

March 13, 2023

The Honorable Senator Rachel Zenzinger
Chair, Joint Budget Committee
Colorado General Assembly
200 E. 14th Avenue, Third Floor
Legislative Services Building
Denver, CO 80203

Dear Chair Zenzinger:

On behalf of Governor Jared Polis, the Office of State Planning and Budgeting (OSPB) would like to thank the Joint Budget Committee for all their work during this budget season and to express our appreciation for the opportunity to submit this package of FY 2023-24 comebacks. Overall, the Governor continues to emphasize the balanced budget approach requested on November 1:

- Hold operating growth to 7.0% and below the 8.3% rate of inflation--the Governor's request, as amended in January, limits growth to 6.4%.
- Maintain a General Fund reserve of 15.0%--the last two economic recessions hit the General Fund by 17.0%.
- Save at least half of the enacted General Fund prepaids to balance next year.

The package of comeback requests supports this balanced budget strategy. Also included in the Governor's balanced budget are placeholder requests to advance Colorado's progress on more housing now, infrastructure improvement, public safety, workforce shortages, disaster preparedness, and tax fairness. We look forward to working with the Committee on these important placeholder requests.

Note that this package of comeback requests includes nine items the Committee has delayed action/requested information on.

Water, Wildfire Mitigation and Suppression

Department of Public Safety

- R-03 Fire Aviation Resources (tabled)
- R-12 Expand Training for Local Fire Districts (tabled)

Department of Natural Resources

- R-03 Wildfire Mitigation Package (tabled)
- R-17/BA-02 Water Plan Grant Program Legislative Placeholder (tabled)

Saving People Money on Health Care

Department of Healthcare Policy and Financing

- R-06 Supporting PCMP Transition with Value Based Payments
- R-11 Compliance (tabled)
- R-12 Behavioral Health Eligibility & Claims Processing Ops (tabled)

Education

Department of Education

- State Education Fund - Budget Stabilization Factor 3-Yr Plan to Eliminate
- R-10/BA-04 CSI Mill Levy Equalization

Department of Early Childhood

- BA-02 Early Childhood Intervention & Workforce Support
- R-08 Records and Reports Cash Fund Solution (tabled)

Public Safety Investments

Department of Public Safety

- R-05 Invest in Local Crime Prevention Strategies
- R-11 Technical Assistance for Safer Communities

State Employees

Department of Personnel & Administration

- R-03 Statewide COWINS Wage Reopener Impacts
- R-01 Center for Organizational Effectiveness Employee Training

Effective Government

Governor's Office of Information Technology

- R-02 myColorado Platform Sustainability & Scalability
- BA-02 OIT Accessibility (tabled)

Capital Related (DPA)

- Capital controlled maintenance (tabled)

Department of Public Health & Environment

- R-05 Sustaining Environmental Justice Act Services
- BA-03 Preventing Outbreaks through Outreach and Equity
- R-12 Water Quality Environmental Justice (information only)

Thank you for your consideration of these comeback requests.

Sincerely,

Lauren Larson
Executive Director

CC:

Representative Shannon Bird, Joint Budget Committee Vice Chair

Senator Jeff Bridges, Joint Budget Committee

Representative Emily Sirota, Joint Budget Committee

Senator Barbara Kirkmeyer, Joint Budget Committee

Representative Rod Bockenfeld, Joint Budget Committee

Carolyn Kampman, JBC Staff Director

Comebacks by Topic and Department

Water, Wildfire Mitigation and Suppression Requests

Department of Public Safety

- R-03 Fire Aviation Resources (tabled)
- R-12 Expand Training for Local Fire Districts (tabled)

Department of Natural Resources

- R-03 Wildfire Mitigation Package (tabled)
- R-17/BA-02 Water Plan Grant Program Legislative Placeholder (tabled)

Department of Public Safety

CDPS R-03 Fire Aviation Resources (tabled)

	Original Request	JBC Action	Comeback Request
Total Funds	\$11,827,138	Delay	\$10,104,798
FTE	19.3		19.3
General Fund R3 Placeholder for S.B. 23-161	\$11,827,138 \$0		\$8,104,798 \$2,000,000
Cash Fund	0		0
Reappropriated Funds	0		0
Federal Funds	0		0

Summary of JBC Action:

The JBC delayed action on this item pending additional information on funding mechanisms for the purchase of a Firehawk helicopter. JBC staff recommended approval of the request.

Summary of Comeback Request:

The Office of State Planning and Budgeting and the Department of Public Safety respectfully request that the JBC approve a Long Bill appropriation of \$8.1M General Fund and 19.3 FTE as well as a \$2M General Fund placeholder for S.B. 23-161. This request aligns with the JBC staff recommendations, while reducing the aviation contracts funding \$2.5M to reflect the request for a \$2M placeholder for the finance purchase of a Firehawk helicopter. The request ensures the State is able to build on the one-time aviation resources included in S.B. 22-206 by providing ongoing funding and resources for the aviation program and essential aviation assets and adds resources that will ensure Colorado is positioned to meet the projected demands and impacts of future wildfires.

This request will outfit the division with resources and tools needed to stay on the front foot in its mission to keep the state safe from fires. The Division of Fire Prevention and Control (DFPC) is working to manage the demands from the following three difficult trends:

1. a worsening wildfire problem;
2. increasing issues with employee burnout, recruitment and retention; and
3. availability of aviation resources due to demands placed on aircraft by other states.

The following table summarizes the changes in the request from the original submission:

Item	Original Request	Comeback Request	Justification
Firehawk crew and operating costs	\$2,830,000	\$2,830,000	No change
Aviation contracts	\$2,477,340	\$0	Reduced to account for the finance purchase of a Firehawk helicopter
Attack and Aerial Supervision Platform	\$1,139,940	\$1,139,940	No change
Firefighter Recruitment and Retention	\$2,700,000	\$1,455,000	Reduced to account revised FY 2023-24 pay plan.
Administrative and Support Capacity	\$899,354 (8.3 FTE)	\$899,354 (8.3 FTE)	No change
Critical Aviation Program	\$1,780,504 (11.0 FTE)	\$1,780,504 (11.0 FTE)	No change
<i>Revised R-03 Request</i>	<i>\$11,827,138</i>	<i>\$8,104,798</i>	
Placeholder for Firehawk finance purchase pursuant to S.B. 23-161	\$0	\$2,000,000	Legislative set-aside for Firehawk finance purchase in SB 23-161
Total Request for R3 and Placeholder	\$11,827,138	\$10,104,798	

This comeback request includes modifications to the original request as follows:

- Reduction in the requested funding for aviation contracts which is offset by the requested placeholder for S.B. 23-161;
- Reduction in the requested funding for firefighter recruitment and retention, and
- Approval of a placeholder for S.B. 23-161 which authorizes a finance purchase of a Firehawk helicopter.

Recruitment and Retention Adjustment: The original request included \$2.7M to help DFPC keep pace with federal and local firefighting agencies in its efforts to recruit and retain employees. The original request would conflict with the FY 2023-24 pay plan outlined in the Partnership Agreement. Therefore, OSPB requests this item in the request be reduced by \$1,245,000 to account for the FY 2023-24 pay plan adjustments.

Aviation Contracts Adjustment: This comeback requests a modification to the funds originally requested for the 150-day Large Air Tanker contract to be for the more valuable and cost-effective Firehawk. The original November 1 budget included a capital project to finance purchase of a Firehawk helicopter. Senate Bill 23-161 now includes the statutory change to permit the department to enter into a lease purchase for the Firehawk. The Firehawk purchase has since been moved into Senate Bill 23-161. The actual cost of the lease purchase won't be known until the contract is signed, after passage of the legislation. The department has worked with the Treasurer's Office and projects the first year cost will be less than \$2.0M which is inline with the original capital request. This request for a placeholder will ensure funds are available for the legislation authorizing the finance purchase of the Firehawk.

CDPS R-12 Expand Training for Local Fire Districts (tabled)

	Original Request	JBC Action	Comeback Request
Total Funds	\$4,651,780	Delay	\$4,651,780
FTE	14.7		14.7
General Fund	\$4,651,780		\$4,651,780
Cash Fund	\$0		\$0
Reappropriated Funds	\$0		\$0
Federal Funds	\$0		\$0

Summary of JBC Action:

The JBC voted to delay action on this item pending further information on funding to subsidize firefighter certification fees. JBC staff recommended approval of this request without modification.

Summary of Comeback Request:

The Office of State Planning and Budgeting and the Department of Public Safety respectfully request that the JBC approve the JBC staff recommendation to approve the request which will increase training resources for local firefighters. The request annualizes to \$2,748,851 General Fund and 16.0 FTE in FY 2024-25 and ongoing.

Additional Information

The committee requested more information on the current fee structure for training programs and on why the State should support removing fees for training with General Fund, which are provided below.

Professional Qualifications and Training Section (PQTS)

PQTS currently charges fees for all certifications and select certification training classes. PQTS’s certification fee schedule is adopted in 8 CCR 1507-3 Firefighter and Hazardous Materials Responders Voluntary Certification Programs (see the table below). Certification fees cover certification costs which include costs paid to accrediting bodies, fees for the online testing program, and fees for the online database used to track certifications.

Service and Products	Fee
Application for initial written examination	\$30.00
Application for retake written examination	\$30.00
Application for Executive Fire Administration certification	\$30.00
Application for proctor certification	\$30.00
Application for renewal of certification	\$20.00
Reinstatement fee for expired certification	\$40.00

Service and Products	Fee
Regression fee	\$40.00
Application for reciprocity	\$40.00
Replacement of lost of damager certification	\$5.00

In addition to these fees, PQTS charges for select courses, specifically any classes where PQTS pays either for space or non-state instructors. PQTS charges \$90 per day for courses that include lunch, and for those without lunch, \$65 per day. All other training provided by PQTS is done for little to no cost to the fire department, such as having the host fire department cover the cost of materials like propane used with the Mobile Live Fire Training Unit.

The fees PQTS is requesting to be removed are those for initial certification testing. Firefighter certification in Colorado is voluntary, requiring PQTS to be innovative in attracting firefighters into the certification program. While many fire departments see the value of certification, some are not interested due to the cost of initial certification. Colorado law requires DFPC to conduct a fire service needs assessment. In 2022, of the 239 fire departments that responded to the survey (70% of Colorado’s Fire Departments), only 50% of the responding fire departments seek state certifications. When asked what prevents the other 50% from seeking state certification, 40% stated they do not seek it due to the cost.

To alleviate the cost preventing fire departments from seeking state certification, PQTS is seeking the removal of the \$30 fee for initial certification. While many departments get tax revenue from their district, personnel, equipment, and training are all competing costs for this tax revenue. PQTS’s goal is to ensure that all firefighters have access to certifications and training, regardless of type or size, which is the best way to ensure they can meet the needs of their stakeholders.

Department of Natural Resources and Department of Public Safety

DNR R-03 Wildfire Mitigation (tabled)

	Original Request	JBC Action	Comeback Request
Total Funds	\$9,000,000	Delay	\$7,000,000
FTE	0.0		0.0
General Fund	\$9,000,000		\$7,000,000
Cash Fund	0		0
Reappropriated Funds	0		0
Federal Funds	0		0

Summary of JBC Action:

The JBC delayed action on this multi-part decision item. JBC Staff recommended a one-time increase of \$2.0M General Fund for Good Neighbor Authority (GNA) projects on federal lands. JBC staff recommended denying the rest of the decision item, while suggesting that the funding for home hardening should be addressed through separate legislation outside of the JBC budget process.

Summary of Comeback Request:

The Office of State Planning and Budgeting and the Departments of Natural Resources (DNR) and Public Safety (DPS) respectfully request that the Committee approve the staff recommendation for \$2M for Good Neighbor Authority to develop mitigation projects on federal lands, plus \$1M for local capacity building and a \$4M legislative set aside to fund home hardening, for a total of \$7M General Fund.

For developing landscape scale mitigation projects across state and local jurisdiction lands, and for workforce development in wildfire mitigation and forest management, the Committee separately approved severance tax revenues for the Colorado Strategic Wildlife Action Program (COSWAP) and therefore we are removing the request for \$2.0M General Fund for COSWAP from DNR R-03.

This modified request is a collaboration between the departments and would provide funding for the following functions:

- *Good Neighbor Authority Projects (recommended by JBC staff)*
 - \$2.0M General Fund transfer for the Healthy Forests Vibrant Communities Fund (HFVC) to develop wildfire mitigation projects on federal lands through good neighbor authority. (DNR, CSFS).
- *Local Capacity Building*
 - \$1.0M General Fund transfer to the Forest Restoration and Wildfire Risk Mitigation Fund (FRWRM) to help local communities plan and develop projects and apply for state and federal grants. (DNR, Colorado State Forest Service)
- *Home Hardening (legislative placeholder)*
 - \$2.0M General Fund transfer to the Healthy Forests Vibrant Communities Fund (HFVC) for public outreach and education on wildfire risk mitigation, home hardening and insurance. (DPS, DFPC, CSFS)
 - \$2.0M General Fund transfer for a newly created Wildland Urban Interface Home Hardening Fund to incentives for fire-smart construction and mitigation. (DPS, DFPC)

Item	Original Request	Staff Recomm.	Comeback
Good Neighbor Authority projects on federal lands	\$2,000,000	\$2,000,000	\$2,000,000
Local capacity building (FRWRM)	\$1,000,000	\$0	\$1,000,000

Item	Original Request	Staff Recomm.	Comeback
Home hardening incentives	\$2,000,000	\$0	\$2,000,000 (legislative placeholder)
Public outreach and education	\$2,000,000	\$0	\$2,000,000 (legislative placeholder)
Landscape scale wildfire mitigation projects on state and local jurisdiction land (COSWAP)	\$2,000,000	\$0	\$0

Additional Information

Local Capacity Building

JBC staff recommended the Committee deny \$1.0M General Fund to support local and state agency project planning and management capacity. We respectfully request that the Committee approve this request. The Forest Service administers the Forest Restoration and Wildfire Risk Mitigation Grant program, a competitive grant program designed to support community-level actions across the state to reduce the risk to people, property and infrastructure from wildfire in the wildfire-urban interface, promote forest health and the utilization of woody material including for traditional forest products and biomass energy, and encourage forest restoration projects.

Eligible applicants to this grant program include entities owning lands or working in the wildland-urban interface of Colorado such as local community groups, local government entities, public and private utilities, non-profit groups, and state agencies that own land in areas of high risk of catastrophic wildfires. A survey of the program conducted by researchers at the Colorado State University Department of Agriculture and Resource Economics found that a major barrier to successfully applying for funding is the lack of technical expertise and familiarity with the grant process.

In addition, the Forest Service has received feedback from local governments, non-profits, and a variety of collaborative groups across the state that the lack of capacity is a barrier to planning and implementing wildfire mitigation activities. This additional funding will go towards removing these barriers and create additional capacity to plan and implement wildfire risk reduction and forest restoration treatments in high priority areas of Colorado’s wildfire-urban interface and help the local communities, including small rural jurisdictions, pursue state, federal and other funding opportunities

Home Hardening

JBC staff recommended the Department of Public Safety should work with the General Assembly to craft legislation for home hardening outside of the JBC budget process. We respectfully request that the committee approve a legislative placeholder for this \$4.0M General Fund.

Senate Bill 22-007 provided \$800K General Fund to begin an outreach campaign and to convene a working group to produce further recommendations over a two-year period in FY 2022-23 and FY 2023-24. The requested funding will support implementation of future recommendations of

the working group and broaden the outreach campaign, without a lapse in funding coverage. Many peer-reviewed research shows that public outreach on wildfire risk reduction and mitigation is important in encouraging individuals to take action.¹ Residents who receive information from local experts, are knowledgeable about wildfire risk, understand the costs and benefits of mitigation activities are more likely to act and take advantage of the resources available to support mitigation efforts. Additionally, past experience suggests that outreach efforts can leverage public interest after large fires, increasing participation in mitigation opportunities and incentivising funding and support for mitigation activities.

The \$2.0M for home hardening incentives will help to ensure that buildings, particularly residential structures, that are built in high risk areas in the wildfire-urban interface are constructed to be more resilient to the effects of wildland fires, as cost is often the most significant barrier to the adoption of fire smart building practices and mitigation efforts. We request that the General Assembly create a new cash fund for this incentives program, which requires legislation.

Good Neighbor Authority Projects

JBC staff recommended the committee approve \$2.0M General Fund to develop Good Neighbor Authority projects. We respectfully request the Committee approve this request which will facilitate the Colorado State Forest Service's wildfire mitigation efforts on federal lands in collaboration with the US Forest Service and the US Bureau of Land Management. Colorado has been the leader among states in this space. The Colorado State Forest Service (CSFS) piloted the nation's first use of Good Neighbor Authority to address state priorities by state employees on federal lands back in 2000. That model was eventually extended to all 50 states in the Farm Bill (Agricultural Act of 2014). To build on two decades of success, this proposed investment at this time will provide a valuable resource to CSFS for wildfire mitigation and forest treatment on federal lands, and ensure that Colorado has the resources and a ready workforce to meet demands associated with federal projects on federal forest and wild lands and ensure Colorado's priorities are addressed through those projects.

¹ (Collins 2005) (Martin et al. 2007, McCaffrey et al. 2011) (McCaffrey 2015) (Brenkert-Smith 2010, Dickinson et al. 2015) (Brenkert-Smith et al. 2012)

DNR R-17/BA-02: Water Plan Grant Program Legislative Placeholder (tabled)

	Original Request	JBC Action	Comeback Request
Total Funds	\$12,600,000	Delay	\$12,600,000
FTE	0.0		0.0
General Fund	\$12,600,000		\$12,600,000
Cash Fund	0		0
Reappropriated Funds	0		0
Federal Funds	0		0

Summary of JBC Action:

Following staff recommendation, the JBC delayed action on this item until after the March economic forecast so that the JBC can act after updated economic forecasts on this request as well as with other requested legislative placeholders in other departments.

Summary of Comeback Request:

The Office of State Planning and Budgeting and the Department of Natural Resources recognizes and appreciates the JBC’s careful approach in waiting until after the March economic forecast to decide on this legislative placeholder. For the committee’s consideration, we would like to take this opportunity to highlight the importance of additional funding for this critical program, specially given the opportunity to leverage significant federal funds at this time, as well as other local and private funds, potentially up to a 1:4 ratio. The requested \$12.6M General Fund will match the total of \$12.6M Cash Funds we anticipate being provided to this program from sport betting revenue and CWCB Cash Fund through the CWCB annual water projects bill.

After an extensive stakeholder engagement and public comments process this January, the Colorado Water Conservation Board (CWCB) published the updated Colorado Water Plan 2023 - which is the first update to the original Colorado Water Plan of 2015. The updated plan finds that even after accounting for all currently available funding from all sources, there is still an approximately \$50M per year funding gap through 2050, that CWCB and partners including local governments, would need to meet the identified need for water projects in Colorado. The importance of reducing this funding gap to Colorado’s economy cannot be understated. For example, Colorado State University estimated that in 2012 alone, and in the agricultural sector alone, economic loss due to drought conditions was ~400M and that estimate increases to ~\$725M million if secondary effects on local economies are accounted for. Nearly 6 million Coloradans depend on the water from the state’s major river basins, as do 18 other states and Mexico, and that water supply is at risk.

The Colorado Water Plan is a framework for helping Colorado meet its water challenges, at a time when population growth, long-term warming trends, major wildfires, and multiyear droughts are straining the system in an unprecedented manner and scope. The Water Plan sets the stage for a shared understanding of our risks and describes actions that collectively contribute to

a stronger, more water-resilient Colorado. The Plan includes a list of actions that stakeholders can advance through local projects, often supported by grant and loan funding, as well as specific actions the CWCB and other agency partners will commit to in order to advance the plan. The Plan uses data and tools to analyze the state's water issues and identifies the opportunities to address those issues.

The CWCB itself does not build water projects. Instead, the agency advances projects by supporting project proponents, which includes local government, business, nonprofits and state agencies, with analysis tools, programs, policies, and funding that can help spur Water Plan implementation. The Water Plan Grant Program is a vital funding mechanism through which CWCB enables Colorado water users and stakeholders to implement the actions identified in the Plan. Given the multiyear, and ongoing, drought, of unprecedented scale, being experienced by much of Colorado's river basins, increasing funding for this grant program now to support additional strategic water projects across the state is paramount.

The Water Plan Grant Program produces a significant investment ROI for Coloradans, by leveraging funds from other sources, including federal, local and private funds. The program is designed to and is capable of leveraging funds up to 4x the state investment. For example, in FY 2021-22, \$23.6M of state funding through the Water Plan Grant Program was leveraged to undertake a total of \$117.6M worth of water projects in Colorado by combining with federal and local funds.

CWCB has pledged \$2.0M of their cash fund to this grant program and there is \$10.6M of prop DD sport betting revenue available for this program this year. Our request to the Committee is to hold a General Fund placeholder to match that \$12.6M in Cash Fund, for a total of \$25.2M, approximately equal to last year's funding, to be transferred to the grant program in the annual water projects bill.

Saving People Money on Healthcare

Department of Healthcare Policy and Financing

- R-06 Supporting PCMP Transition with Value Based Payments
- R-11 Compliance (tabled)
- R-12 Behavioral Health Eligibility & Claims Processing Ops (tabled)

Department of Health Care Policy and Financing

HCPF R-06: Supporting PCMP Transition with Value Based Payments

	Original Request	JBC Action	Comeback Request
Total Funds	\$8,679,810	\$8,897,109	\$8,679,810
FTE	0.0	0.0	0.0
General Fund	\$2,853,173	\$2,871,558	\$2,853,173
Cash Fund	\$317,098	\$326,112	\$317,098
Reappropriated Funds	\$0	\$0	\$0
Federal Funds	\$5,509,539	\$5,699,439	\$5,509,539

Summary of JBC Action:

The JBC voted to approve staff recommendation to fund training and technical assistance for the value-based payment system APM2, as well as the incentive payment for primary care providers who participate in APM2 in the form of a rate increase. However, JBC approved a 6.0% provider rate increase (for participating providers) compared to the original request for 16.0%.

JBC staff recommended the committee authorize only a 6.0% rate increase because staff advised that the Department’s calculation did not project increased participation in the program. As a result, staff indicated the original request would only fund a 6.0% rate increase, rather than the requested 16%.

Comeback Request:

The Office of State Planning and Budgeting and the Department of Health Care Policy and Financing respectfully request that the JBC approve the Department’s original request of a 16% rate increase for providers participating in the APM2. The following table summarizes the FY 2024-25 cost of the comeback request.

	FY 2024-25 JBC Action	Comeback Request - FY 2024-25
Total Funds	\$9,553,535	\$9,318,127
General Fund	\$3,068,355	\$3,048,437
Cash Fund	\$353,288	\$343,523
Reappropriated Funds	\$0	\$0
Federal Funds	\$6,131,892	\$5,926,167

Additional Information

The department's Alternative Payment Methodologies (APMs) are designed to improve the health outcomes and experiences of Medicaid patients, while simultaneously reducing the overall cost of health care. Primary Care Medical Providers (PCMPs) are best suited to accomplish these goals. As a result, funding to maximize PCMP participation in APMs is an important component in expanding access to high quality primary care.

A 6.0% rate increase is insufficient to support PCMPs or adequately incentivize participation in APM2. Even before the COVID-19 pandemic, the state of primary care in the United States was in decline. According to the National Academy of Sciences, visits to primary care doctors nationally were declining and the workforce development pipeline was shrinking as doctors elect to specialize in more lucrative health fields. In order to address these concerns, the Department's request chose a 16% provider rate increase to close the gap between Medicaid and Medicare's payment rates for primary care services, as calculated in the 2022 Medicaid Provider Rate Review Advisory (MPRRAC).

Upon further discussion with JBC staff and the Department, the JBC staff agreed the department used the correct estimation methodology and the staff figure setting recommendation was not accurate. In particular, the department's calculation in R-06 included an assumption that all eligible providers would participate in APM2 and would qualify for the increased provider rate. The JBC staff's calculation double counts the assumed participation rate and overstated the actual cost of the request.

As a result, there is adequate funding in the original request to ensure a 16% provider rate increase to close the gap between Medicaid and Medicare's payment rates for primary care services.

HCPF R-11: Compliance

	Original Request	JBC Action	Comeback Request
Total Funds	(\$10,748,066)	Delayed Action	(\$10,748,066)
FTE	7.4		7.4
General Fund	(\$3,417,450)		(\$3,417,450)
Cash Fund	(\$1,531,371)		(\$1,531,371)
Reappropriated Funds	\$0		\$0
Federal Funds	(\$5,799,245)		(\$5,799,245)

Summary of JBC Action:

The JBC delayed action on R-11 until they could receive more information on the Department's Recovery Audit Contract (RAC). The Committee specifically raised concerns regarding the

potential of hitting a “point of diminishing returns“ regarding reducing waste, fraud, and abuse, even to the point of deterring providers from participating because of fear of an audit. The JBC voted to delay the entire request until the department addressed these concerns.

JBC staff recommended approving 6.5 of the 7.4 FTE in the request. The modification was to approve 1.0 out of the 2.0 FTE for reducing fraud, waste, and abuse. Staff recommended all other FTE who work on complying with recent legislative requirements, increasing levels of cost avoidance in third party liability (TPL) claims, and ensuring stewardship of state resources through the implementation of operational compliance and program oversight.

Comeback Request:

The Office of State Planning and Budgeting and the Department of Health Care Policy and Financing respectfully request the JBC approve the Department’s original R-11 request for 7.4 FTE and a net reduction of \$10,748,066 total funds, including a reduction of \$3,417,450 General Fund.

Additional Information:

Section 6411 of the Affordable Care Act requires each state Medicaid program to establish a program in which it contracts with one or more recovery audit contractors (RACs) for the purpose of identifying underpayments and overpayments and recouping overpayments. The purpose of the RAC is to reduce improper payments while also presenting billing education opportunities to providers to improve the accuracy of claims submitted to the Department for reimbursement. On Thursday, March 9th, the Department sent a memo to each JBC member which addressed each of the concerns raised by the Colorado Hospital Association on the Department's RAC program.

Even with the RAC in place, the Department only audited 0.28% of all claims paid by the Medicaid program in FY 2021-22. This audit rate is not sufficient to identify and correct for improper payments, especially given the scope of the Medicaid budget. The Department's request would provide 1.0 FTE to optimize the Department's efforts to complete post-payment claims reviews and investigate fraud and abuse cases, with the goal of auditing a more representative share of Medicaid claims. The other 1.0 FTE is requested to address improper billing by providers to Medicaid members for covered Medicaid services. This will be accomplished by revising state rule and policy to clarify expectations of providers and by providing resources to assist members who receive these improper bills. These FTE resources will result in greater compliance with Medicaid rules and state statute, ensure sound stewardship of state resources, and protect members from further financial hardship.

HCPF R-12: Behavioral Health Claims and Eligibility System Operations

	Original Request	JBC Action	Comeback Request
Total Funds	\$2,889,302	Delayed	\$2,889,302
FTE	8.4		8.4
General Fund	\$2,889,302		\$2,889,302
Cash Fund	\$0		\$0
Reappropriated Funds	\$0		\$0
Federal Funds	\$0		\$0

Summary of JBC Action:

The JBC delayed action on this request until the Committee could receive more information on whether the Department could utilize federal funds to offset the request's General Fund impact, what types of potential savings are created by integrating Behavioral Health Administration (BHA) services into HCPF's systems, and whether the request would duplicate FTE in HCPF and the BHA.

Comeback Request:

The Office of State Planning and Budgeting and the Department of Health Care Policy and Financing respectfully request the JBC approve the Department's original R-12 request for \$2.9 million General Fund and 8.4 FTE in FY 2023-24. In FY 2021-22 and FY 2022-23, the General Assembly provided funding to design, develop, and install a three-pronged approach that connects HCPF's eligibility processing, claims process, and data reporting systems to all the state's behavioral health programs. At the time, ongoing operations funding was not addressed. Without continued funding, all work relating to this system integration would cease and non-Medicaid behavioral health programs would revert back to the previously manual processes. The State's initial investment of over \$8 million to design the system would be lost.

The Department is confident that there are no appropriate federal funds available in either the BHA or HCPF to finance this request. Because this project creates systems for non-Medicaid behavioral health services, federal funding is not available through HCPF. Federal funds available to the BHA are predominantly used for treatment and services. There is a limitation on how much can be attributed to administration, and the BHA has historically utilized the maximum allowable level of administrative funding.

Regarding potential savings, the Department asserts that integrating BHA Community Services into various HCPF systems (CBMS, MMIS, PEAK, and BIDM) will ultimately create significant savings. Individuals seeking services will be entered into CBMS and automatically directed to the correct program. In many cases, this will shift costs to Medicaid, which receives a federal match on eligible behavioral health services. For expansion adults, the federal match is 90%, with the state share covered by cash funds. In these types of cases, the state's share of the cost is eliminated, whereas previously the BHA (community behavioral health programming in the

Office of Behavioral Health at CDHS prior to the creation of the BHA) was funding these services entirely with General Fund. There will not be savings generated through any HCPF line items, as the Department only serves as the Third Party Administrator to process BHA claims.

The Committee also questioned how the Department's funding will be utilized. Funding to implement the BHA Community Services Programs into the Department's systems was appropriated in FY 2021-22 with approval by the JTC and the JBC. The system changes will go live in July 2023. The current request is to maintain the operations of those systems, which must include HCPF staff to maintain those systems, as well as funding to make enhancements to the systems over time. The Department has staff to maintain the current systems for Medicaid, but that staff cannot work on BHA-funded programs since Medicaid-funded staff cannot be used for state-only funded programs. The request for BHA support is much smaller relative to our current staffing levels.

Finally, the Department has verified that FTE is not being duplicated between HCPF and BHA. As the Third Party Administrator to process claims for the BHA, HCPF staff can have access to both BHA and Medicaid claims, whereas the analysts at BHA cannot receive Medicaid claims due to HIPAA. As a result, the two analysts requested by HCPF are necessary to perform the analysis between Medicaid claims and BHA claims.

Education

Department of Education

- School Finance - Budget Stabilization Factor 3-Yr Plan to Eliminate
- R-10/BA-04 CSI Mill Levy Equalization

Department of Early Childhood

- BA-02 Early Childhood Intervention & Workforce Support
- R-08 Records and Reports Cash Fund Solution (tabled)

Department of Education

School Finance -- CDE R-01/BA-01 State Share of Total Program Funding

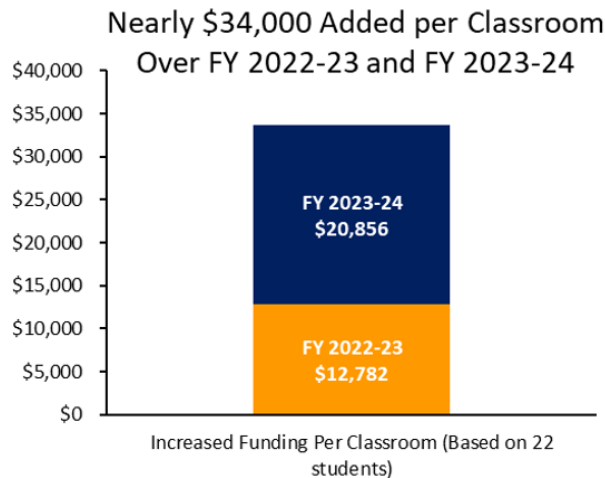
	Original Request
Total Funds	(\$38,446,756)
General Fund	\$0
Cash Fund	(\$38,446,756)
Reappropriated Funds	\$0
Federal Funds	\$0
BSF Buydown	\$120,000,000

Summary of JBC Action:

JBC staff recommended and the Committee preliminarily approved some central tenets of the Governor’s School Finance Total Program request, including holding General Fund appropriations constant year-over-year. There was no decision made, however, regarding the Governor’s proposal for a 3-year buydown of the Budget Stabilization Factor.

Summary of Comeback Request:

Investing in Colorado’s K-12 public schools, educators, and students is critical to our state’s success. Last year, the availability of historic federal stimulus and one-time state revenues enabled the buydown of the Budget Stabilization Factor (BSF) by \$250 million in FY 2022-23, down to \$321 million. For FY 2023-24, an additional \$120 million buydown is proposed, which would decrease the BSF to a record-low 2.2% of Total Program while charting a path to fully buy down the BSF by FY 2025-26. This budget increases total program funding by \$605 million, and thus, increases per-pupil funding by an average of \$948 or 9.9%, on top of the increase of \$581 in the 2022-23 school year.



Over his second term, the Governor is committed to fully buying down the BSF in a sustainable way to ensure stable, predictable funding for schools and school districts. The Governor’s request includes two parts:

1. Request the BSF be reduced by \$120 million to a record-low 2.2 percent in FY 2023-24, lifting the per pupil spending increase to \$948, or 9.9 percent growth, over FY 2022-23.
2. Propose a three-year strategy to fully buy down the BSF by FY 2025-26. While significant local share increases in FY 2023-24 will alleviate state share requirements, a three-year buydown will guard against heightened economic risk in the near-term that could negatively impact State Education Fund revenue derived from income taxes, reducing the likelihood of cuts to education funding, while also hedging against downside housing market risk in the out-years.

K-12 Budget Stabilization Factor Reduced to Record Low in FY 2023-24



The following tables depict two separate scenarios of General Fund needs for the three-year buydown proposal over the next five fiscal years. Table 1 depicts the baseline, neutral scenario under which this proposal is being submitted, while Table 2 reflects an alternative economic downside scenario to illustrate the pressures that would be placed on the General Fund by an economic slowdown coupled with a three-year buydown.

Table 1 below reflects the submission under current forecast economic conditions and assumptions to buy down the BSF by \$120 million in FY 2023-24 to 2.2% and completely buy it down by FY 2025-26. Assumptions built into the submission scenario include a \$100 million set-aside in FY 2023-24 for hold-harmless provisions related to formula reform, as well as a \$125 million set-aside annually beginning in FY 2025-26 for protection against downside economic risk. Note that outyear General Fund costs are estimated at \$125-150 million.

TABLE 1. CHANGE IN FUNDING FROM PRIOR FY					
IN MILLIONS of \$	FY23 Supplemental	FY24	FY25	FY26	FY27
BSF Buydown +/-	\$0.0	-\$120.0	-\$100.0	-\$101.3	\$0.0
GF Expenditure +/-	\$0.0	\$0.0	\$125.0	\$125.0	\$148.2
SEF Expenditure +/-	-\$75.6	-\$224.6	\$308.0	\$130.0	-\$147.0
PSF Expenditure +/-	\$0.0	\$186.1	-\$219.8	-\$31.0	\$0.0
State Share Expenditure +/-	-\$75.6	-\$38.4	\$213.2	\$224.0	\$1.2
Local Share Expenditure +/-	\$92.6	\$643.6	\$234.7	\$74.3	\$191.4
Total Expenditure +/-	\$16.9	\$605.1	\$447.9	\$298.2	\$192.6
SEF Ending Balance	\$1,265.9	\$1,165.2	\$815.2	\$380.2	\$140.0

Table 2 below shows the same three-year buydown proposal but an alternative scenario where there is a more severe economic downturn beginning in FY 2023-24 than the protection accounted for in the baseline Table 1 scenario. Under this scenario, additional General Fund costs ramp up, averaging \$196.5 million from FY 2023-24 to FY 2026-27, which still allows flexibility in responding to an uncertain economic climate.

TABLE 2. CHANGE IN FUNDING FROM PRIOR FY					
IN MILLIONS of \$	FY23 Supplemental	FY24	FY25	FY26	FY27
BSF Buydown +/-	\$0.0	-\$120.0	-\$100.0	-\$101.3	\$0.0
GF Expenditure +/-	\$0.0	\$0.0	\$300.0	\$300.0	\$186.0
SEF Expenditure +/-	-\$75.6	-\$139.6	\$337.0	-\$58.0	-\$198.0
PSF Expenditure +/-	\$0.0	\$186.1	-\$219.8	-\$31.0	\$0.0
State Share Expenditure +/-	-\$75.6	\$46.6	\$417.2	\$211.0	-\$12.0
Local Share Expenditure +/-	\$92.6	\$558.6	\$30.7	\$87.3	\$204.5
Total Expenditure +/-	\$16.9	\$605.1	\$447.9	\$298.2	\$192.6
SEF Ending Balance	\$1,265.9	\$1,080.2	\$616.2	\$255.2	\$140.0

OSPB welcomes discussion with the Joint Budget Committee and the Education Committees about the Governor’s proposal and the impact of School Finance on fiscal sustainability.

CDE/CSI R-10/BA-04 CSI Mill Levy Override Equalization

	Original Request	JBC Action	Comeback Request
Total Funds	\$20,000,000	\$10,000,000	\$20,000,000
FTE	0.0	0.0	0.0
General Fund	\$10,000,000	\$5,000,000	\$10,000,000
Cash Fund	\$0	\$0	\$0
Reappropriated Funds	\$10,000,000	\$5,000,000	\$10,000,000
Federal Funds	\$0	\$0	\$0

Summary of JBC Action:

JBC staff did not recommend the request, but the JBC voted to override staff recommendation and instead fund the request at one-half of the Governor’s request (\$5.0M GF rather than the \$10.0M GF requested). Arguments were made that schools within the same district should receive the same funding. The Committee voted 5-1 to fund at the midpoint between the Executive Branch’s request and staff recommendation.

Summary of Comeback Request:

The Governor’s Office requests that the JBC reconsider its decision on R-10/BA-04 and fund the request in full (\$10M General Fund) to continue to close the Mill Levy Override gap and ensure that students attending CSI schools have similar levels of funding. In doing so, the full increase in funding would advance parity between CSI schools and district schools. CSI will distribute these funds on an equal per pupil basis across the portfolio, with each school’s per pupil allocation capped at the per-pupil MLO amount for its accounting district.

Additional Information:

The statutory mission of CSI is to foster high-quality charter schools that demonstrate high academic performance with a particular focus on service to at-risk children. This request and comeback aims to see CSI students receiving the same academic resources and standards as their district counterparts with the expectation that fully funding this request will lead to increased access to high-quality education opportunities through increases in recruitment and retention of hard-working teachers, reduction in staff turnover, and improved facilities with enhanced overall resources that better meet the need of students. Fully funding this request takes us closer to the goal of ensuring all children attending public schools have access to the same public resources within their geographic regions.

JBC staff found CSI’s position that schools should not receive less funding per student than students at neighboring public schools “compelling” and agreed that the funding differences between CSI schools and district schools are substantial.

In response to JBC Staff and members concerns about using state General Fund to support CSI rather than reducing the BSF or supporting special education to support students across the public education system, OSPB notes that this year’s budget includes \$120.0M to buy down the

BSF to a record low 2.2 percent, putting Colorado on track to eliminate the BSF within three years. This budget also includes an additional \$29.0M for special education. In light of these investments, OSPB considers this modest but impactful increase for CSI to be important to the interests of increasing equity between schools and between students.

In response to JBC Staff concerns about building incentives for charter schools to pursue CSI authorization instead of local district authorization, OSPB notes that many CSI schools exist in districts that were unable or unwilling to authorize them at the local level. What this request would create is greater parity between CSI schools, charter schools with local district authorization, and traditional public schools.

Department of Early Childhood

DEC BA-02 Early Childhood Intervention & Workforce Support

	Original Request (Workforce Portion Only)	JBC Action	Comeback Request
Total Funds	\$3,500,000	\$3,500,000	\$3,500,000
FTE	0.0	0.0	0.0
General Fund	\$3,500,000	\$3,500,000	\$3,500,000
Cash Fund	\$0	\$0	\$0
Reappropriated Funds	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0

Summary of JBC Action:

The JBC voted to approve staff recommendation to fund Early Intervention (EI) caseload adjustments and \$3.5M General Fund to support the EI provider workforce. JBC modified staff recommendation in order to make the \$3.5M General Fund EI investment one-time rather than ongoing. Members indicated concern about (a) needing to demonstrate the success of this funding to support the EI workforce and (b) relative prioritization of EI providers and K-12 teachers.

Comeback Request:

The Office of State Planning and Budgeting and the Department of Early Childhood respectfully request that the JBC approve the \$3.5M General Fund appropriation for two fiscal years instead of the one fiscal year currently approved.. Providing two years of funding would allow for more substantive strategies with greater likelihood of longer-term impact, including sustainable targeted rate increases, opportunities for professional development, implementation of teaming strategies and the development of potential pathways into higher education to increase the available provider pool. Two-year funding would allow for the implementation of recommended strategies, testing the impact of the activities to measure success, and refining the strategies as needed, rather than one-time strategies such as bonuses.

The department will provide as part of the FY 2025-26 budget submission an update on the use of these funds and impacts on the availability of the provider pool including what strategies are implemented, planned to be implemented, and development of pathways into higher education.

Additional Information:

In 2022, the Joint Budget Committee increased EI funding with the stated intention of fully restoring EI eligibility to pre-pandemic levels: 25% or more delay in one or more domain. Eligibility changes require a lengthy stakeholder process as well as federal approval. The Department completed stakeholder engagement and forecasting in November 2022. Based on stakeholders' recommendations, the Department promulgated an emergency rule to broaden the

eligibility definition in a more limited way, to a 25% delay in two domains or a 33% delay in one domain. The stakeholder recommendation and rule reflected serious concerns about workforce capacity to serve a larger population of children.

Provider rates and staff salaries are understood to be the major driving factor of limited workforce capacity to serve more children. Currently Early Intervention salaries for local EI program service coordinators and direct service providers are not competitive with salaries being paid for similar work outside of the EI system, including current rates paid to subcontractors of local EI programs. An EI provider compensation study completed by Marzano Research in November 2022 found that 7 of 8 categories of EI providers in Colorado had average wages that were lower than average wages in the same occupation. In particular, speech and language interventionists made \$21,000, or 22%, less annually than others in the same occupation in Colorado, and occupational therapists made almost \$23,000, or 25%, less. The Compensation Study also found that Early Intervention providers would be more likely to stay in their positions with better compensation.

The CDEC BA-02 request aimed to repurpose savings in EI as a result of only partial eligibility restoration to support the stabilization of the EI provider workforce. Only through the stabilization of the workforce can the state provide high-quality EI services in compliance with federal law to support children birth through three at risk of developmental delays. A single year of workforce funding would severely constrain the potential strategies the Department can deploy to support this workforce.

Without addressing the Early Intervention workforce crisis, the state will continue to struggle to serve the existing children and families eligible for services and will be unable to meet the anticipated increased need for additional services due to caseload growth and eligibility expansion. High turnover in the Early Intervention field has a negative impact on service delivery and outcomes for children with delays and disabilities.

To advise the Department on building long-term Early Intervention workforce retention strategies and pathways into the field, CDEC has launched an Early Intervention Workforce Investment Committee, facilitated by Marzano Research, that includes a broad and equitable distribution of private EI providers, Community Centered Boards (CCBs) and other local early intervention programs, families, and advocates from across the state, with representation from metro, rural, mountain, and plains regions. This Committee is supporting CDEC in identifying the most effective use of workforce funds to support this sector's ability to serve the EI population.

Supplemental funds in FY 2022-23 will support one-time bonuses. Funding in FY 2023-24 is expected to support longer-term workforce strategies which will be recommended through ongoing Workforce Investment Committee work.

- Short-term strategies under discussion include targeted rate increases to ensure competitive and equitable pay, standardized travel and mileage reimbursement for sub-contracted providers and a review of administrative burden/cost benefit for billing private insurance not included in the Early Intervention Services Trust.

- Strategies for long term recruitment and retainment efforts include opportunities for professional development for sub-contracted providers and creating a plan to train and implement a primary provider model for early intervention that encourages teaming and cross training. This strategy would assist in building the capacity of the system as well as give providers a community of practice and professional development opportunities which would lead to better retention. Additional strategies being considered include pathways into higher education through scholarships, loan forgiveness, and apprenticeships.

Any rate increases would need to be sustained over time which would not be possible if funding is limited to one year. Additionally, to address the workforce crisis there is a need to identify and implement more than one strategy to attract and retain qualified staff to work with the infants, toddlers, and families served in the EI program. Two-year funding would allow for the implementation of recommended strategies, testing the impact of the activities to measure success, and refining the strategies as needed. The Department is actively working to identify ways to demonstrate the success of these strategies to the Committee in future years.

As an additional note, the Department and OSPB regard investment in Early Intervention as a critical investment to support public education from cradle to career. The lifelong benefits of Early Intervention do not stop at age three. Evaluations of Colorado’s EI program demonstrate that 98% of children served through EI show at least some progress in development, and 50% of children who exited EI in FY 2019-20 did not go on to need Part B Preschool Special Education services. In addition to the life-changing benefits for children and their families, by helping children enter K-12 schools more ready to learn, effective Early Intervention can also reduce some of the burden on public schools and school teachers.

DEC R-08 Records and Reports Cash Fund

	Original Request	JBC Action	Comeback Request
Total Funds	(\$271,135)	Delayed	(\$271,135)
FTE	(2.0)		(2.0)
General Fund	\$0		\$0
Cash Funds - Records and Reports Cash Fund	(\$271,135)		(\$271,135)
Reappropriated Funds	\$0		\$0
Federal Funds	\$0		\$0

Summary of JBC Action:

The JBC delayed action on R-08 pending further information from CDHS about how shortfalls in this fund were supported in prior fiscal years. Staff and members expressed support for this

request in concept. Based on subsequent conversation, it is our understanding that JBC staff is expected to introduce a recommendation with associated legislation later this week. Staff recommended delaying consideration on the request pending additional information but notes the proposed changes make sense. Staff noted “The departments have not yet been able to explain how they supported actual expenditures in prior years that exceeded the spending authority from the Records and Reports Cash Fund. If the departments were able to support those expenditures in prior years from existing resources, then perhaps the Department of Human Services does not actually need an increase of \$1.2 million General Fund.”

Summary of Comeback Request:

The Governor’s Office of State Planning and Budgeting and the Department of Early Childhood respectfully request that the JBC approve R-08, including sponsoring a bill to remove the statutory obligation to separate the CDEC Records and Reports Cash Fund from unrelated CDHS costs. This change would include an increase of \$1.2M GF for CDHS, offset in part by reduced cash fund spending authority in CDEC.

Approving this request will avoid a fee increase of up to \$20 per individual for early childhood staff background checks to support entirely unrelated legal costs at the Department of Human Services, and potentially instead allow the reduction of background check fees.

Additional Information:

The Records and Reports Cash Fund receives revenue from background check fees used to fund the abuse and neglect section of CDEC’s Background Investigation Unit (BIU). The BIU performs statutorily required abuse and neglect background checks for individuals and entities such as child care providers, volunteers or employees of licensed neighborhood youth organizations, prospective adoptive parents, and licensed child placement agencies.

As a relic of the cash fund previously being housed at CDHS, the fund also supports the costs of the abuse and neglect notice and appeals process under the CDHS Child and Adult Mistreatment Dispute Review Section (CAMDRS), a unit whose work has almost no connection to the CDEC BIU. CAMDRS reviews county decisions that an individual is responsible for an act of child abuse or neglect, or mistreatment of an at-risk adult, when the individual (or appellant) requests a state appeal.

In addition to the lack of concrete connection between CAMDRS and the cash fund revenue source, CAMDRS costs now exceed what the cash fund revenues can support. Statutory separation will prevent fee increases for child care providers to cover CDHS costs.

If this request is not funded, in order to cover the revenue shortfall caused by the CAMDRS legal costs, CDEC would need to request that the Rules Advisory Committee (RAC) consider increasing the background check fee from \$35 per check to at least \$55 per check to support a program in CDHS.

Public Safety Investments

Department of Public Safety

- R-05 Invest in Local Crime Prevention Strategies
- R-11 Technical Assistance for Safer Communities

Department of Public Safety

CDPS R-05 Invest in Local Crime Prevention Strategies

	Original Request	JBC Action	Comeback Request
Total Funds	\$9,000,000	\$0	\$6,000,000
FTE	0.0	0.0	0.0
General Fund	\$9,000,000	\$0	\$6,000,000
Cash Fund	\$0	\$0	\$0
Reappropriated Funds	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0

Summary of JBC Action:

The JBC voted to adopt the staff recommendation to deny the request in full.

Summary of Comeback Request:

OSPB is requesting the JBC approve a one-time \$6.0M investment in local crime prevention strategies. This is \$3.0M less than the amount originally requested, and \$6.0M higher than the JBC's action to deny funding for the program.

Additional Information:

This request will fund two existing grant programs for FY 2023-24, created by S..B.. 22-145: \$3.0 million to the law enforcement workforce recruitment, retention, and tuition grant program and \$3.0 million to the multidisciplinary crime prevention and crisis intervention grant program (CPCI).

- The law enforcement workforce recruitment, retention, and tuition grant program provides law enforcement agencies funding to address workforce shortages, increase the number of people being trained for law enforcement positions, and improve training through enhanced curriculum, including mental health training.
- CPCI provides funding to law enforcement, other local governmental agencies, and community-based organizations to identify high-crime areas and to implement evidence-based strategies in those areas.

Law Enforcement Workforce Challenges

Law enforcement agencies both in Colorado and around the nation are facing significant workforce challenges related to recruiting and retaining peace officers. This phenomenon is relatively new and, based on data, appears to be worsening. This shortage of law enforcement comes at a time when the state is facing increasing crime rates. A joint study by the County Sheriffs of Colorado and the Colorado Association of Chiefs of Police in the summer of 2022 demonstrates that retention and vacancy rates remain a significant problem. In a statewide survey, over 51 percent of responding Law Enforcement agencies (232 agencies responded to the

survey) indicated that their staffing shortages have increased since the previous year. Finally, based on data from the Colorado P.O.S.T Academy, across Colorado:

- In 2019, 126 more officers were hired than departed (107%).
- In 2020, 278 fewer officers were hired than departed (84%) (2.1% statewide).
- In 2021, 479 fewer officers were hired than departed (76%) (3.5% of peace officers statewide).

Research published in the *Review of Economic Studies* finds that a 10% increase in response times leads to a five percentage point decrease in the likelihood of clearing a crime. Due to workforce shortages, agencies are seeing a dramatic increase in response times; Denver's PD has seen an increase of 26% since 2018 for serious calls. This problem is equally acute in rural county sheriff's offices, where agencies may have only one or two deputies to cover over 1,500 square miles. There is a clear connection between law enforcement workforce challenges and public safety outcomes.

With law enforcement recruitment, it can take from six months to a year from the time of application to a new officer or deputy being on the street. This is an investment that will show dividends in the long run, but agencies must have support at the recruitment phase to get recruits screened, into an academy, sufficiently trained, and ready for the rigors of police work. This grant program will allow agencies to improve their recruitment and retention by providing funds they would not otherwise have access to.

Multidisciplinary Crime Prevention and Crisis Intervention

Local communities are in need of more resources to address crime with evidence-based approaches conducive to their specific community and the problem they are working to solve. This program allows for a range of entities to address crime independently or through multidisciplinary collaborative approaches. Crime prevention is not a one-size-fits-all issue and funds must be available to assist all communities with their specific needs. "Public Investment in Community-Driven Safety Initiatives" discusses the importance of continuous and multi-year investments in programs like CPCI.²

If the State does not demonstrate a longer term commitment to this collaborative, community-based strategy, local programs will not have enough time to fully implement new strategies. This will be particularly challenging for smaller, community based services to provide services. A willingness to commit to a longer-term investment will also better provide policy makers with the information needed to determine how programs are working.

Demand for Grants

Both grant programs received a level of demand for grants that indicates the need for ongoing investment:

²https://www.urban.org/sites/default/files/publication/99262/public_investment_in_community-driven_safety_initiatives_1.pdf

	Funding Requested	Funding Available (two years)
LE Workforce	\$7,083,436	\$7,262,000
CPCI	\$32,720,741	\$14,468,000
Total	\$39,804,177	\$21,730,000

The level of funding requested for the CPCI grants clearly demonstrates the need for more funding to meet the demand. While the demand for law enforcement workforce was closer to the available funding, this is an area where sustained funding is critical to making progress, according to the findings of the “President’s Commission on Law Enforcement and the Administration of Justice.”³ Furthermore, the Department has noted that increased outreach to law enforcement agencies about the grant program and its allowable uses would likely increase uptake even further.

While the Department is receiving a total appropriation of \$11,250,000 for these two programs in FY24, nearly all of those funds are already obligated to first round recipients. It is critical for the state to continue providing support for law enforcement and community-based organizations to reduce crime by doing a second round of funding for these grant programs.

Finally, the evaluation for Senate Bill 22-145 will be completed by November 2024, but Colorado cannot wait until the longer term outcomes (e.g., number of new officers hired) are available to continue its efforts to help local entities reduce crime. On the contrary, continuity in funding is essential to assisting law enforcement in maintaining its workforce and sustaining the work of organizations doing multidisciplinary crime prevention and crisis intervention work.

³ <https://www.justice.gov/archives/ag/file/1347866/download>

CDPS R-11 Technical Assistance for Safety Communities

	Original Request	JBC Action	Comeback Request
Total Funds	\$555,358	\$0	\$555,358
FTE	2.8	0.0	2.8
General Fund	\$555,358	\$0	\$555,358
Cash Fund	\$0	\$0	\$0
Reappropriated Funds	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0

Summary of JBC Action:

The JBC voted to adopt the staff recommendation to deny the request in full.

Summary of Comeback Request:

The Office of State Planning and Budgeting and the Department of Public Safety respectfully request that the JBC approve the original request for 3.0 FTE for a Technical Assistance Hub. The original request was for 3.0 FTE and JBC voted to deny funding for the request.

Additional Information:

This request would provide the Office of Research and Statistics (ORS) within the Division of Criminal Justice (DCJ) with funding for 3.0 FTE and operating costs to create a Technical Assistance Hub. The Hub would provide communities with assistance in developing appropriate strategies to reduce crime. The Hub would be responsive to communities' individualized needs. Examples of resources the Hub would provide include:

- Assistance with implementation of data-based programs
- Data analysis
- Classroom and virtual training
- Curriculum development
- Peer-to-peer visits
- Research and information requests
- Strategic planning assistance
- Crime analysis on demand

These resources are ones for which local jurisdictions have already come to DCJ for guidance and support, but the division's lack of dedicated staff for this purpose limits its ability to meet the demand for technical assistance. During the Criminal Justice Forum held this past fall and funded through S.B. 22-145, DCJ heard from many partners, particularly community-based organizations, that technical assistance and training in developing and writing grant proposals is needed. Previous strategies, such as FAQ pages on websites, have proven to be ineffective in providing sufficient services to smaller community-based organizations, including those that

work with underserved populations. DCJ recently offered technical assistance sessions for agencies interested in applying for the recent crime package grants. These sessions were well-received, particularly by smaller community-based organizations.

Among other positive public safety outcomes, the Department anticipates that this support for smaller jurisdictions would increase their eligibility and competitiveness for grants.

Added Value of Dedicated Staff

During figuresetting, JBC staff pointed out that there are free online resources from the U.S. Department of Justice where users can easily browse research on evidence-based practices in public safety. DCJ agrees that this tool is useful in providing agencies and community-based organizations with general ideas about potential solutions to the public safety challenges in their jurisdictions. However, these resources do not provide much specificity on solutions for particular issues or how to adapt them to particular communities.

Dedicated staff for this purpose can help local jurisdictions tailor this research to the specific issues they are facing and the specific context of their community. More importantly, dedicated staff could connect communities around the state facing similar issues, such as fentanyl or auto theft, so agencies aren't "reinventing the wheel" in their organization or missing the opportunity to collaborate with others doing similar work. Over time, this will evolve into a strong statewide network.

State Employees

Department of Personnel & Administration

- R-03 Statewide COWINS Wage Reopener Impacts
- R-01 Center for Organizational Effectiveness Employee Training

Department of Personnel & Administration

R-03 Statewide COWINS Wage Reopener Impacts

	Original Request	JBC Action	Comeback Request
Total Funds	\$30,004,602	\$4,231,562	\$14,916,272
FTE	58.9	48.3	50.1
General Fund	\$30,004,602	\$4,231,562	\$14,916,272
Cash Fund	\$0	\$0	\$0
Reappropriated Funds	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0

Summary of JBC Action: The JBC adopted staff recommendation to approve \$4.2M General Fund and 48.3 FTE for the implementation work of the Partnership Agreement. The JBC also adopted staff recommendation to deny the \$25M and 7.4 FTE requested for professional development, statewide recruiting, marketing and branding, and leadership training.

Summary of Comeback Request: The Office of State Planning and Budgeting (OSPB) and the Department respectfully requests that the JBC reconsider the decision to adopt staff recommendation to deny funding for marketing, branding and professional development. This comeback requests the Committee approve a modified requested amount of \$14.9M and 50.1 FTE. This modified request is comprised of:

- \$4.2M GF and 48.3 FTE already approved for implementation of the Partnership Agreement plus
- \$10.7M General Fund and 1.8 FTE for statewide branding, marketing and professional development. The following table breaks down the \$13.4M by function:

	Original Request	Comeback Request	Change
Leadership Development	\$2,500,000 (4.6 FTE)	\$0	Removed for FY 2023-24.
Marketing & Branding	\$7,500,000 (0.9 FTE)	\$0 0.0 FTE	Removed for FY 2023-24.
Professional Development	\$15,000,000 (1.8 FTE)	\$10,684,710 (1.8 FTE)	Reduced funding for professional development that allows for job series progression
Total	\$25,000,000 (7.4 FTE)	\$10,684,710 (1.8 FTE)	

Additional Information:

Professional Development - The following table summarizes the comeback request for professional development funds for courses outside of the COE:

Item	Cost	Adjustment from Original Request
Additional funds for Tuition reimbursement	\$500,000	Assumes 100 employees seek tuition reimbursement averaging \$5,000 per request.
Professional Development	\$10,000,000	Assumes 5,000 employees seek professional development outside of the COE costing on average \$2,000 per course which allows for job series progression.
Staffing Costs	\$184,710 (1.8 FTE)	No change
Total Professional Development	\$10,684,710 (1.8 FTE)	

Expanding the available funds for tuition reimbursement will enable additional employees the opportunity to pursue professional development through education and gain the skills and requirements to move through the job series. Based on the existing applicant pool for tuition reimbursement funds, employees are seeking tuition reimbursement for courses offered through a variety of programs including trade schools, english language classes, and courses to complete associate degrees.

This request assumes that the average professional development course or conference will cost \$2,000 per employee. For courses outside of the Center for Organization Effectives, a survey of training vendors, the average hourly cost of training is \$127.5 and the average course lasts eight hours. This equates to \$1,020 per training course. Conferences provide a valuable opportunity for employees to learn and engage with individuals who do similar work. The cost to send an employee to a conference can range from \$500 to more than \$2,500 depending on location and duration. Assuming that 5,000 employees will utilize training services costing on average \$2,000 per employee, the total comeback request for professional development funds is \$10,000,000.

DPA R-01 Center for Organizational Effectiveness (COE)

	Original Request	JBC Action	Comeback Request
Total Funds	\$0	\$0	\$467,374
FTE	0.0	0.0	0.0
General Fund	(\$467,374)	(\$233,687)	\$467,374
Cash Fund	\$41,392	\$41,392	\$0
Reappropriated Funds	\$425,982	\$192,295	\$0
Federal Funds	\$0	\$0	\$0

Summary of JBC Action: Based on JBC staff recommendation, JBC approved funding COE through a fee-for-service model in lieu of the department request to fund COE through a common policy. This resulted in a decrease of \$233,687 General Fund and an increase of \$41,392 in cash funds and \$192,295 in reappropriated funds which will come from various departments. The JBC staff recommended against funding COE through a common policy which was the original request.

Summary of Comeback Request: The Department recognizes that the Committee does not wish to pursue a common policy for this training center. Instead, OSPB requests the Committee maintain the funding structure currently in place in FY 2023-24.

Additional Information:

Funding COE through the current mechanism of General Fund will ensure employees are able to access high impact, high value learning and development opportunities. This comeback request would ensure the COE is able to continue providing more cost-effective and customized foundational trainings without requiring departments to use limited operating dollars for employee training and professional development opportunities. COE provides a cost-effective, customized, and coordinated approach to State training critical to improving and retaining our workforce. The following table provides a comparison of the cost of courses offered through COE vs an outside vendor.

Vendor	Course Title	Duration (Hours)	Cost	Price Per Hour
State of CO - COE	Statewide Supervisor Certificate Training Cohort	32	General Fund	\$0
United Training	Supervising Others	8	\$257	\$32
Arrow	So You Want to Be a Manager	8	\$520	\$65
Public Knowledge	Public Knowl Foundations of Supervisory Development	8	\$550	\$69
CPS Consulting	Supervisory Skills Refresher	8	\$2,750	\$344

Utilizing outside vendors is often not an exact fit, as JBC noted on February 9, 2022, figuresetting for DPA, “Many courses offered by external vendors need extensive refitting in order to meet the unique needs of state employees, particularly in the area of supervision.” Through the general funding approach and continuing to invest in the base that COE has established, in-house trainers and customized training is a major point of cost savings for the state.

Under the current JBC decision COE would revert to its fee-for-service model, while only receiving a portion of the funding from General Fund. This type of approach creates significant learning and development inequities for departments that cannot afford to hold trainings or send employees to COE training opportunities. This would not align with employer best practices and would seem counter-intuitive towards the State’s goal of removing barriers to training for employees and becoming an employer of choice. DPA has seen an increase in attendance to COE trainings over the past two years under the General Funding model and removing this opportunity would decrease these opportunities and limit growth opportunities for state employees.

In the last three years, COE has been utilizing a different methodology to better track attendance to its trainings. This has allowed for more in-depth data on what departments are attending training, what classes have shown high attendance, and which ones can be replaced with more effective training courses. This aligns with the COE Director’s duty to “identify training needs for current and anticipated classes of positions within the classified system.” COE has begun the development of a streamlined foundational training platform that would allow agencies to identify duplicative training and focus on agency-specific needs. COE has also been able to develop its ability to train state trainers in Instructional Design best practices which allows for better training and creates more consistency across trainings. This saves the department money by not having to hire outside vendors to train internal trainers.

Funding the COE with General Fund provides stability for COE and allows for equal access to trainings for all departments. COE has used a General Fund model over the last two years and has been able to show that the interest for training is present, when cost is not an issue, with increases in attendance. Through this approach, COE can continue to gather the necessary data to further tailor their classes and trainings to fit the needs of the state employee. Reverting to a fee-for-service model would immediately reintroduce funding barriers for departments who are not able to afford sending their employees to these trainings. A fee-for-service model mitigates the ability of COE to focus on gathering data and customize their trainings, because COE must now focus on creating a revenue stream in order to stay sustainable. COE has shown that for trainings, such as Statewide Supervisor Certificate Training, with a full class of 30, COE is able to save the state anywhere from \$30 an hour to \$342 an hour for the most expensive vendor.

Effective Government

Governor's Office of Information Technology

- R-02 myColorado Platform Sustainability & Scalability
- BA-02 OIT Accessibility (tabled)

Capital Related (DPA)

- Capital controlled maintenance (tabled)

Department of Public Health & Environment

- R-05 Sustaining Environmental Justice Act Services
- BA-03 Preventing Outbreaks through Outreach and Equity
- R-12 Water Quality Environmental Justice (information only)

Office of Information Technology

OIT R-02: myColorado Platform Sustainability & Scalability

	Original Request	JBC Action	Comeback Request
Total Funds	\$4,510,981	\$0	\$3,690,303
FTE	18.0	0.0	15.0
General Fund	\$0	\$0	\$0
Cash Fund	\$0	\$0	\$0
Reappropriated Funds	\$4,510,981	\$0	\$3,690,303
Federal Funds	\$0	\$0	\$0

Summary of JBC Action:

The Joint Budget Committee rejected OIT’s myColorado Platform Sustainability & Scalability budget request for FY 2023-24. JBC Staff recommended approval of the full request (modified by application of JBC common policies for centrally appropriated costs); however, Committee members were concerned with the number of FTE required to support the platform and suggested other funding requests across the state should take higher priority.

Summary of Comeback Request:

The Office of State Planning and Budgeting and the Office of Information Technology respectfully request the JBC reconsider the decision to deny the request and instead approve the request for \$3,690,303 reappropriated funds and 15.0 FTE funded for the full year to advance offerings within the myColorado app that will improve customer service to Coloradans, including FAMLI benefits, fishing licenses, and child support, among others.

Current Funding and myColorado Use

The funding request for 15.0 FTEs is to establish ongoing funding for the existing employees who are currently supporting this platform and who are needed on an ongoing basis to continue to support the foundational services of the myColorado mobile application. These FTEs provide user experience, software application, product implementation, and enhancements. The platform operating costs and existing 15.0 FTEs supporting the application are currently federally funded; however, these federal funds expire on June 30, 2023 and cannot be used beyond that date.

If the request is not funded, the myColorado app will be disabled for all users as of June 30, 2023. One million current Colorado users will lose access to a tool that is used ~400,000 times a month. There are currently no other sources of funds to support this program.

myColorado is the central tool that OIT plans to use for digital government efforts going forward. Agencies want to use myColorado to deliver services to constituents. If not funded, programs like FAMLI and DNR licenses will need to build stand-alone mobile apps with unique vendors as opposed to a central app that allows easy access to state services for 1 in 5 Coloradans

today. The state will lose a critical tool to advance the state’s digital government strategic plan and constituent identity management. This means constituents will continue to have to fill out dozens of forms with duplicative information for each agency any time they apply for programs. Constituents will need to know which agency provides each service in order to gain access, as opposed to a single front end. Services provided by the state will continue to be siloed, archaic and confusing for constituents.

Current FTE and Their Responsibilities

Members raised concerns about creating 18 new FTE positions for a new program. However, this request does not establish new FTE positions, but rather establishes a new funding source for an existing program and FTE through a standard billing model through common policy. Reappropriated funds are allocated across the agencies using OIT services. All agencies have the option and ability to leverage the myColorado platform. These funds support the existing and ongoing program.

Below is information on the current 15 FTE positions and their day-to-day responsibilities:

Product Manager	1.0	Developer	2.0	Quality Lead	1.0
User Experience	1.0	Release Mgr	1.0	Engineering Lead	1.0
Data Analyst	1.0	Tester	1.0	Service Desk	5.0
Marketing	1.0				

Responsibilities include:

- Help desk and call center support along with chatbot for 1.1 million users (2,500+ tickets per month)
- Updating accessibility options and making improvements to complete June 30, 2023
- Ongoing user experience evaluation and improvements
- Merchant portal enhancements supporting Colorado State Patrol and other police entities
- Improved infrastructure scalability and stability
- Ongoing infrastructure and app operations, support and maintenance
- mDL integration and approach along with future Colorado Digital ID™ strategy
- Login.gov pilot to align with digital government identity strategy
- Implement additional agency features, including:
 - Department of Education licensing digital wallet
 - Department of Natural Resources and Colorado Parks and Wildlife combined licenses
 - FAMLI integration and dashboard (discovery started to implement by June 2024)
- User Experience Enhancements to core myColorado Services:
 - Identity Management
 - Single Sign On (SSO)
 - Verified Digital Credentials

Currently Planned Features to be Added to myColorado

- **Paid Family and Medical Leave Insurance Act (FAMLI)**
 - Integrate benefits support into myColorado to increase awareness of the program and provide additional value to people of Colorado
- **DNR- expanded licenses** (the most requested ask from customers)
 - CPW Combo Licenses - Expand the current digital annual fishing license to allow Coloradans to access their Combo licenses.
- **myColorado and the Colorado Department of Labor and Employment**
 - Benefit Services Access - preliminary discussions with CDLE indicate that myColorado's Single Sign On capabilities will make engaging with Benefit services easier for Coloradians
- **Fraud reduction Access** - preliminary discussions with CDLE indicate that myColorado's ability to increase "known identities" via industry standards of Identity Assurance Levels (IAL) should result in measurable reductions in state fraud through false identities
- **My Colorado Journey (CDHE + CWDC) - Learning and Employment Records digital credentials**
 - Standards-based digital certificates of achievement / proficiency
 - Allows students and job seekers to have great autonomy over skills developed and leverage achievements as part of the job hunting journey
- **Automated Child Support Enforcement System (ACSES) - child support feature**
 - Traceability / Accountability of child support enforcement via the myColorado app to augment the current "snail mail" process
 - Immediate update to the myColorado based driver's license image to reflect the suspended state
 - Reduce court docket backlog by providing a clear, actionable and timely resolution path to child support enforcement via a "Pay Now" link upon enforcement notification.
- **Colorado Department of Agriculture (CDA) - pesticide licensing**

If R-02 is not funded, existing myColorado functions will cease and new planned functions will not be developed or launched for Colorado users.

OIT BA-01 IT Accessibility Testing and Remediation

	Original Request	JBC Action	Comeback Request
Total Funds	\$45,653,545	Delay	\$45,653,545
FTE	59.5		59.5
General Fund	\$16,862,547		\$16,862,547
Cash Fund	\$9,898,890		\$9,898,890
Reappropriated Funds	\$15,157,235		\$15,157,235
Federal Funds	\$3,734,872		\$3,734,872

Summary of JBC Action:

The Joint Budget Committee delayed action on the Office of Information Technology's BA-01 IT Accessibility Testing and Remediation request to comply with H.B. 21-1110. JBC staff recommended fully funding the request. The JBC requested that OIT provide more information and cost estimates on an alternate solution of building a new unified state website that would address the current accessibility remediation work. The JBC hoped this new website would be cheaper, prevent wasted remediation on items no longer used, and address the State's accessibility issue.

Summary of Comeback Request:

The Office of State Planning and Budgeting and the Office of Information Technology on behalf of 19 state agencies respectfully request the Joint Budget Committee approve the original request for \$45,653,545 (\$16.9M GF) with 59.5 term limited FTE. OIT, in coordination with agencies, has identified that the State of Colorado has at least \$45,653,545 in accessibility remediation work to do with \$3,844,707 of this remediation work related to websites and \$34,777,252 related to applications (and other tech tools such as kiosks).⁴

Building a new unified state web presence is estimated to cost between \$10-15 million, while only addressing 10% of the total liabilities for the state. While OIT is eager to work with the legislature on improving the experience of government for all Colorado residents, unfortunately, a new web presence only solves a very small part of the accessibility problem that the state has.

Analysis

As part of addressing the state's accessibility needs, OIT assessed whether there were feasibility in achieving efficiencies by reviewing the current conditions of all the state websites. As we have 400+ websites across the state, the total cost to test and remediate those sites is close to \$5M (shown in the table below). This includes fixing the current websites without making any major enhancements. During this analysis, OIT considered the alternate solution of building a new website for the state. The cost to completely build a new accessible website is almost double to

⁴ The remaining \$6,811,156 is for staffing to support the work.

triple (\$10-15M) the cost of remediation and would take a considerable amount of effort for all state agencies.

However, if funding was only made available to address state websites, the state would still be left with the 1000+ applications needing testing and remediation unaddressed, which the majority of this funding request is for.

Based on this finding, the strategy OIT would recommend that would yield the greatest benefit for the state would be to pursue and focus on testing and remediating the websites and applications we currently have, as we continue to monitor for any changes to the platforms that may impact the websites. Throughout the process OIT and agencies will continue to look for efficiencies in addressing accessibility.

Below are the results of the statewide cost analysis of data collected from the IT accessibility adoption plans that 19 agencies and OIT worked on for months. These plans helped identify the highest priorities in each agency to address accessibility website and application remediation needs. The requested amount reflects this work and the best estimate for what is required to make major improvements in IT accessibility for each agency. The funding split differs for each agency, so any reduction would need to be explicit about the funding source being reduced or the proposed method of reduction.

Agency (19 Total)	Agency FTE (Term Limited/ Contractors) #	Agency FTE (Term Limited/ Contractors) \$	Website Testing \$	Website Remediation \$	Application Testing \$	Application Remediation \$	Other \$	Total Funds \$
Total Request	59.5	\$6,811,156	\$1,456,919	\$2,387,788	\$8,617,216	\$23,697,086	\$2,462,950	\$45,653,545

Testing software such as siteimprove only catches 30% of accessibility issues which means that applications and websites have to be manually tested. Once issues are identified, they have to be fixed. Both of these processes can be very time consuming based on the complexity of the issue and level of effort required to remediate.

This accessibility work is required by H.B. 21-1110 which created specific requirements for all state agencies to ensure that the technology used was accessible to all. It also mandated a full compliance deadline of July 1, 2024. If the state is not in full compliance with the requirements of H.B. 21-1110 by this date, the state could be fined \$3,500 per violation, per person. Not funding this request will prevent the important work of making state services available to all residents including those using assistive technology to receive those services, and it could cost the state millions of dollars in fines. According to UsableNet research, in 2021, a digital lawsuit regarding accessibility is filed every hour. It would only take 13,043 fines to equal the \$45.7 million of the request.

This funding is critically needed to invest in testing and remediation of current websites, applications, and systems while also putting in place better processes and systems to ensure that the web development and application development lifecycle proactively test for accessibility and ensure accessibility from the start.

DPA Capital Construction - Controlled Maintenance Level 2

	Original Request	JBC Action	Comeback Request
Total Funds	\$56,531,769	Delayed	\$56,531,769
CCF/General Fund	\$56,531,769		\$56,531,769
Cash Funds	0		0
Reappropriated Funds	0		0
Federal Funds	0		0

Summary of JBC Action: JBC has not yet taken action on the capital list, however, the CDC dropped Controlled Maintenance (CM) Level 2 below the line during prioritization. During CDC and JBC joint discussion on the CDC Capital Prioritization list, JBC referenced moving CM Level 1 to the top of the list and several members have indicated support to fund Level 2.

Summary of Comeback Request: OSPB strongly supports moving CM Level 1 to the top of the capital list, and requests full funding for Controlled Maintenance Level 2 of \$56,531,769 GF. Deferring maintenance in Level 2 will significantly increase the costs of Level 1 maintenance in later years.

Additional Information:

OSPB recognizes that the list CDC has prioritized has Capital Renewal (CR) that are essentially CM projects that are above the \$2 million threshold and funding these projects are equally as essential. However, the CDC did not prioritize Controlled Maintenance Level 2 which includes 48 projects for a total of \$56,531,769. The CDC prioritized higher education funding at the expense of (1) controlled maintenance projects and (2) life and safety projects for Regional Centers and Youth Services facilities. If the CM costs increase by just 5%, these projects will cost \$2.8M more next year. Moreover, the Controlled Maintenance Level 2 will become Level 1 projects in the coming years with the potential that items from the Level 3 list will also become Level 1 in the future.

To avoid the potential Controlled Level 1 Maintenance list becoming more than half of the Capital Budget Request and interest that will be encumbered by phased construction projects not being continued, OSPB requests that the committee prioritize OSA’s CM Level 2 list as well as Level 1. The following are examples of Level 2 projects that will not be completed if Level 2 is not prioritized:

Department of Public Safety

Replace HVAC, Lighting, Controls, and Roof Systems, Montrose Facility, 1 \$1,030,712

The Montrose Dispatch/Office includes the 24/7 Colorado State Patrol Communications Center. The HVAC systems have achieved their effective life cycle, are now failing; and are inefficient compared to modern units. The outdated HVAC units trip out; replacement parts and control

boards are difficult to procure; and it is extremely inefficient to frequently send staff to this distant location for maintenance issues.

AHEC

Replace Fire Sprinkler System, North Classroom Building, \$1,468,086

While 111,498 square feet (sf) of the fire sprinkler system was renovated in 2019, the sprinkler system in the remaining 170,060 sf of the 32-year-old North Classroom Building (HEAU1236) is original to the building. Maintaining two separate systems at two dramatically different build dates requires duplicity in monitoring, testing and inspection.

DHS - CMHIP & SCYSC

Install IP Cameras and Infrastructure, \$1,263,926

Analog cameras and CCTV analog systems are no longer supported by vendors and the technology has migrated to digital IP technology. Finding replacement units, parts and service from vendors is extremely difficult to obtain, if available at all. The mental health programs continue to request more camera coverage to the existing system on an ongoing basis to monitor patients, clients and juveniles. These systems are mission critical to the wellbeing and safety of both staff and patients.

Colorado Community College System at Lowry

Install New Boilers, Chiller, AUHs and Upgrade the Controls, Building 999, Ph 2 of 2 \$1,442,001

Building 999 (HEOE9121) is over 20 years old. The boiler, chiller, and most of the heating, ventilation, and air conditioning (HVAC) equipment and associated components are original to the building.

Department of Public Health and the Environment

CDPHE R-05: Sustaining Environmental Justice

	Original Request	JBC Action	Comeback Request
Total Funds	\$0	\$0	\$0
FTE	0.0	0.0	0.0
General Fund	\$4,487,382	\$0	\$4,487,382
Stationary Sources Cash Fund	(\$4,487,382)	\$0	(\$4,487,382)
Reappropriated Funds	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0

Summary of JBC Action:

JBC denied the Department’s request in accordance with JBC staff recommendation. The JBC staff recommendation noted the Department had two years of General Fund appropriations in which to establish a revenue stream to support the programs outlined in H.B. 21-1266 and was also based on the assumption that the Department has sufficient existing resources to support H.B. 21-1266 implementation. In particular, JBC staff advised that the fund balance of the Stationary Sources Cash Fund and savings from hiring delays are sufficient to ensure the department has the resources necessary to comply with statutory requirements.

Summary of Comeback Request:

OSPB and the Department of Public Health and the Environment respectfully request that the Committee approve the original budget request in full for \$4.5M General Fund.

Additional Information:

House Bill 21-1266 directed the Air Quality Control Commission (AQCC) to add Greenhouse Gases (GHG) to the list of air pollutants required to be reported in an Air Pollutant Emissions Notice by December 31, 2022. The rule was adopted in December 2022 and informs the GHG fee structure. The department has not yet finalized the fee structure. House Bill 21-1266 requires the department to set a fee on suppliers of CO₂, Natural Gas and Natural Gas Liquids Suppliers, Petroleum and Natural Gas Systems, Power Plants, Waste Operations, Mineral Operations, Chemical Operations and Metals Operations. These entities may be private companies or, in some cases, local governments.

If R-05 is not funded, CDPHE will be unable to implement the programmatic requirements of H.B. 21-1266. In particular, effective July 1, funding for 23.0 existing FTE will not be available for critical functions including: rulemaking drafting/research, compliance of permits, interpretation/translation services, grant management, administrative operations, and APEN administration/coordination. The Department’s original request would enable Colorado businesses to defer fees ranging from thousands of dollars to hundreds of thousands of dollars.

Additionally, the division will not have sufficient revenues to perform critical functions, including GHG emissions enforcement, economic impact analyses, analysis/reporting of GHG inventory data, and verification of PUC Energy Plans without creating pressure on the Stationary Sources Control Fund. The fund has significant demands on it in FY 2023-24 due to the year 2 of the Stationary Source Modernization IT Capital Project (\$4.5M) and the second year implementation costs of the FY 2022-23 staffing increases approved by the General Assembly. The department intends to use the fund balance to phase in the necessary fee increases to sustain the Division's services.

CDPHE BA-03: Preventing Outbreaks Through Outreach and Equity

	Original Request	JBC Action	Comeback Request
Total Funds	\$3,632,053	\$3,294,904	\$3,791,245
FTE	12.6	14.0	14.0
General Fund	\$3,632,053	\$3,294,904	\$3,791,245
Cash Fund	\$0	\$0	\$0
Reappropriated Funds	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0

Summary of JBC Action:

JBC approved the staff recommendation for \$3.3M General Fund and 14.0 FTE. The JBC staff recommendation excluded \$496,341 in General Fund for mobile vaccine clinic fleet operation costs as the request submitted did not include sufficient operating expense detail for JBC staff to recognize the mobile clinic operating costs separately.

Comeback Request:

The Office of State Planning and Budgeting and the Department of Public Health and the Environment respectfully request that the JBC approve \$496,341 for the operating expenses for the mobile vaccine clinic fleet including immune globulin, gas, maintenance, and travel expenses to fund the activities of the approved staff. Note the comeback is slightly higher than the original due to the JBC staff recommended hiring adjustment for the FY 2023-24 pay plan.

Additional Information:

The Committee approved standard operating expenses (\$18,900) and Vehicle Leasing Costs (\$44,685), but did not receive sufficient detail in the original request to recognize and approve the funding needed for operating expenses specific to the mobile vaccine units such as immune globulin, gas, maintenance, and travel expenses for staff. These costs are necessary for successfully deploying the mobile clinic program and upkeep of the vehicle fleet. Without these

additional funds to cover expenses, the mobile vaccine units may not be able to reach as many communities and individuals.

Information-Only: CDPHE R-12: Water Quality Environmental Justice

	Original Request	JBC Action
Total Funds	\$444,594	\$0
FTE	4.2	0.0
General Fund	\$444,594	\$0
Cash Fund	\$0	\$0
Reappropriated Funds	\$0	\$0
Federal Funds	\$0	\$0

Summary of JBC Action:

The JBC denied the Department's request in full based on JBC staff recommendation. JBC stated that they denied the R-12 request because JBC staff advised the published fiscal note for H.B. 22-1322 was accurate, and that if members of the General Assembly wanted to allocate additional resources to complete the work outlined in this bill, they would have done so.

Additional Information:

The Department is not requesting a comeback on this item but would like to take this time to make the Committee aware of the work that cannot occur due to a lack of resources. The Department's appropriation for H.B. 22-1322 was \$300K and 1.8 FTE. The departmental difference was for \$800K in FY 2023-24 and \$819K in FY 2024-25 and ongoing, on the assumption that the CDPHE requires 7.3 FTE to coordinate, prepare for, facilitate, and follow up from public outreach related to rulemaking hearings at the commission.

Without these resources, the Department cannot meet outreach requirements set forth by H.B. 22-1322, including: interpreter/translation services, staff and contractor services, meeting/communication logistics, and technical support for meeting participants. In-person meetings will be limited without staff to provide direct technical support to meeting participants and to ensure language access services are available.