill directed the Air Quality Control Commission (AQCC) to establish in rule a per-ton fee on GHG emissions in an amount that is sufficient to cover the indirect and direct costs required to develop and administer GHG programs and other costs identified in statute.
2. Increasing Stationary Sources fees to provide permanent funding for legislative actions that relied upon General Fund during the first phases of implementation, and increased division costs. The fees will be set in rules promulgated by the Air Quality Control Commission. Stationary Sources program fees come from issuing permits for stationary air pollution sources in Colorado, ranging from neighborhood dry cleaners to large manufacturing facilities, public utilities and oil and gas development sites.

HEALTH DIVISIONS

PROVIDER RATES AND VACCINATION RATES

1. **[Sen. Zenzinger] Is the Department taking advantage of provider rate adjustments, or do counties benefit from it also? Describe how provider rate increases affect LPHA allocations.**

Response: The Department acts as a pass-through to LPHA providers. In FY 2023, LPHAs received $9,416,172 in General Fund and Marijuana Tax Cash Funds to support Core Public Health Services and implementation of the 2008 Public Health Act (SB 08-194) in the 54 Local Public Health Agencies. These funds were distributed to LPHAs based on funding formula per 6 CCR 1014-10. An increase in the provider rate will increase the funding to the 55 LPHAs (as of 1/1/2023).

2. **[Rep. Bird] Would the Department support a 5.0% provider rate increase in allocations to LPHA's?**

Response: A 2022 CDPHE survey of LPHAs indicates LPHAs had approximately 20% of non-temporary employees separate from their agency in the past 12 months. The most common barrier to retention (77% of LPHAs) was that they "cannot pay enough," followed by the "stress of working in public health" (67%). The additional funding provided by the requested 3.0% provider rate increase will improve financial and workforce support for LPHAs.

3. **[Rep. Bird] What is the Department's plan to address the decreasing MMR vaccination rate for kindergarteners? Would more resources help address this issue, and if so, is the Department's request sufficient?**

Response: The Department is implementing various strategies to address the continued decline in MMR vaccination coverage among kindergartners, including: using available data to identify areas of under-immunization and determine the root causes; implementing targeted programming focused on Colorado providers, including: public health detailing visits, community of practice calls and recruitment of additional Medicaid providers into the Vaccines for Children program; performing outreach to local public health agencies, schools and other community partners; and implementing communications and outreach activities, including direct outreach to families whose children have fallen behind on routine vaccines. The Governor's proposed budget includes a continued, steady allocation for immunization efforts, maintaining current funding levels for this important work. While increased funding would allow for an expansion of these efforts, the Department is confident that with current funding levels, its Immunization Branch can continue to implement successful strategies to improve routine childhood vaccination rates. The Department will continue to conduct extensive engagement with partners to maximize these efforts.

VITAL RECORDS FEE RELIEF

4. **[Rep. Bird] Regarding R6, how are other system updates generally funded? Can the Department discuss why it does not want to raise fees to cover the cost of the Birth and Death Records System update? Should the General Assembly choose to deny this request, what would the fee increases look like to complete the system update and continue to operate the program using cash funds?**

Response: System updates can be funded in various ways. Under normal circumstances the Vital Records Office, as a cash funded program, would collect excess fees to cover atypical costs. In the case of the ongoing VESCO system update (for Phase I - Electronic Birth Registry System) the cost of a major system replacement could not be covered by fees alone. It is important to note that non-fee cash assistance was requested given the challenge of raising enough excess revenue to pay for such a significant effort. HB 18-1322 was passed to assist with the first phase of the project and included limitedGeneral Fund assistance. The Vital Records Office is exploring raising fees to address emerging and increasing costs. However COVID-19 related interruptions and other issues over the last two years caused a gap between revenue and expenses. To prevent any interruption to the work of this important Office, a one-time request was made to tide the program over until a fee increase could be instituted and cash flow realized.

Should the General Assembly deny the Department's R-6 request, the Office would have to raise fees significantly to ensure collection of enough cash fund revenue to cover expenses, including costly system upgrades.

In order to fund the $1.3 million operating expense gap that we established at the time of our Decision Item R-6 submission, and without any funding assistance, the Office would need to announce the following fee increases in April 2023 with an effective date of July 1, 2023 (FY 2023-2024). We expect a modest lag between the time of fee increase and cash collection as well.

	Current	Proposed	Increase in $	Increase in %
Birth or Death Cert - 1st Copy	$20	$25	$5	25%
Birth or Death Cert - 2nd Copy	$13	$15	$2	15%
Marriage or Civil Union Cert - 1st Copy	$17	$20	$3	18%
Marriage or Civil Union Cert - 2nd Copy	$10	$15	$5	50%
Adoption Certificates or Delayed Birth Filing	$40	$50	$10	25%

The Vital Records Office has also submitted an IT Capital request to begin the second phase of the VESCO system upgrade to replace the Electronic Death Registry and affiliated Marriage and Dissolution Registries,

Induced Termination of Pregnancy (ITOP) and Fetal Death Registry systems. This request is prioritized as #5 on the FY 2023-2024 IT Capital Requests chart presented by OSPB.

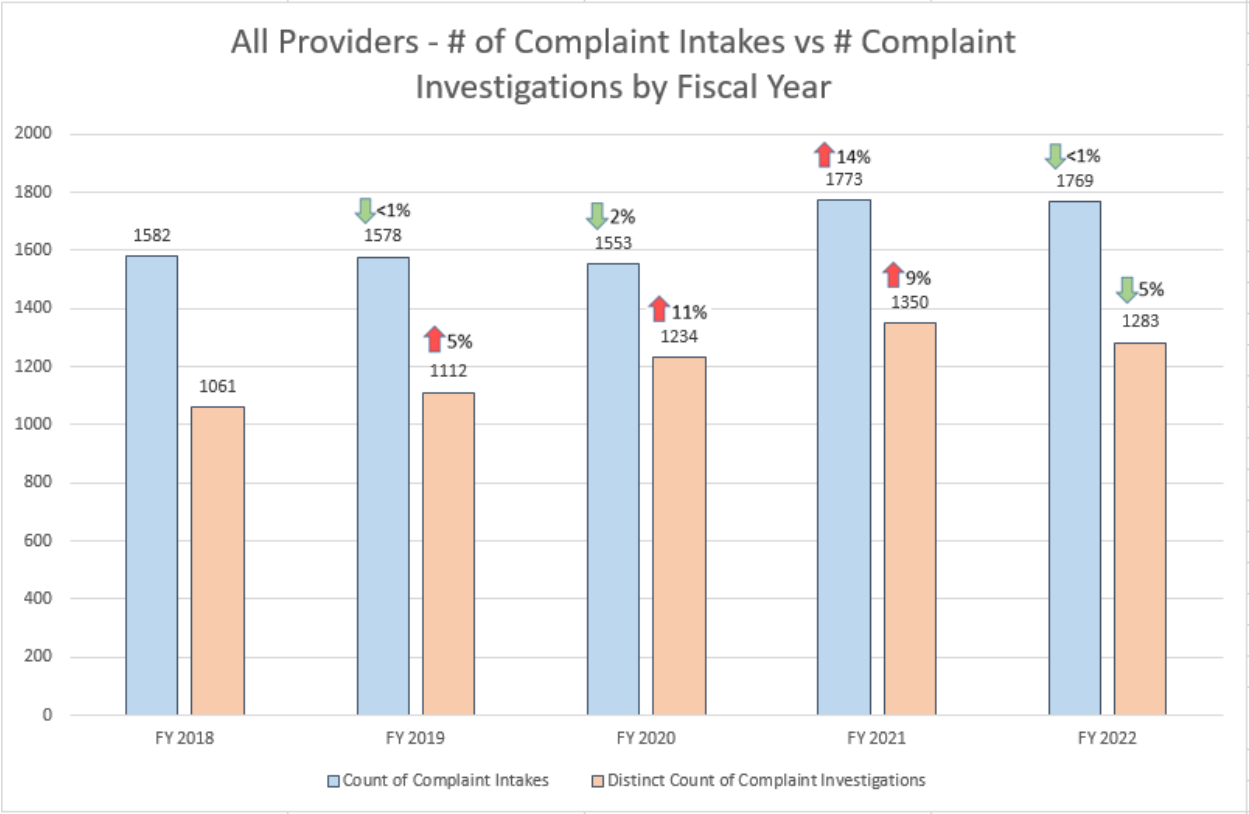
Should the General Assembly deny the IT Capital request, the Office would have to raise additional fees to generate enough cash fund revenue to cover the operational funding shortfall and the system replacement costs. In order to fund *both* the $1.3 million operating expense gap and the IT Capital request for Phase 2 of VESCO , the Office would need to announce fee increases following the same timeline as above, but following this fee schedule:

	Current	Proposed	Increase in $	Increase in %
Birth or Death Cert - 1st Copy	$20	$28	$8	40%
Birth or Death Cert - 2nd Copy	$13	$18	$5	38%
Marriage or Civil Union Cert - 1st Copy	$17	$25	$8	47%
Marriage or Civil Union Cert - 2nd Copy	$10	$18	$8	80%
Adoption Certificates or Delayed Birth Filing	$40	$50	$10	25%

HEALTH FACILITIES FEE RELIEF

5. **[Sen. Zenzinger] Regarding complaints for licensed health facilities, can the Department provide a break out of number of complaints and number of licensed health facilities by region and facility type over the last five years?**

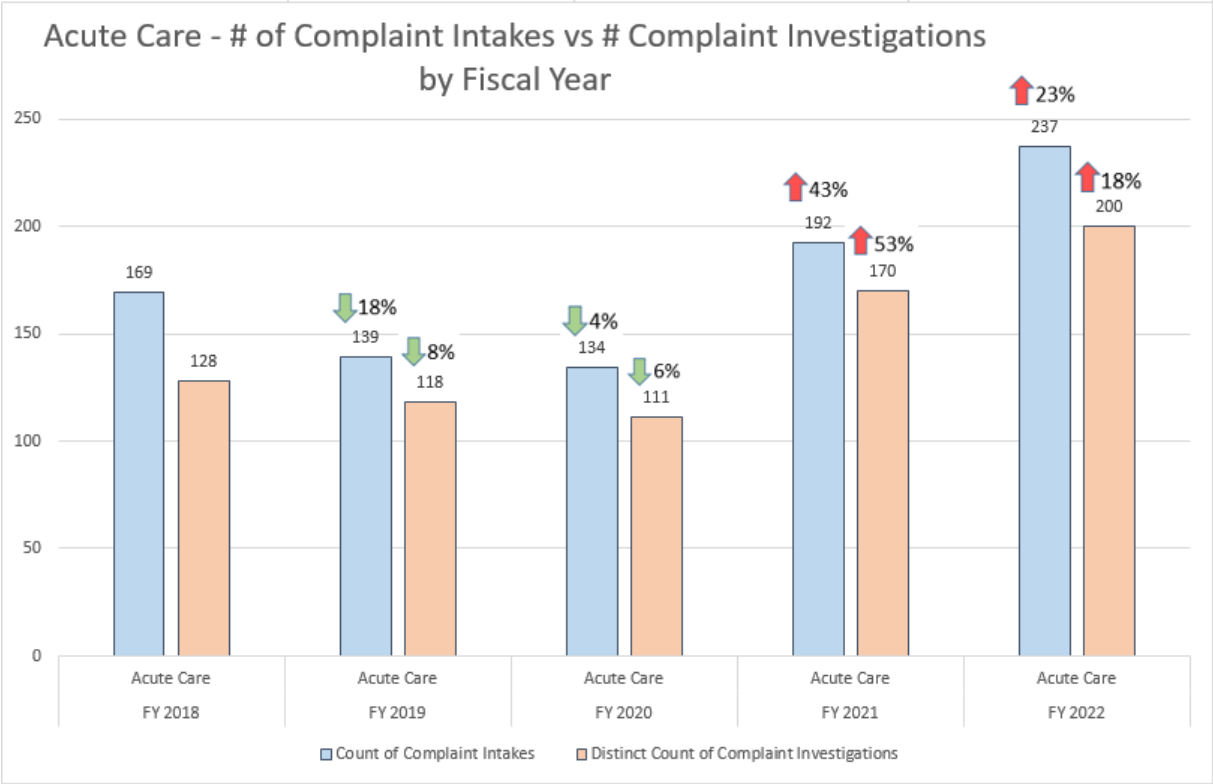
Response:



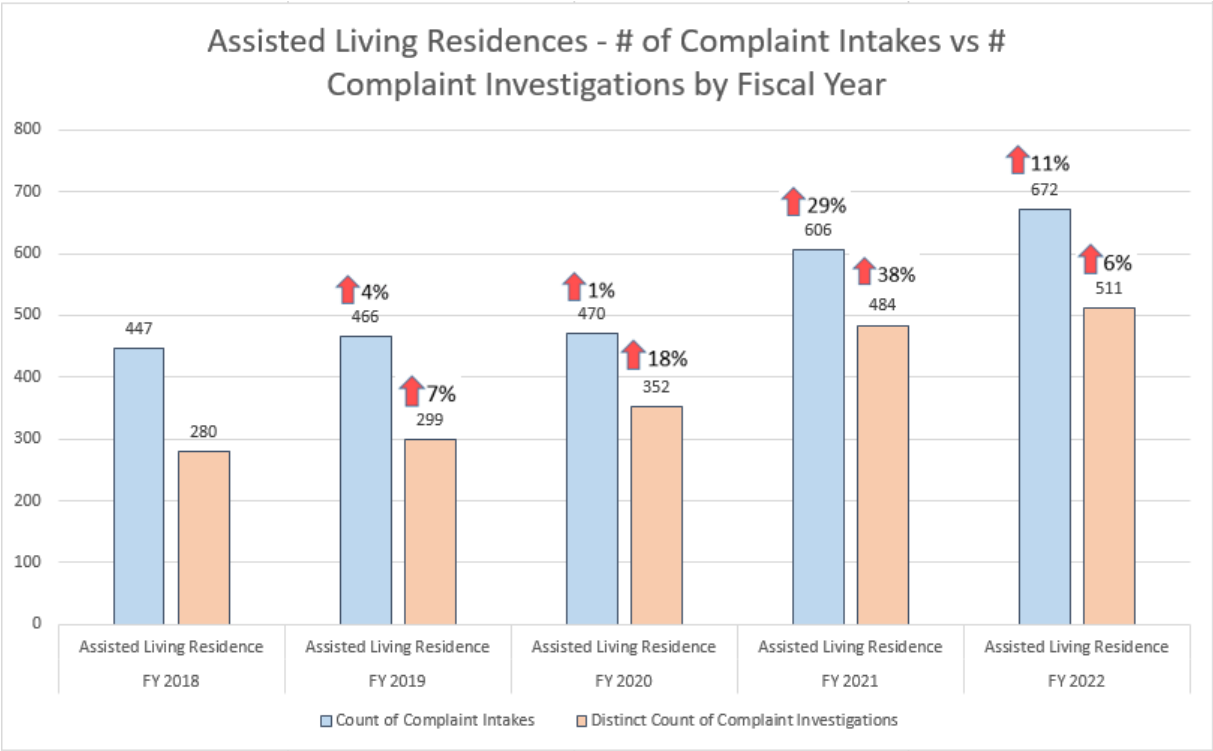
* Complaint Intakes represent specific allegations raised by an individual(s). If a provider receives multiple complaint intakes from different complainants, those intakes are combined whenever possible into a single complaint investigation, allowing all issues raised to be investigated during the same onsite survey inspection. The count of complaint investigations is significantly lower because the department is regularly combining multiple intakes when conducting these investigations.

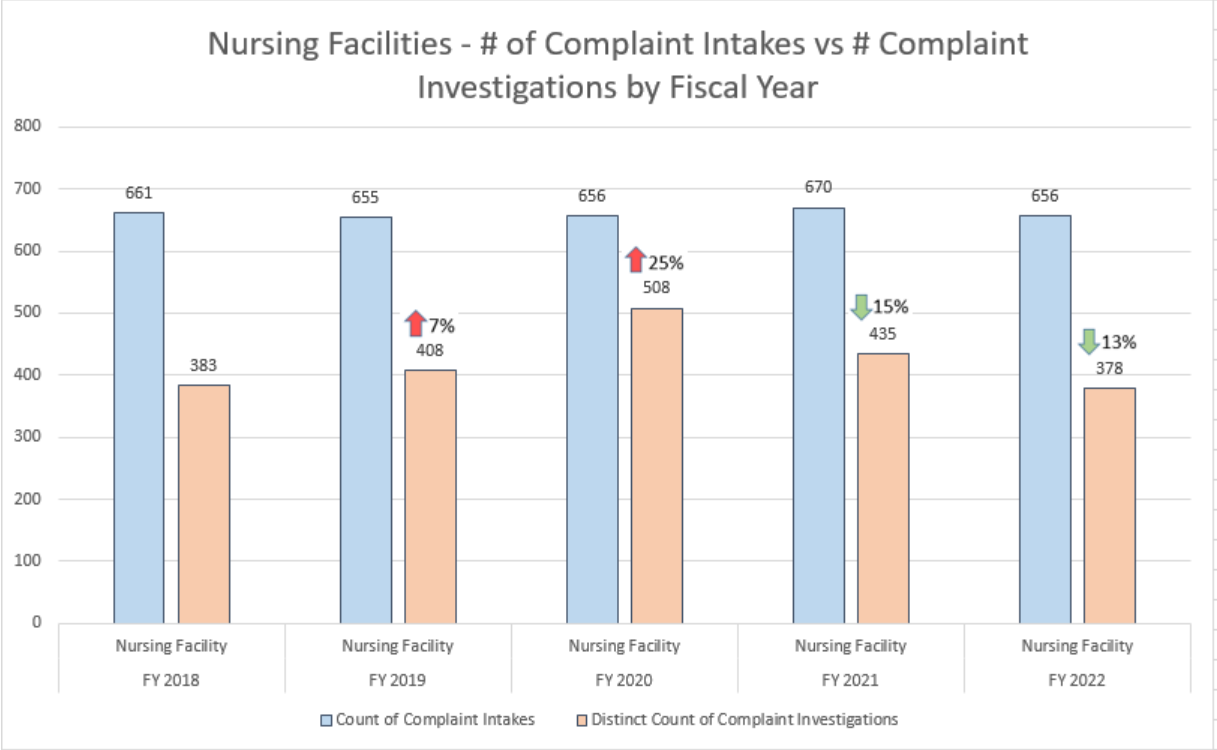
The above chart shows a steady increase in the number of complaint investigations conducted by the department in FY2019, FY2020 and FY2021 while the number of intakes had a significant spike in FY2021 that remained high throughout FY2022. The rate of growth of investigations is growing more quickly than the rate of growth of intakes. This means that a greater percentage of complaints are deemed to require investigation.

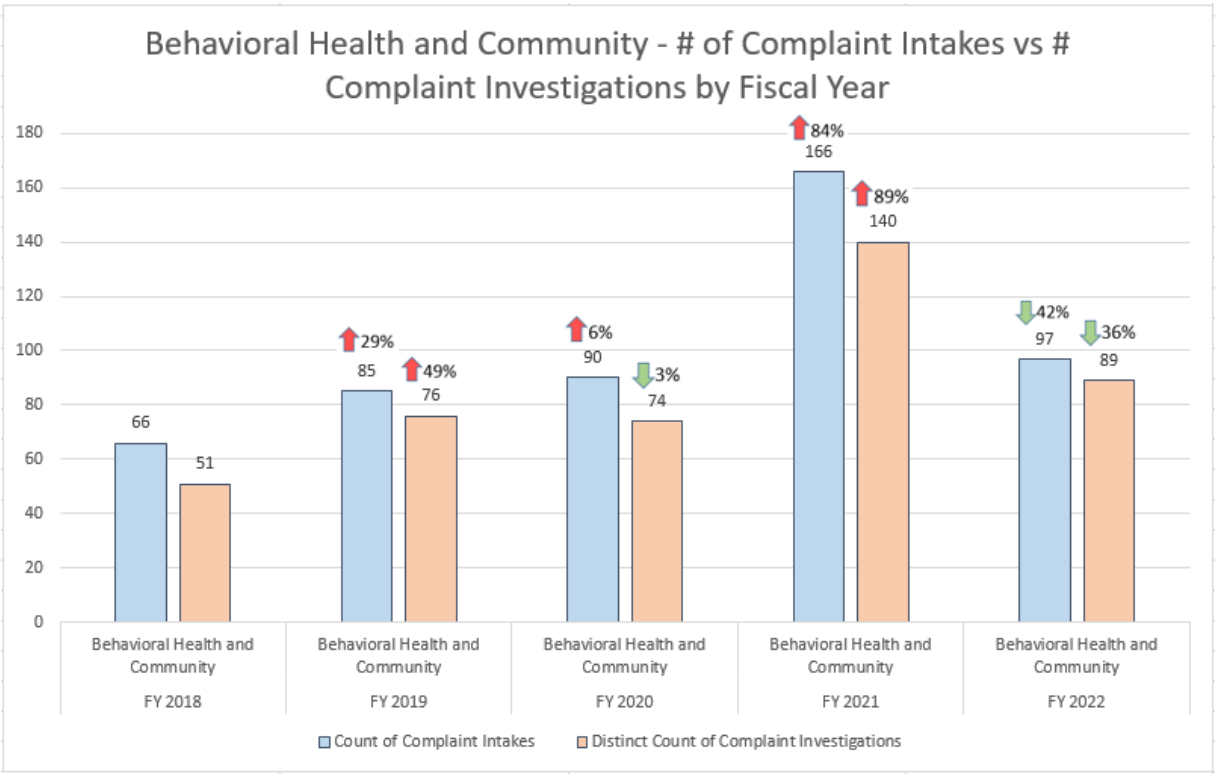
The charts below will show the same data as above broken down to various facility types and facility type groups.



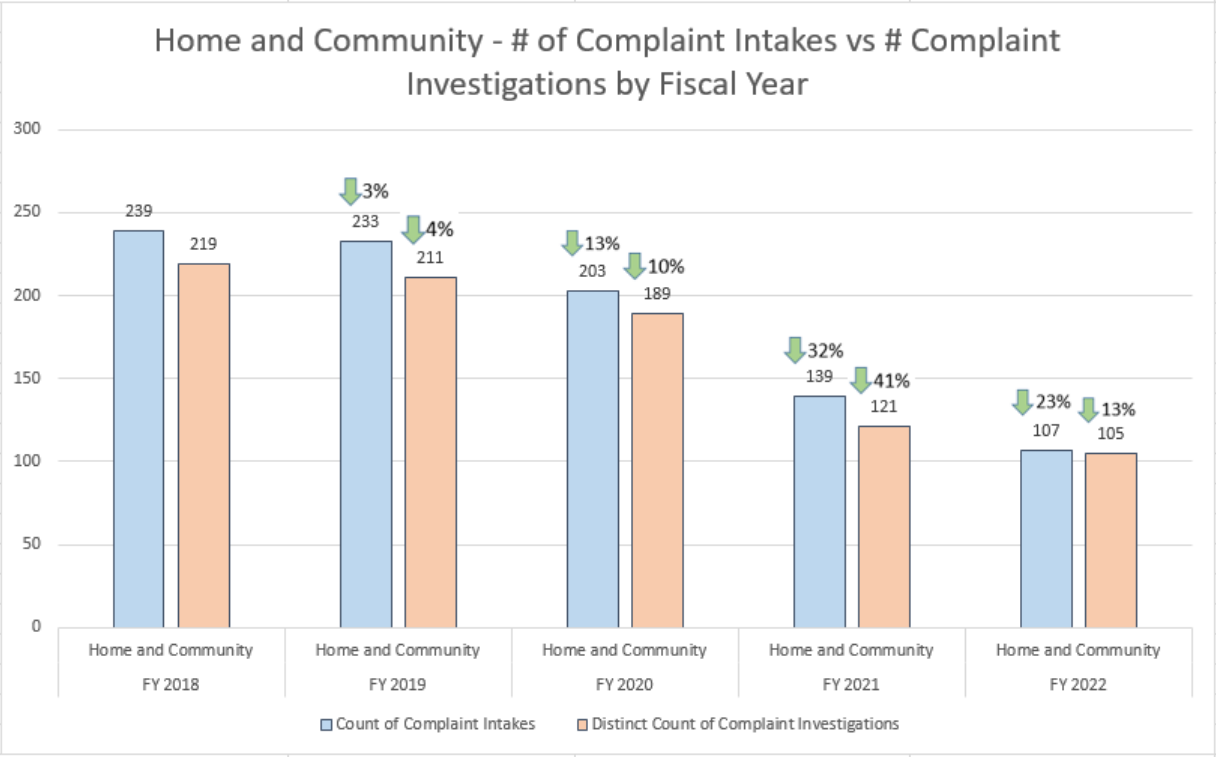
* Includes Hospitals, Ambulatory Surgical Centers, Dialysis Centers, Community Clinics, Free Standing Emergency Departments, Birth Centers and Rural Health Clinics







* Includes Acute Treatment Units, Home and Community Based Services for the Intellectually and Developmentally Disabled, Intermediate Care Facilities, Psychiatric Residential Treatment Facilities and Residential Care Facilities (Group Homes).



* Includes Adult Day, Children's Habilitation Residential Program, Home Care Agencies, Home Health Agencies, Home Care Placement and Hospice.

Below are the complaints by region, facility type, and fiscal year. Everything highlighted in green is a value that was a higher percentage increase than "Average % Increase Year over Year." Those highlighted in red are a value with a higher percentage decrease than "Average % Decrease Year over Year." For reference, the following was used to determine regions in Colorado:
https://www.codot.gov/topcontent/assets/cdotregionmap.pdf

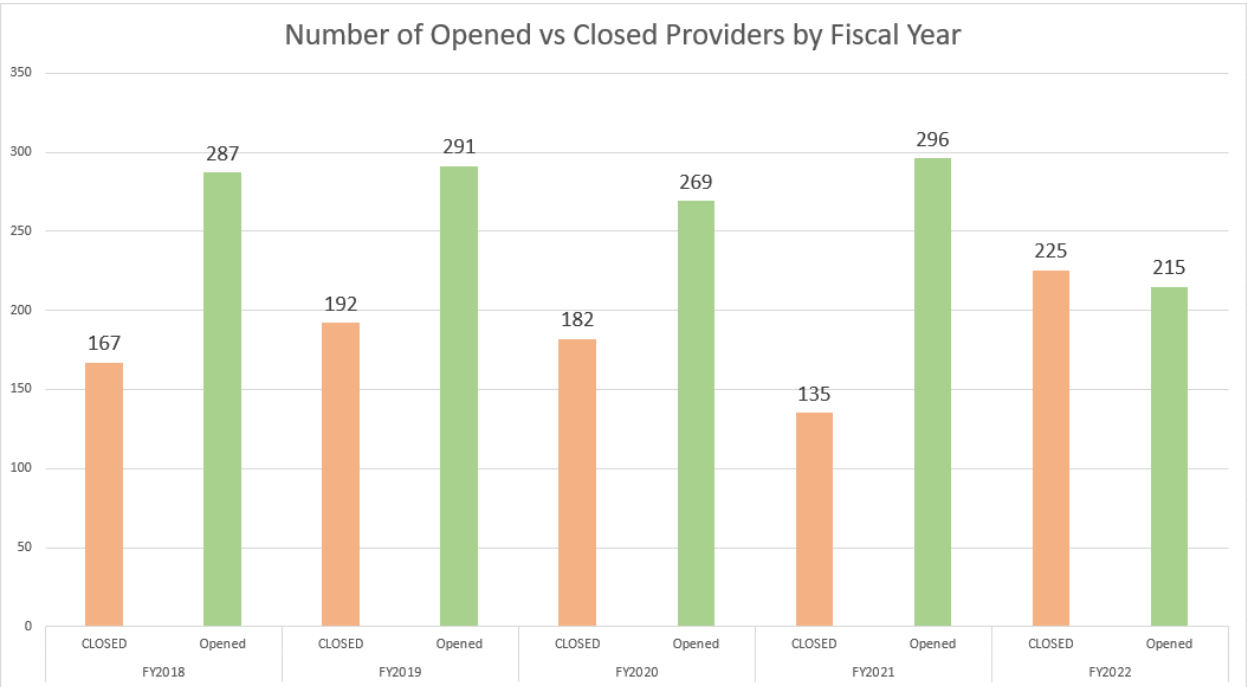
Denver Metro/Central Colorado												
	Complaint Intakes						Complaint Investigations					
Facility Type/Group	FY2018	FY2019	FY2020	FY2021	FY2022	Average % Increase or Decrease Year over Year	FY2018	FY2019	FY2020	FY2021	FY2022	Average % Increase or Decrease Year over Year
Acute Care	82	82	78	101	106	7%	61	69	61	87	87	11%
Assisted Living Residence	253	262	243	299	361	10%	149	162	195	248	272	16%
Nursing Facility	331	344	324	307	345	1%	185	203	251	191	193	3%
Behavioral Health and Community	41	35	48	58	53	9%	28	32	42	49	48	15%
Home and Community	128	137	115	91	74	-12%	117	127	109	73	72	-10%

Northeast Colorado												
	Complaint Intakes						Complaint Investigations					
Facility Type/Group	FY2018	FY2019	FY2020	FY2021	FY2022	Average % Increase or Decrease Year over Year	FY2018	FY2019	FY2020	FY2021	FY2022	Average % Increase or Decrease Year over Year
Acute Care	43	25	25	33	36	0%	30	19	21	27	30	3%
Assisted Living Residence	48	72	71	110	124	29%	39	41	48	83	99	29%
Nursing Facility	145	113	123	114	109	-6%	80	67	96	79	59	-4%
Behavioral Health and Community	6	14	9	14	8	28%	5	11	5	14	8	51%
Home and Community	40	44	28	7	10	-15%	36	36	24	7	10	-15%

Northwest Colorado												
	Complaint Intakes						Complaint Investigations					
Facility Type/Group	FY2018	FY2019	FY2020	FY2021	FY2022	Average % Increase or Decrease Year over Year	FY2018	FY2019	FY2020	FY2021	FY2022	Average % Increase or Decrease Year over Year
Acute Care	1	7	7	14	7	163%	1	7	7	14	7	163%
Assisted Living Residence	34	36	23	35	57	21%	20	30	19	29	43	29%
Nursing Facility	48	31	35	34	31	-9%	33	23	30	28	25	-4%
Behavioral Health and Community	5	18	15	37	22	87%	5	16	11	29	20	80%
Home and Community	10	13	11	6	8	1%	8	11	11	6	8	6%

Southeast Colorado												
	Complaint Intakes						Complaint Investigations					
Facility Type/Group	FY2018	FY2019	FY2020	FY2021	FY2022	Average % Increase or Decrease Year over Year	FY2018	FY2019	FY2020	FY2021	FY2022	Average % Increase or Decrease Year over Year
Acute Care	38	23	22	36	69	28%	31	21	20	34	57	25%
Assisted Living Residence	102	87	118	153	114	6%	66	57	79	115	85	11%
Nursing Facility	128	142	169	196	165	8%	77	94	127	118	96	8%
Behavioral Health and Community	14	18	17	50	14	36%	13	17	15	41	13	31%
Home and Community	54	37	14	31	15	-6%	51	35	12	31	15	2%

Southwest/South Central Colorado												
	Complaint Intakes						Complaint Investigations					
Facility Type/Group	FY2018	FY2019	FY2020	FY2021	FY2022	Average % Increase or Decrease Year over Year	FY2018	FY2019	FY2020	FY2021	FY2022	Average % Increase or Decrease Year over Year
Acute Care	5	2	2	8	17	88%	5	2	2	8	17	88%
Assisted Living Residence	4	7	11	7	9	31%	4	7	9	7	5	13%
Nursing Facility	9	22	5	17	5	59%	8	18	4	17	4	74%
Behavioral Health and Community	0	0	1	7	0	150%	0	0	1	7	0	125%
Home and Community	7	2	5	4	0	-10%	7	2	5	4	0	-10%



6. **[Rep. Sirota] Can the Department discuss why it believes that the increase in the number of complaints is mainly related to increased awareness of the complaint system?**

Response: The Department believes that the increase in complaints is due to an increased awareness of the complaints system.Complaints have been increasing nationwide - not just in Colorado**.** Complaints increased before COVID and went down for a time during COVID. During the heightened concern of the pandemic, the decline of complaints may have been attributed to facility outbreaks that prevented visitation. Then, as outbreaks declined, the complaints again began to rise which was likely in relation to increased visitation by family members and increased awareness of the complaint system. Overall, there has been a steady increase in complaints over the previous ten years.

7. **[Sen. Zenzinger] Is the increase in the number of complaints related to the unusual circumstances experienced by skilled nursing facilities during COVID?**

Response: No, the Department does not believe that the increase in complaints is primarily a result of COVID. Since 2013, complaints have been increasing an average of 5 percent per year. There were actually slight decreases in complaint numbers in 2020 and 2021.

8. **[Sen. Zenzinger] Can the Department provide and discuss projected shortfalls in the Assisted Living Residence and Home Care Agency cash funds through FY 2028-29?**

Response: Please see subsequent pages for summaries of the cash funds**.** The complete Schedule 9s for these funds have also been attached. It should be noted that the schedule 9s and the associated summaries that follow have been modified from the version submitted with the November 1 request in two ways.

1). Additional years have been added to be responsive to this question.

2). The Schedule 9s submitted on November 1 showed a reduction in anticipated expenditures in order to maintain a positive fund balance at the end of each fiscal year. The modified projections included here do not reduce expenditures so that the entire need can be evaluated.

Additionally, estimated revenue does not include any fee increases during the projection period.

Revenue estimates include the General Fund that has been requested in the FY 2023-24 budget submission.

Home Care Agency Cash Fund	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
Starting Fund Balance	$81,654	($476,849)	$32,072	($583,063)	($1,242,840)	($1,935,040)	($2,649,727)
Revenue	$1,427,000	$2,557,000	$1,487,000	$1,517,002	$1,547,003	$1,587,004	$1,617,005
Expenditures	$1,985,503	$2,048,078	$2,102,135	$2,176,780	$2,239,202	$2,301,691	$2,620,802
Ending Fund Balance	($476,849)	$32,072	($583,063)	($1,242,840)	($1,935,040)	($2,649,727)	($3,653,524)

Assisted Living Residence Cash Fund	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
Starting Fund Balance	$292,763	($420,857)	($627,655)	($1,519,334)	($2,479,821)	($3,716,171)	($5,026,663)
Revenue	$3,172,000	$3,785,200	$3,190,201	$3,200,202	$3,205,203	$3,210,204	$3,215,005
Expenditures	$3,885,620	$3,991,998	$4,081,880	$4,160,689	$4,441,553	$4,520,696	$4,600,689
Ending Fund Balance	($420,857)	($627,655)	($1,519,334)	($2,479,821)	($3,716,171)	($5,026,663)	($6,412,347)

- In order to fully fund Health Facility Program activities with fee revenue, there would first need to be legislation to remove the statutory fee cap that limits fee growth to the Denver, Aurora, Lakewood Consumer Price Index (CPI). Limiting fee increases at the local CPI rate means that fees can, based on historical trends, only increase by 1% to 4% each year.

Sample Fee Changes				
Facility Type	**License Type**	**Current Fee**	**Needed Fee Increase**	**New Fee**
Assisted Living	Initial License - 3-8 Beds	$6,300	$2,079	$8,379
Assisted Living	Initial License - 100 + Beds	$14,750	$4,868	$19,618
Assisted Living	Renewal License	$360	$119	$479
Assisted Living	Renewal License (per bed)	$103	$34	$137
Home Care Agency	Initial License Class A	$3,000	$1,800	$4,800
Home Care Agency	Initial License Class B	$2,200	$1,320	$3,520
Home Care Agency	Renewal License - Class A	$1,500	$900	$2,400
Home Care Agency	Renewal License - Class B	$1,325	$795	$2,120

- In order to generate sufficient fee revenue to fund programmatic activities, facility licensing fees would have to be increased by 33% to 60%. Following are some samples of potential fee increases that would be needed.
- Regardless of fund source, the Division needs approximately $1.6 million in additional, ongoing funding to maintain staffing and programmatic activities at current levels.
- In order to fund staffing and programmatic activities to maintain staff in the current, extremely competitive, labor market, the Division projects that it would need total, additional, on-going funding of $2.2 million. This would allow the Division to give surveyors a 10% raise, which would be more consistent with the salaries for health care workers in the Denver Metro area.

- In order to respond to current labor market conditions and workload demands, the Division projects the need for total, additional, on-going funding of $3.1 million. This would allow the Division to increase surveyor salaries by 10% and allow creation of 10 new complaint staff positions to meet current workload demands for routine surveys and complaint investigations.
- Without General Fund support and/or the ability to raise facility licensing fees, the health facilities programs will have to further reduce state oversight activities beginning in FY23, putting patient and resident health and wellbeing at risk for serious harm and death.
    - Average salary for RN is $80,670 (https://www.bls.gov/oes/current/oes291141.htm)
    - For RN HP III surveyors - HFEMSD pays $71,607
    - For Nurse Consultants (Acute facilities only) we pay $83,040

9. **[Sen. Zenzinger] Can the Department speak to the challenges these health care facilities are currently facing? How much is the workforce challenge impacting the violations/shortfalls that are being identified through the licensure process?**

Response: The health care facilities have faced many challenges over the course of this pandemic. Workforce challenges are attributed to a loss of the workforce due to burnout and fatigue with working as healthcare providers resulting in many staff seeking new careers altogether. With the loss of staff, facilities have had to utilize staffing agencies which are reportedly charging upward of 600% over the base wage facilities pay their own employees. This coupled with demands for higher wages results in facilities needing to choose between providing care with less staff or leaving beds vacant. For those facilities that provide care with less staff, the Department has seen an increase in care issues that are identified through the survey processes (licensure or certification). In addition, the facilities have also had several care issues (identified via surveys) related to the cost of doing business overall as it relates to maintenance of facility environments, training resources for staff, and supplies.

10. **[Sen. Rankin] Has the Department considered the impact of Medicaid rates on providers' ability to maintain sufficient workforce and avoid complaints and regulatory issues?**

Response: While the Division does not control Medicaid reimbursement rates we do consider Medicaid rates in our fee schedules for several facility types with reduction in fees. An increase in Medicaid rates would increase revenue for facilities and could make overall operations easier and more effective and we would certainly be willing and interested in working with you and Healthcare Policy Financing in these types of efforts.

11. **[Sens. Rankin and Zenzinger] Would the fee impact be inequitable for different types of providers? For example skilled nursing facilities that are primarily serving Medicaid clients.**

Response: Not necessarily. Fees are usually based on a variety of parameters such as facility size, complexity of services provided, and percent of Medicaid consumers. The fee schedule is developed in collaboration with stakeholders and, as part of the discussion, impacts to different facility sizes and types of patients/residents cared for are considered.

The Division engages in a robust analysis and stakeholder process to come to a consensus on fees that will fully fund important program activities. The Division's enabling statutes direct that fees collected pursuant to

issuing state licenses shall cover the Division's costs for state licensing activities, including technical assistance, survey/inspections, complaint investigations, and enforcement. When adjusting fees, the Division will work with stakeholders for several months to a year to share and discuss program needs and develop a general consensus on changes to fees, incorporate the new fees in the rules, and gain approval from the Board of Health for those proposed changes. The Board of Health, and not the Division, approves all fee increases.

The Division begins the fee adjusting process by performing an analysis to determine future costs of program operations by facility type and determines the funding needed to support programmatic activities. The Division convenes a stakeholder process which is open to all stakeholders and the public. The costs that the Division faces and the fee analysis is presented to the stakeholders through a series of open meetings. The Division typically presents several fee scenarios to the stakeholders. Fees are usually based on a variety of parameters such as facility size, complexity of services provided, and percent of Medicaid consumers. Provisions for incentive rebates of licensing fees for deficiency free or low level deficiency surveys are also included in the fee setting process. Fee calculations are often based, in part, on a "per-bed fee" to scale the fee to the size of the facility that provides residential care or in-patient care. Fees are frequently less for facilities with high Medicaid populations. In some cases, fee relief for high Medicaid populations is mandated in statute.

Timelines for implementation of new fees are often staggered or phased (e.g. delaying implementation of the fee increases or implementing graduated increases such as 10% the first year and an additional 10% in the second year).

As a note, smaller facilities often need greater levels of technical support than larger, more sophisticated facilities. This often means that the larger and more sophisticated facilities pay larger fees, while the smaller facilities drive more workload and costs.

Growth for many of the health facility licensing fees is currently capped at the Denver, Aurora, Lakewood consumer price index (CPI). This limits the Division's ability to increase fees. The fee cap applies to health facilities including but not limited to hospitals, nursing homes, assisted living facilities, free standing emergency departments, and ambulatory surgery centers. Capping fee increases at the local CPI rate means that fees can, based on historical trends, increase by 1% to 4% each year.

The Health Facilities and EMS Division engages in a robust analytical and stakeholder process when adjusting fees. Stakeholders participate actively in determining the amounts and structure of the fee proposals that are ultimately presented to the Board of Health for approval.

CONGENITAL SYPHILIS PREVENTION REQUEST

12. **[Sen. Zenzinger] I understand that the Department has requested ongoing federal funding. Does the Department anticipate knowing if federal funds will be available before the Committee needs to act on this request?**

Response: The Office of STI/HIV/VH has funding for this project with Pueblo County through 7/31/2023. CDC has only funded these activities though 7/31/2023 and has not indicated any additional funding to continue. The CDC should notify the Office if it will fund the Pueblo project by the second quarter of 2023; however, they will not fund expansion beyond Pueblo to other counties.

13. **[Sen. Fields] Why is the Department not requesting funding for expansion into Boulder, Arapahoe, and Weld counties?**

Response: Pueblo County would remain a top priority amongst the three counties based on incidence and the Office's current partnership with Pueblo County. The Office identified the expansion to El Paso and Jefferson Counties as the top two locations based on incidence, readiness to implement, and resource availability.

Arapahoe was not considered as they will be a new LPHA beginning January 1, 2023 and the Office did not feel that they would be well positioned for this project until a later date. Additionally, Boulder and Weld County Health Departments are currently working with their local county jails to explore the implementation of STI/HIV testing. If necessary, the Office can provide further cost analysis for additional counties throughout Colorado.

14. **[Sen. Rankin] Is there comparable data from other states on rates of CS? Would you describe this as an evidence-based program? Is there evidence available from the CDC and other states? Where does this fall on the evidence scale? The Department should consider the low numbers, as it does for all of its screening programs.**

Response: When comparing rates of CS per 100,000 live births, Colorado ranks 20th by state as of 2020. The pilot program in Pueblo County is an innovative, evidence-informed program. The CDC supports and encourages the development of relationships and extending STI services and testing to detention centers. According to the CDC (2022), STI testing and treatment in jail settings presents a unique public health and cost-effective opportunity to provide health services to a high risk, otherwise hard to reach population.

Multiple studies have demonstrated that persons entering correctional facilities have a high prevalence of STIs, HIV, and viral hepatitis, especially those aged ≤35 years. Risk behaviors for acquiring STIs (e.g., having condomless sex, having multiple sex partners, substance misuse, and engaging in commercial, survival, or coerced sex) are common among incarcerated populations. Before their incarceration, many persons have had limited access to medical care. Other social determinants of health (e.g., insufficient social and economic support or living in communities with high local STI prevalence) are common. Addressing STIs in correctional settings is vital for addressing the overall STI impact among affected populations.

Growing evidence demonstrates the usefulness of expanded STI screening and treatment services in correctional settings, including short-term facilities (jails), long-term institutions (prisons), and juvenile detention centers.

Furthermore, detection and treatment of early syphilis in correctional facilities might affect rates of transmission among adults and prevention of congenital syphilis.

The Office, when submitting the application for this funding in 2020 specifically recommended this intervention based on evidence and data collected regarding incidences of syphilis among women of reproductive age and congenital syphilis in babies. Colorado conducted an intensive case review of all 2020 CS cases including reviewing local epidemiology,qualitative data from Disease Intervention Specialist (DIS) interviews, and identifying missed opportunities to make data-driven interventions on preventing congenital

syphilis. Our 2020 case reviews highlighted that 58% of our congenital syphilis cases were from women residing in the southern slope of Colorado. Indeed, 50% of the congenital syphilis cases came from 2 southern counties alone, El Paso and Pueblo. El Paso and Pueblo accounted for 28% of all syphilis cases among women of reproductive age. Over half of these women had a recent history of incarceration and since many county jails are unable to financially support STI screening in their facilities, most of the women are not being screened while incarcerated.

Though congenital cases are just a fraction of the country's approximately 171,000 cases of syphilis, it's spiraling out of control, surpassing the peak of mother-to-child transmissions of HIV at the height of the HIV/AIDS crisis. Congenital syphilis poses severe consequences for babies. Babies born with congenital syphilis can have bone damage, severe anemia, enlarged liver and spleen, jaundice, nerve problems causing blindness or deafness, meningitis, skin rashes or death. The number of stillbirths and fetal deaths contributed to congenital syphilis is alarming. In 2021, Colorado had 4 stillbirths and 2 fetal deaths. According to the publication, *"Investment case for eliminating mother-to-child transmission of syphilis: promoting better maternal and child health and stronger health systems"* by the World Health Organization (WHO), the current global burden of disease attributable to congenital syphilis as measured in disability-adjusted years (DALYs) is enormous, at approximately 3.6 million. A DALY is a time-based measure of the burden of disease that combines years of life lost due to premature mortality with the time lived in a state of less than full health." As the real resurgence of congenital syphilis is seen in the growing number of transient groups and among prison populations, the public health response should aim to monitor and reduce transmission rates among these difficult populations.

15. **[Sen. Zenzinger] If the committee takes no action, could this program not be incorporated into existing work?**

Response: The funding requested for the Congenital Syphilis Prevention in Jails could not be incorporated into existing work due to limited resources from the CDC which funds STI prevention, testing, and treatment. The CDC STI prevention budget is approximately $4.4 million annually. Of that budget, the CDC only allows 10% of the award to be used for the testing and treatment of all STIs. This includes testing for gonorrhea, chlamydia, and syphilis, including congenital syphilis, for all clinical, non-clinical, and at home testing settings as well as treatment for any STIs.

Appendix A

FY 2022-23 RFI #3

November 5, 2022

To: Members of the Joint Budget Committee

From: Bradley Turpin, Milk & Corrections Program Manager

RE: Request for Information for a sustainability plan and proposed fee restructure for the Dairy Protection Cash Fund

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Request for Information: Department of Public Health and Environment, Division of Environmental Health and Sustainability -- The Department is requested to provide the following information to the Joint Budget Committee by November 5, 2022: A sustainability plan and proposed fee restructure for the Dairy Protection Cash Fund in order to decrease the Dairy Program's reliance on General Fund.

Response

Programmatic History:

Colorado Department of Public Health and Environment's (CDPHE) Dairy Program is a participant in the National Conference on Interstate Milk Shipments (NCIMS). The NCIMS is a cooperative program of all 50 States, US Territories, industry, academia, and the U.S. Food and Drug Administration (FDA) to ensure the safety of the nation's milk supply through active surveillance and enforcement of FDA's Pasteurized Milk Ordinance (PMO). CDPHE's oversight ensures Colorado's dairy industry is compliant with the PMO, which allows for the movement and sale of milk and dairy products produced in Colorado throughout the country. During Colorado's response to the COVID-19 pandemic, the milk and dairy industry was identified as critical infrastructure to assure Colorado residents and beyond had access to safe food.

The current Colorado Dairy Program was established at CDPHE in the mid 1980's, at a time when the Colorado milk industry produced approximately 1.1 billion pounds of milk per year. Colorado now processes over 5.5 billion pounds annually ($4.6 billion industry) and dairy products are the second largest agricultural commodity in Colorado. Colorado ranks thirteenth nationally in total milk production and had the second highest increase in milk production in 2020.

Due to the industry's growth and expansion over the past 10 years, resource shortfalls to provide the required program services ensued, resulting in FDA evaluations of Colorado's Dairy Program prior to 2017 to be substandard. This jeopardized not only Colorado's membership at the NCIMS, but also Colorado's dairy industry's access to interstate and international markets. Beginning in 2017, the Dairy Program was re-structured, re-staffed, and all program activities were evaluated for process efficiency and regulatory effectiveness. The result is a proven program with well-supported evidence of effectiveness, as documented by successful FDA evaluations during all subsequent evaluation periods. In order to achieve this required level of resourcing, General Fund has been diverted to the Dairy Program

from other Division environmental health programs (e.g. childcare, school and other food safety programs) – resulting in reduced compliance assurance and assistance for these other programs.

Current Programmatic Status:

The Dairy Program consists of 5.1 FTE with an annual appropriation of approximately $573,700. To ensure the established national requirements are met and compliant milk and dairy products are produced, program staff annually travel approximately 50,000 miles per year to perform over 1,250 inspections and collect over 1,700 milk and 220 water samples across the entirety of the industry.

Colorado's dairy industry production has increased 70% in the last 10 years, to over 5.5 billion pounds per year. During that same time period, fee revenues to the program have grown from a modest $42,000/year to $55,000/year. The revenue structure established for the program over a decade ago was developed to support the dairy industry as it existed at the time and augment General Fund appropriations. The size and complexity of today's milk processing plants have advanced dramatically in Colorado during this time, but the statutory structure for funding its oversight has not (see Table 1). While Colorado milk plants have grown and continuously added more milk pasteurization equipment, the fees were not established in a manner that would scale or expand in the same manner as these changes in plant operations dictated, resulting in a $450,000 shortfall in cash funding for the program.

Table 1: Current License Fee Structure

Annual average daily amount of milk received	Current Fee
Under 1,000 pounds	$300
1,000 to 19,999 pounds	$600
20,000 to 449,999 pounds	$1,000
450,000 or more pounds	$1,600

Over the last decade, Colorado's dairy industry has moved from a net exporter of raw fluid milk to also being an importer. The growth has been accomplished by adding processing equipment and storage capacity to existing facilities. While this expansion of facilities required significant program resources, very little revenue was gained for two reasons:

1) Many of the plants that expanded were already paying the highest established fee; and
2) For any new facility, the revenue collected based on the current established fee was not commensurate with the level of resources needed to provide the required oversight.

This is best illustrated by the Leprino Foods plant in Greeley. Finished in 2017, this plant processes almost three billion pounds of milk per year. To sustain this volume requires over a dozen pasteurization units and processing equipment which must be continuously tested, repaired, and recertified to meet the required national program requirements. To accomplish this, the CDPHE Dairy Program is on-call to address problems at the Greeley plant 24 hours per day, 7 days per week. The Greeley plant is a very large example, but Colorado currently has seven other large plants that each process over 100 million

pounds of milk per year at similar proportional costs to the program. Currently, all of these plants pay a fee of $1,600 per year or less.

Fees were increased in 2003 and 2009 to the current amount, but these increases were to simply increase revenue to keep up with increased program cost associated with normalized cost of living and CPI. During this time period, the significant growth of the industry discussed earlier was not occurring. The legislature and industry were in support of maintaining a significant portion of the program's funding as General Fund, so fees were established relatively low and not scaled to industry production. The dairy program's General Fund is allocated to the Division in a line item that provides funding to a number of other Division programs. As the industry began to expand exponentially beginning in 2011, program resource needs have significantly increased and General Fund has been diverted from other Division programs to the milk program to fill the gap. There is no capacity to continue to divert funding from these other programs.

In order to assure compliance with the national program requirements and to ensure the most effective and efficient use of resources, the program has conducted extensive program resource tracking and lean process optimization since 2017. Through this process, opportunities were identified to utilize industry resources to conduct some required inspections and certifications. CDPHE staff has trained and authorized available industry representatives to allow them to inspect milk tanker trucks and to certify dairy product samplers. As a result, industry inspectors annually complete over 250 inspections and certifications at a reduced cost to the program. Additionally, the program has pursued and received FDA grant funding to ensure full staff training for all required competencies to execute the program duties necessary to meet current and future customer needs, including advancements in robotic milking technology. The program also applies for FDA grants to purchase milk testing equipment, for both DEHS and our partners at the CDPHE Laboratory.

Proposed Sustainability Plan and Fee Restructure:

While the program has relied upon increased General Fund to remain operational during the COVID-19 pandemic and the economic uncertainty it created for multiple industries, a durable long-term solution involves increasing cash funding to the milk program by approximately $450,000 per year through statutory fee increases for milk/dairy processing plants and continuing approximately $231,000 per year in General Fund to the program. This solution will also allow over $300,000 in General Fund to be redirected back to other environmental health programs (e.g. childcare, school and other food safety programs) administered by the Division to increase compliance assurance and assistance.

Twenty-three other state programs were surveyed as part of program lean optimization efforts and the proposed solution is a current best practice for neighboring states. The solution will include a 30% license fee increase (see Table 2), as well as a new fee based on volume of production. This addition would be calculated based on a fee per 100 pounds of milk processed [a methodology known as "hundred weight (cwt)"], with a cap of approximately $150,000 for very large plants. This volume-based fee would only apply to plants processing 20,000 pounds or more daily. Plants processing under 20,000 pounds daily would only see the 30% license fee increase and would not be subject to the cwt fee (see Table 3).

Table 2: Proposed License Fee Increase

Annual average daily amount of milk received	Proposed Fee
Under 1,000 pounds	$390
1,000 to 19,999 pounds	$780
20,000 to 449,999 pounds	$1,300
450,000 or more pounds	$2,080

The proposed solution is based on a volume-based fee of one cent per hundred weight processed. This solution was preferred during initial stakeholder outreach, when various fee caps and hundred weight models (e.g. 1.5 cents and two cents per hundred weight) were evaluated. By comparison, Kansas currently uses a fee of two cents per hundred weight processed at the plant. Colorado's largest plant would be at the cap, while other large processors would be at or below the mid-point, and 17 plants, processing under 1,000 pounds daily, would be at the floor. Due to the volumes processed by the plants, the pass-through cost of the fees per gallon of milk produced are less than 1/10 of one cent per gallon.

While the outputs are anticipated to remain consistent at around 1,250 inspection/equipment tests annually, the proposed solution provides more balanced funding between General Fund and cash funds, but most importantly, the fees are scalable. As the industry expands, the fees collected cover the program needs for staffing to continue operations as a program with a well-supported level of confidence of effectiveness.

Measures of success will be demonstrated using the Division's existing data system to monitor dairy plant inspections, dairy farm inspections, tanker inspections, hauler inspections, lab sampler certifications, equipment tests, broken seal repairs, compliance assurance, and enforcement cases. Continuous operation of Colorado's milk and dairy industry without interruptions caused by insufficient resources as well as compliant program assessment during FDA triennial review are the intended outcomes. The expected return on investment is sustaining and growing the $4.6 billion milk and dairy industry in Colorado through a proposed industry paid fee/funding increase of $450,000 annually.

Cost Assumptions and Calculations: Dairy Protection Program costs (existing program and FTE)

GENERAL FUND				
FTE Required	EPS II	1.6		$ 165,081.60
	EPS IV	0.35		$ 50,849.40
Total Operating				$11,389
			Total Direct Costs	$ 227,320
			Division Indirect (4.15%)	$ 9,433.79
			Total Costs	$ 236,754.09
CASH FUNDS				
FTE Required	EPS II	3.0		$ 309,528.00
	EPS IV	0.35		$ 50,849.40
Total Operating				$25,918
			Total Direct Costs	$ 386,295
			Division Indirect (4.15%)	$ 16,031.25
			Department Indirect (19.6%)	$ 75,713.87
			Total Costs	$ 478,040.35
			Total Program FTE	5.3
			Total Program Costs	$ 714,794.45
			Current GF Funding	$ 231,000.00
			Current Cash Revenue	$ 33,700.00
			Total Continued Funding	$ 264,700.00
			Necessary Fee Revenue	**$(450,094.45)**[1]

[1] Variations in funding sources allow for the FY 2023-24 CDPHE R-4 Nov. 1 budget request to fund FY 2023-24 expenses. These cost assumptions and calculations are projections for FY 2024-25, which are larger than the FY 2023-24 R-04 request due to out year cost increases.

Table 3: Dairy Protection Program revenue projection (with proposed fee restructure)

Fee	$ 0.0100
Cap	$ 150,000
Floor (lbs/day)	20,000

Plant Name	Current Fee	Daily Production (lbs/day)	Yearly Production (lbs)	CWT/year	Proposed Base Fee	1 cent/100 lbs	Total @ $150K Cap
Plant 1	1,600	7,754,833	2,830,514,045	28,305,140	2,080	$283,051.40	$150,000.00
Plant 2	1,600	2,050,000	748,250,000	7,482,500	2,080	$74,825.00	$76,905.00
Plant 3	1,600	1,831,400	668,461,000	6,684,610	2,080	$66,846.10	$68,926.10
Plant 4	1,600	808,075	294,947,375	2,949,474	2,080	$29,494.74	$31,574.74
Plant 5	1,600	830,800	303,242,000	3,032,420	2,080	$30,324.20	$32,404.20
Plant 6	1,600	773,333	282,266,545	2,822,665	2,080	$28,226.65	$30,306.65
Plant 7	1,000	374,600	136,729,000	1,367,290	1,300	$13,672.90	$14,972.90
Plant 8	1,000	272,148	99,334,020	993,340	1,300	$9,933.40	$11,233.40
Plant 9	1,000	154,672	56,455,280	564,553	1,300	$5,645.53	$6,945.53
Plant 10	1,000	156,388	57,081,620	570,816	1,300	$5,708.16	$7,008.16
Plant 11	1,000	103,023	37,603,395	376,034	1,300	$3,760.34	$5,060.34
Plant 12	1,000	36,500	13,322,500	133,225	1,300	$1,332.25	$2,632.25
Plant 13	600	19,000	6,935,000	69,350	780	$- 0	$780.00
Plant 14	600	16,000	5,840,000	58,400	780	$- 0	$780.00
Plant 15	600	11,600	4,234,000	42,340	780	$- 0	$780.00
Plant 16	600	7,000	2,555,000	25,550	780	$- 0	$780.00
Plant 17	600	3,700	1,350,500	13,505	780	$- 0	$780.00
Plant 18	600	2,700	985,500	9,855	780	$- 0	$780.00
Plant 19	600	1,150	419,750	4,198	780	$- 0	$780.00
Plant 20	300	900	328,500	3,285	390	$- 0	$390.00
Plant 21	300	865	315,725	3,157	390	$- 0	$390.00
Plant 22	300	700	255,500	2,555	390	$- 0	$390.00
Plant 23	300	430	156,950	1,570	390	$- 0	$390.00
Plant 24	300	300	109,500	1,095	390	$- 0	$390.00
Plant 25	300	300	109,500	1,095	390	$- 0	$390.00
Plant 26	300	155	56,575	566	390	$- 0	$390.00
Plant 27	300	130	47,450	475	390	$- 0	$390.00
Plant 28	300	100	36,500	365	390	$- 0	$390.00
Plant 29	300	100	36,500	365	390	$- 0	$390.00
Plant 30	300	96	35,040	350	390	$- 0	$390.00
Plant 31	300	86	31,390	314	390	$- 0	$390.00
Plant 32	300	80	29,200	292	390	$- 0	$390.00
Plant 33	300	60	21,900	219	390	$- 0	$390.00
Plant 34	300	30	10,950	110	390	$- 0	$390.00
Plant 35	300	30	10,950	110	390	$- 0	$390.00
Plant 36	300	15	5,475	55	390	$- 0	$390.00
						Total Fee Revenue	**$450,059**

Appendix B

Home Care Cash Fund Long Term Projection

	Actual	Actual	Actual	Actual	Actual	Projected	Projected					
Expenditures	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
(10) HEALTH FACILITIES AND EMERGENCY MEDICAL SERVICES DIVISION, A) Operations Management, Administration and Operations	$365,652	$387,376	$452,558	$516,412	$431,340	$443,002	$455,250	$467,250	$489,519	$501,548	$513,519	$525,548
(10) HEALTH FACILITIES AND EMERGENCY MEDICAL SERVICES DIVISION, (B) Health Facilities Program, Home and Community Survey	$622,665	$620,171	$609,741	$616,281	$882,183	$1,162,130	$1,201,582	$1,234,629	$1,274,564	$1,314,554	$1,354,657	$1,608,554
(10) HEALTH FACILITIES AND EMERGENCY MEDICAL SERVICES DIVISION, (D) Indirect Cost Assessment	$232,081	$212,194	$213,966	$226,127	$231,490	$330,917	$341,346	$350,356	$362,797	$373,200	$383,615	$436,800
(1) ADMINISTRATION AND SUPPORT, (A) Administration, Vehicle Lease Payments	$3,021	$7,058	$2,543	$4,393	$2,373	$5,000	$4,900	$4,900	$4,900	$4,900	$4,900	$4,900
(1) ADMINISTRATION AND SUPPORT, (A) Administration, Payments to OIT				$16,835	$15,864	$27,454	$28,000	$28,000	$28,000	$28,000	$28,000	$28,000
(1) ADMINISTRATION AND SUPPORT, (A) Administration, Indirect Cost Assessment	$667	$1,543			$0	$0	$0	$0	$0	$0	$0	$0
PERA Direct Payment	$0	$0	$20,364	$0	$16,950	$17,000	$17,000	$17,000	$17,000	$17,000	$17,000	$17,000
Subtotal Expenditures	$1,224,087	$1,228,342	$1,299,172	$1,380,049	$1,580,200	$1,985,503	$2,048,078	$2,102,135	$2,176,780	$2,239,202	$2,301,691	$2,620,802
Expenditure reduction based on lack of revenue						$0			$0	$0	$0	$0
Total Expenditures	$1,224,087	$1,228,342	$1,299,172	$1,380,049	$1,580,200	$1,985,503	$2,048,078	$2,102,135	$2,176,780	$2,239,202	$2,301,691	$2,620,802
Revenue	$1,233,801	$1,347,145	$1,257,599	$1,369,288	$1,422,601	$1,427,000	$1,457,000	$1,487,000	$1,517,000	$1,547,000	$1,587,000	$1,617,000
One time distruibution to cash fund							$1,100,000					
Additional Revenue based on CPI	$0	$0	$0	$0	$0	$0	$0	$0	$2	$3	$4	$5
Total Revenue	$1,233,801	$1,347,145	$1,257,599	$1,369,288	$1,422,601	$1,427,000	$2,557,000	$1,487,000	$1,517,002	$1,547,003	$1,587,004	$1,617,005
Fund Balance (Actual from Schedule 9 through FY 2021-22 then calculated)	$176,653	$295,456	$253,883	$243,122	$81,654	($476,849)	$32,072	($583,063)	($1,242,840)	($1,935,040)	($2,649,727)	($3,653,524)
Total General Fund used to support General Licensure activities.		$0	$0	$84,523	$113,142	$14,934	$75,000	$75,001	$75,002	$75,003	$75,004	$75,005
Indirect on General Fund support (To be paid when cash funds used)			$0	$0	$0	$3,002	$15,075	$15,075	$15,075	$15,076	$15,076	$15,076

ALR Cash Fund Long Term Projection

	Actual	Actual	Actual	Actual	Actual	Projected	Projected	Projected	Projected	Projected	Projected	Projected
Expenditures	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
(10) HEALTH FACILITIES AND EMERGENCY MEDICAL SERVICES DIVISION, A) Operations Management, Administration and Operations	503,053	457,692	613,022	653,468	722,740	790,592	841,839	861,546	881,543	1,001,546	1,021,548	1,041,054
(10) HEALTH FACILITIES AND EMERGENCY MEDICAL SERVICES DIVISION, (B) Health Facilities Program, Home and Community Survey	770,710	1,101,980	2,155,334	1,875,607	2,116,906	2,137,000	2,135,285	2,185,752	2,224,567	2,265,425	2,304,564	2,345,545
(10) HEALTH FACILITIES AND EMERGENCY MEDICAL SERVICES DIVISION, (D) Indirect Cost Assessment	299,278	326,328	558,514	416,625	502,161	843,779	897,826	917,533	937,530	1,057,533	1,077,535	1,097,041
(1) ADMINISTRATION AND SUPPORT, (A) Administration, Vehicle Lease Payments	6,802	10,291	10,907	5,623	10,767	8,000	10,800	10,800	10,800	10,800	10,800	10,800
(1) ADMINISTRATION AND SUPPORT, (A) Administration, Payments to OIT	0	0	0	44,892	36,566	61,062	61,062	61,062	61,062	61,062	61,062	61,062
(1) ADMINISTRATION AND SUPPORT, (A) Administration, Indirect Cost Assessment	1,599	2,193										
PERA Direct Payment	0	0	26,666	0	45,187	45,187	45,187	45,187	45,187	45,187	45,187	45,187
Subtotal Expenditures	1,581,442	1,898,483	3,364,443	2,996,215	3,434,326	3,885,620	3,991,998	4,081,880	4,160,689	4,441,553	4,520,696	4,600,689
Expenditure reduction based on lack of revenue												
Total Expenditures	1,581,442	1,898,483	3,364,443	2,996,215	3,434,326	3,885,620	3,991,998	4,081,880	4,160,689	4,441,553	4,520,696	4,600,689
Revenue	1,550,272	2,472,659	3,282,815	3,105,181	3,055,486	440,000	3,185,200	3,190,200	3,200,200	3,205,200	3,210,200	3,215,000
One time distruibution to cash fund						2,732,000	600,000	0	0	0	0	0
Additional Revenue based on CPI	0	0	0	0	0	0	0	1	2	3	4	5
Total Revenue	1,550,272	2,472,659	3,282,815	3,105,181	3,055,486	3,172,000	3,785,200	3,190,201	3,200,202	3,205,203	3,210,204	3,215,005
Fund Balance (Actual from Schedule 9 through FY 2021-22 then calculated)	75,782	649,958	566,043	677,296	292,763	(420,857)	(627,655)	(1,519,334)	(2,479,821)	(3,716,171)	(5,026,663)	(6,412,347)
Total General Fund used to support General Licensure activities.		0	0	120,820	0	141,573	75,000	75,001	75,002	75,003	75,004	75,005
Indirect on General Fund support (To be paid when cash funds used)			0	0	0	28,456	15,075	15,075	15,075	15,076	15,076	15,076

Joint Budget Committee Hearing

Jill Hunsaker Ryan, MPH
Executive Director

Mission and Vision

COLORADO
Department of Public Health & Environment

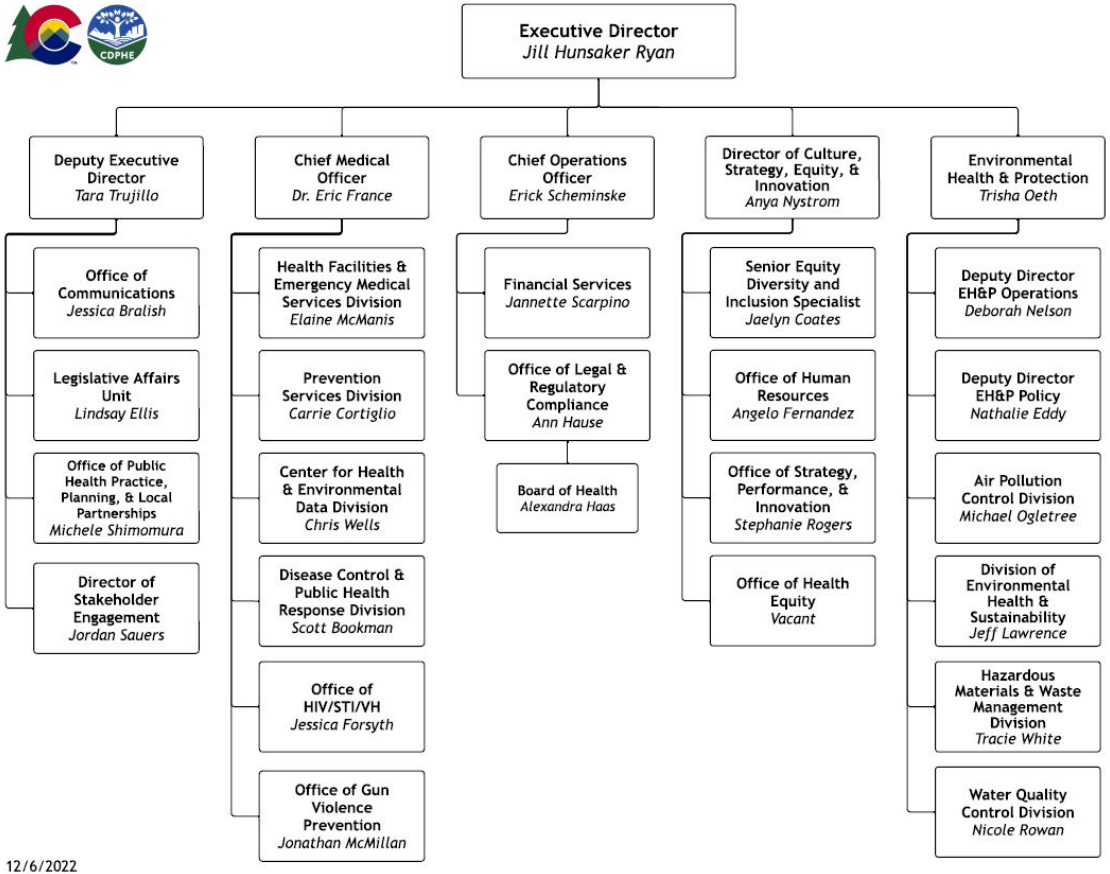
Mission

Advancing Colorado's health and protecting the places where we live, learn, work, and play.

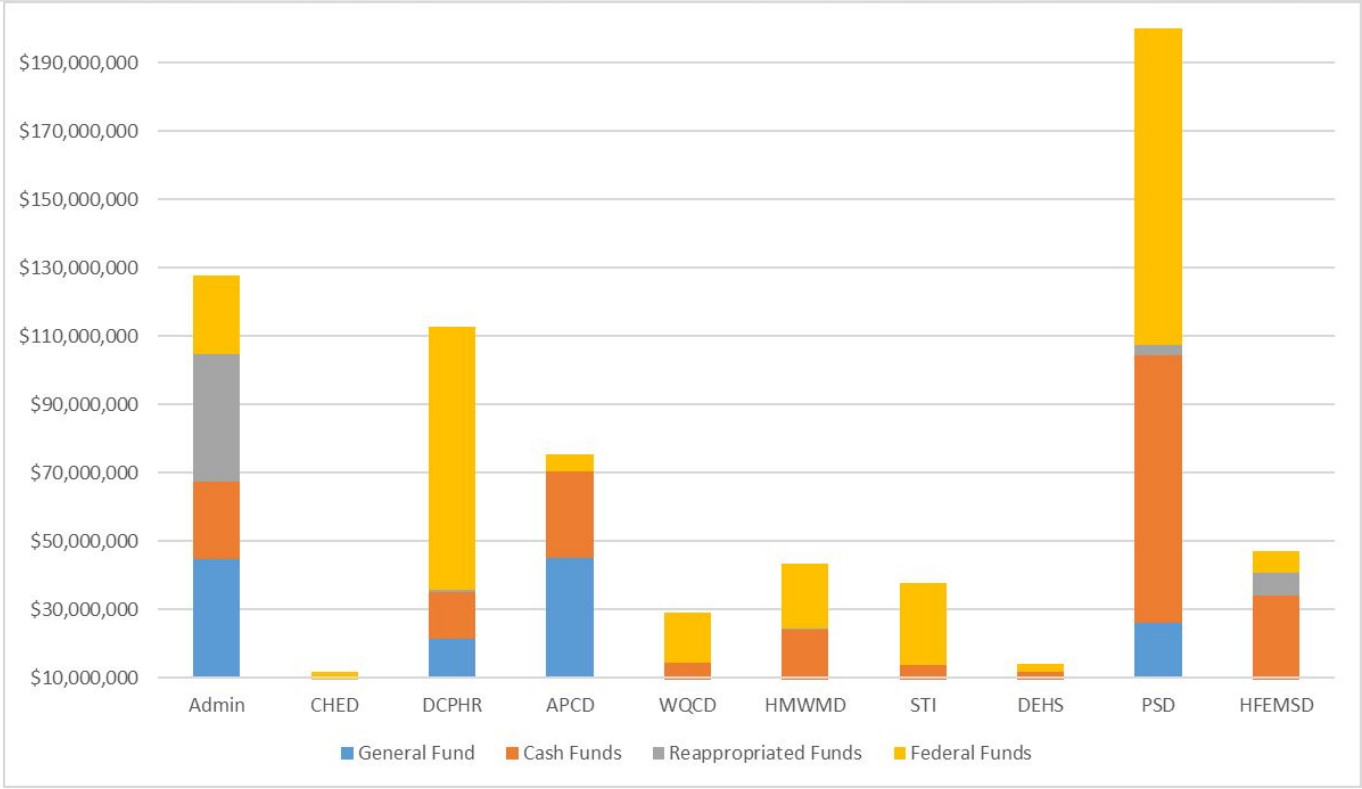
Vision

A healthy and sustainable Colorado where current and future generations thrive.

Organizational Chart

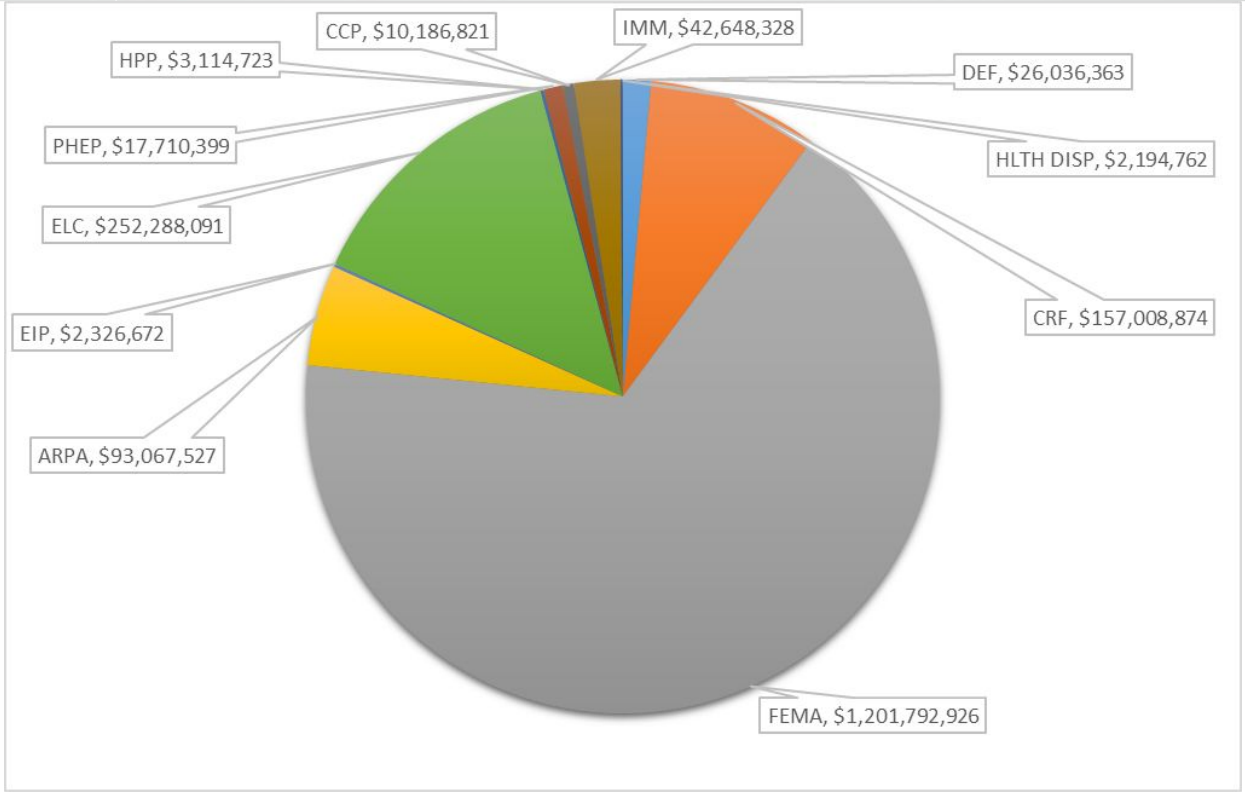


Budget by Division (In Current Long Bill)



FY 2022-23 Long Bill Appropriation: $756,286,388

COVID-19 Response Funding To Date (outside Long Bill)



Total: $1,808,375,487

Decision Item Requests

- Budget request includes a $76.9 million total funds increase
  - $15.2M General Fund
  - $1.6M Cash Funds
  - $0.5M Reappropriated Funds
  - $59.6M Federal Funds

Support Water Quality

Provide Relief to Critical Cash Funds

Promote Equity Through High-Return, Low-Cost Investments

Support Department Operations

Water Quality Support

R-01 Protective Water Quality Control

- $4.1M GF in FY24 and $6.0M GF ongoing to address the Water Quality Control Division's clean water permitting and drinking water system inspection backlogs.
    - Clean Water Permits — Meet the EPA's requirement of 75% of individual permits being current. The resources requested will go toward reducing the permit backlog, maintaining protective permits reflective of current rules, and addressing permit and regulatory actions associated with new effluent limits in the issued permits.
    - Drinking Water Inspections — to perform sanitary surveys to ensure tap water is safe. Currently, 32% of drinking water systems in Colorado are not receiving a sanitary survey on the three- or five-year schedule mandated by federal law.
    - Operations Support — provide operational, administrative, and transactional support services to maintain fiscal compliance and minimize the use of outdated permitting data management platforms.

R-02 Water Infrastructure State Revolving Fund Match

- Request for JBC to sponsor legislation to expand eligible uses of the Small Communities Water and Wastewater Grant Fund to include state matching requirements of IIJA. ($6.0 million for FY 2023-24)

Cash Fund Relief

R-03 Health Facilities Cash Fund Relief

- General Fund support for the General Licensure Fund ($400k), Assisted Living Fund ($600k), and Home Care Agency Fund ($1.1M) to continue mandated oversight activities for these facility types.

R-04 Dairy Protection Relief

- $412k GF in FY24 to fully fund the CDPHE milk program, which inspects and tests pasteurization equipment in accordance with national standards.

R-05 Sustaining Environmental Justice Act Services

- $4.5M GF in FY24 to continue Environmental Justice Act work while the final GHG fee structure is developed.

R-06 Vital Statistics Records Cash Fund Relief

- $1.4M GF in FY24 to maintain current fee levels for vital records requests and allow restart of the birth registry capital project (COVIS).

High-Return Investments

R-07 Address Syphilis in Prisons and Outreach Settings

- $1.2M GF in FY24 and ongoing to continue and and expand the Congenital Syphilis Prevention Pilot Project - which is currently supported by a federal grant that expires in FY23.

R-08 Low Income Radon Mitigation Assistance

- $400k GF in FY24 and ongoing to mitigate radon from an additional 75 households per year, provide grant funding to over 12 additional LPHAs, and purchase over 6,200 additional radon tests.

R-11 Southern Ute Environmental Commission Staffing

- $40k GF in FY24 and ongoing to cover the State share of the Southern Ute Environmental Commission staffing.

Supporting Department Operations

R-09 Maintain EpiTrax Disease Surveillance Platform

- $554k RF in FY24 and ongoing to maintain the consolidated disease surveillance system - EpiTrax.

R-10 Technical Adjustments

- Adds two-year spending authority to the EMS Provider Grant Program and corrects Community Behavioral Health Disaster Preparedness and Response Program (HB21-1281) appropriation to allow for building of fund balance to be adequately financed for disaster situations.

R-12 Water Quality Environmental Justice Outreach

- $445k GF in FY24 and ongoing to address the Departmental difference in HB22-1322 fiscal note that did not include funding for other Water Quality Control Division programs to comply with EJA requirements.

Supporting Department Operations

R-13 Colorado Central Cancer Registry Staffing

- $210k GF in FY24 and ongoing to continue 2.0 FTE staffing the Colorado Central Cancer Registry - who are currently funded by special project funding in an expired federal CDC grant.

R-14 LPHA Licensing and Inspection Caseload Adjustments

- $120k GF and ongoing for formulaic LPHA caseload adjustments (Tri-County dissolution included).

R-15 Denver Emissions Technical Center Leased Space

- $22k HUTF in FY24 with marginal increases each year thereafter to extend the Mobile Sources Program's current lease at the Denver Emissions Technical Center.

R-16 Provider Rate Increase

- $226k GF and $57k MTCF to provide 3% provider rate as part of a statewide initiative. The increase seeks to address inflationary pressures that make it more difficult to recruit and retain healthcare staff.

2023 Legislative Priorities

Statewide System of Advance Medical Directives

- Would implement recommendations from the Advance Directives Registry Pilot Project and revise the advance directives registry statute to increase patient ease-of-use and autonomy over personal healthcare data.

Lead-Based Paint Definition Revision

- Would align state statute with federal law regarding the definition of a “child-occupied facility” for the purposes of lead-based paint safety regulations.

In Conclusion

Thank you!