MEMORANDUM

JOINT BUDGET COMMITTEE

TO	Joint Budget Committee Members
FROM	JBC Staff
DATE	March 10, 2020
SUBJECT	Potential Legislation

This packet includes several bill drafts and memos on bill concepts for the Committee's consideration. Each individual bill or memo has page numbers but also a packet page number to help navigate the whole document. The page numbers below refer to the packet page number.

BILL DRAFTS FOR THE COMMITTEE'S CONSIDERATION

Operational Fund Mined Land Reclamation Repeal LLS 20-1091 (Alfredo Kemm) 1
Exempt Fund from Cap Constr Funding Mechanism LLS 20-1140 (Alfredo Kemm) 5
Repeal Household Medication Take-back Cash Fund LLS 20-1118 (Tom Dermody) 8
Law Enforcement Community Serv Grant Program Fund LLS 20-1126 (Andrea Uhl) 13
SMART Committee Hearings LLS 20-1092 (Robin Smart) 16
Align Student Financial Aid with Practice LLS 20-0399 (Amanda Bickel) 36
Report on Cost Savings Resulting from Budget Items LLS 20-1093 (Eric Kurtz) 63

BILL CONCEPTS FOR THE COMMITTEE'S CONSIDERATION

Transfer and Overexpenditure Statutes Reauthorization (Eric Kurtz) 66

Second Regular Session
Seventy-second General Assembly
STATE OF COLORADO

DRAFT
3.4.20

DRAFT

LLS NO. 20-1091.01 Ed DeCecco x4216 **COMMITTEE BILL**

Joint Budget Committee

BILL TOPIC: "Operational Fund Mined Land Reclamation Repeal"

A BILL FOR AN ACT

101 **CONCERNING THE REPEAL OF PROVISIONS RELATING TO MINED LAND**
102 **RECLAMATION.**

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at http://leg.colorado.gov/.)

Joint Budget Committee. The bill repeals 2 transfers from the severance tax operational fund:

- The requirement that $500,000 of the core departmental programs appropriation to the division of reclamation, mining, and safety in the department of natural resources be annually transferred to the abandoned mine reclamation

fund; and

- The requirement that $127,000 be transferred to a special account in the general fund that is used by the mined land reclamation board. This annual transfer is one currently one of the transfers to the natural resources and energy grant programs that only occurs after funding for the core departmental programs and a reserve requirement.

As state money will no longer be transferred to the abandoned mine reclamation fund, the section containing it and another one with related definitions are repealed on July 1, 2023. The state treasurer will transfer any money in the fund on June 30, 2023, to the severance tax operational fund.

Be it enacted by the General Assembly of the State of Colorado:

SECTION 1. In Colorado Revised Statutes, 34-34-102, **amend** (1); and **add** (3) as follows:

34-34-102. Abandoned mine reclamation fund - project expenditures - repeal. (1) The abandoned mine reclamation fund is hereby created in the state treasury. The fund ~~shall consist of moneys~~ CONSISTS OF MONEY received pursuant to section 34-33-133 (2)(a), ~~moneys~~ MONEY transferred PRIOR TO JULY 1, 2020, from the severance tax operational fund pursuant to section 39-29-109.3 (1)(c), ~~C.R.S.,~~ and interest earned on the investment of such ~~moneys~~ MONEY. Revenues in the fund shall not revert to the general fund. The fund shall be expended only for the purposes specified in this section. Appropriations from the fund shall be available for three successive state fiscal years. THE STATE TREASURER SHALL TRANSFER ANY MONEY IN THE FUND ON JUNE 30, 2023, TO THE SEVERANCE TAX OPERATIONAL FUND CREATED IN SECTION 39-29-109.3.

(3) THIS ARTICLE 34 IS REPEALED, EFFECTIVE JULY 1, 2023.

SECTION 2. In Colorado Revised Statutes, 39-29-109.3, **amend** (1) introductory portion and (1)(c); and **repeal** (2)(o) as follows:

39-29-109.3. Severance tax operational fund - core reserve - grant program reserve - definitions - repeal. (1) For fiscal years commencing on and after July 1, 1997, the executive director of the department of natural resources shall submit with the department's budget request for each fiscal year a list and description of the programs the executive director recommends to be funded from the severance tax operational fund created in section 39-29-109 (2)(b), referred to in this section as the "operational fund". The general assembly may appropriate ~~moneys~~ MONEY from the total ~~moneys~~ MONEY available in the operational fund to fund recommended programs as follows:

(c) For programs within the division of reclamation, mining, and safety, up to thirty percent of the ~~moneys~~ MONEY in the operational fund for fiscal years commencing before July 1, 2008, and up to twenty-five percent of the ~~moneys~~ MONEY in the operational fund for fiscal years commencing on or after July 1, 2008. ~~As part of any appropriation made, five hundred thousand dollars, or so much as may be available, shall be transferred to the abandoned mine reclamation fund created in section 34-34-102 (1), C.R.S.~~

(2) Subject to the requirements of subsections (3) and (3.5) of this section, if the general assembly chooses not to spend up to one hundred percent of the money in the operational fund on core departmental programs, the state treasurer shall transfer the following amounts:

(o) ~~For the state fiscal year commencing July 1, 2015, and for each state fiscal year thereafter, one hundred twenty-seven thousand dollars to the special account in the general fund established pursuant to section 34-32-122 (1)(a), C.R.S., by the mined land reclamation board established in section 34-32-105, C.R.S., for the purpose of reclaiming~~

1 ~~lands that were obligated to be reclaimed under permits upon which~~
2 ~~financial warranties have been forfeited;~~
3 **SECTION 3. Effective date.** This act takes effect July 1, 2020.
4 **SECTION 4. Safety clause.** The general assembly hereby finds,
5 determines, and declares that this act is necessary for the immediate
6 preservation of the public peace, health, or safety.

Second Regular Session
Seventy-second General Assembly
STATE OF COLORADO

DRAFT
3.5.20

DRAFT

LLS NO. 20-1140.01 Esther van Mourik x4215 **COMMITTEE BILL**

Joint Budget Committee

BILL TOPIC: "Exempt Fund From Cap Constr Funding Mechanism"

A BILL FOR AN ACT

101 **CONCERNING AN EXEMPTION OF THE LEGISLATIVE DEPARTMENT CASH**
102 **FUND FROM THE DEFINITION OF CASH FUND FOR PURPOSES OF**
103 **THE REQUIREMENTS UNDER THE AUTOMATIC CASH FUND**
104 **FUNDING MECHANISM FOR PAYMENT OF FUTURE COSTS**
105 **ATTRIBUTABLE TO CERTAIN OF THE STATE'S CAPITAL ASSETS.**

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at http://leg.colorado.gov/.)

Joint Budget Committee. The bill exempts the legislative department cash fund and the redistricting account in the legislative

department cash fund from the definition of "cash fund" for purposes of the requirements under the automatic cash fund funding mechanism for payment of future costs attributable to certain of the state's capital assets. The bill also clarifies that any amount of money that may currently be identified in a capital reserve of the legislative department cash fund or in a capital reserve of the redistricting account is also excluded and may be used for the purposes set forth in the statute that created the cash fund.

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1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1.** In Colorado Revised Statutes, 24-30-1310, **amend**
3 (1)(d) as follows:

4 **24-30-1310. Funding for capital construction, controlled**
5 **maintenance, or capital renewal - definitions.** (1) As used in this
6 section, unless the context otherwise requires:

7 (d) "Cash fund" does not include:

8 (I) The lottery fund created in section 44-40-111;

9 (II) The limited gaming fund created in section 44-30-701 (1);

10 (III) Money allocated to the division of parks and wildlife from
11 lottery proceeds as specified in section 3 of article XXVII of the state
12 constitution; ~~or~~

13 (IV) The regional center depreciation account in the capital
14 construction fund, created in section 24-75-302 (3.8)(a); OR

15 (V) THE LEGISLATIVE DEPARTMENT CASH FUND CREATED IN
16 SECTION 2-2-1601 (1)(a) AND THE REDISTRICTING ACCOUNT OF THE
17 LEGISLATIVE DEPARTMENT CASH FUND CREATED IN SECTION 2-2-1601
18 (2.5).

19 **SECTION 2.** In Colorado Revised Statutes, 2-2-1601, **add** (4) as
20 follows:

21 **2-2-1601. Legislative department cash fund - redistricting**
22 **account - creation - definition.** (4) ANY MONEY THAT IS IDENTIFIED IN

A CAPITAL RESERVE OF THE LEGISLATIVE DEPARTMENT CASH FUND CREATED IN SUBSECTION (1)(a) OF THIS SECTION OR IN A CAPITAL RESERVE OF THE REDISTRICTING ACCOUNT CREATED IN SUBSECTION (2.5) OF THIS SECTION AS REQUIRED PURSUANT TO SECTION 24-30-1310 ON OR BEFORE THE EFFECTIVE DATE OF THIS SUBSECTION (4) SHALL BE RELEASED FROM SAID RESERVE OR RESERVES AND MAY BE USED INSTEAD FOR THE PURPOSES SET FORTH IN THIS SECTION.

SECTION 3. Act subject to petition - effective date. This act takes effect at 12:01 a.m. on the day following the expiration of the ninety-day period after final adjournment of the general assembly (August 5, 2020, if adjournment sine die is on May 6, 2020); except that, if a referendum petition is filed pursuant to section 1 (3) of article V of the state constitution against this act or an item, section, or part of this act within such period, then the act, item, section, or part will not take effect unless approved by the people at the general election to be held in November 2020 and, in such case, will take effect on the date of the official declaration of the vote thereon by the governor.

MEMORANDUM

TO	Joint Budget Committee
FROM	Tom Dermody, JBC Staff (303-866-4963)
DATE	March 10, 2020
SUBJECT	LLS 20-1118 – Repeal Household Medication Take-back Cash Fund

During figure setting for the Department of Public Health and Environment on February 25, 2020, JBC staff recommended legislation to repeal the Household Medication Take-back Cash Fund. This recommendation was made because the cash fund only receives revenue from gifts, grants, and donations. Since FY 2015-16, only $8,000 has been expended from the cash fund. A review of the Household Medication Take-back Cash Fund, created in Section 25-15-328 (5)(a), C.R.S., shows that the Department does not anticipated any gifts, grants, or donations to be received in FY 2020-21 or beyond. As of November 1, 2019, the cash fund's balance was $3,283.

The recommended legislation repeals the cash fund, transfers its remaining balance to the General Fund, and makes an equivalent General Fund appropriation to the Household Medication Take-back Program for FY 2020-21.

Second Regular Session
Seventy-second General Assembly
STATE OF COLORADO

DRAFT
2.28.20

DRAFT

LLS NO. 20-1118.01 Christy Chase x2008 **COMMITTEE BILL**

Joint Budget Committee

BILL TOPIC: "Repeal Household Medication Take-back Cash Fund"

A BILL FOR AN ACT

101 **CONCERNING THE REPEAL OF THE HOUSEHOLD MEDICATION**
102 **TAKE-BACK CASH FUND, AND, IN CONNECTION THEREWITH,**
103 **MAKING AN APPROPRIATION.**

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at http://leg.colorado.gov/.)

Joint Budget Committee. The bill repeals the household medication take-back cash fund, transfers the balance remaining in the fund to the general fund, and appropriates the fund balance amount from the general fund to the department of public health and environment for the household medication take-back program.

Capital letters or bold & italic numbers indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.

Be it enacted by the General Assembly of the State of Colorado:

SECTION 1. In Colorado Revised Statutes, 25-15-328, **amend** (5)(a) as follows:

25-15-328. Household medication take-back program - creation - collection and disposal of medication injection devices - liability - definitions - rules - repeal. (5) (a) (I) The household medication take-back cash fund is created in the state treasury for the direct and indirect costs associated with the implementation of this section. The fund consists of money appropriated or transferred to the fund by the general assembly and any gifts, grants, and donations from any public or private entity. The department shall transmit gifts, grants, and donations collected by the department to the state treasurer, who shall credit the money to the fund. The money in the fund is subject to annual appropriation by the general assembly. IF, ON JUNE 30, 2020, THERE IS AN UNEXPENDED AND UNENCUMBERED BALANCE IN THE FUND, THE STATE TREASURER SHALL TRANSFER THE REMAINING MONEY IN THE FUND TO THE GENERAL FUND.

(II) THIS SUBSECTION (5)(a) IS REPEALED, EFFECTIVE JULY 1, 2020. <{***Dates will need to change if the bill does not contain a safety clause.***}>

SECTION 2. Appropriation. For the 2020-21 state fiscal year, $3,283 is appropriated to the department of public health and environment. This appropriation is from the general fund. To implement this act, the department may use this appropriation for the household medication take-back program. <{***The appropriation amount is based on an estimate of the unencumbered and unexpended balance in the***

1 ***household medication take-back cash fund and is subject to change.***}>

2 **SECTION 3. Safety clause.** The general assembly hereby finds,
3 determines, and declares that this act is necessary for the immediate
4 preservation of the public peace, health, or safety. <{***Committee***
5 ***approve? If no safety clause, dates in the bill will need to be modified***
6 ***accordingly.***}>

Second Regular Session
Seventy-second General Assembly
STATE OF COLORADO

DRAFT
3.6.20

DRAFT

LLS NO. 20-1126.01 Gregg Fraser x4325 **COMMITTEE BILL**

Joint Budget Committee

BILL TOPIC: "Law Enforcement Community Serv Grant Program Fund"

A BILL FOR AN ACT

101 **CONCERNING [THE ELIMINATION OF] THE CAP ON THE**
102 **ADMINISTRATIVE EXPENSES THAT MAY BE PAID FROM THE LAW**
103 **ENFORCEMENT COMMUNITY SERVICES GRANT PROGRAM FUND.**

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at http://leg.colorado.gov/.)

Joint Budget Committee. The law enforcement community services grant program is funded by the law enforcement community services grant program fund. Current law prohibits more than 5% of the money from the fund to be used to administer the program. **[Option 1]** The bill repeals this 5% cap on administrative expenses. **[Option 2]** The

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Dashes through the words indicate deletions from existing statute.

bill replaces this 5% cap with a $120,000 cap.

Be it enacted by the General Assembly of the State of Colorado:

[Option 1 - Repeal 5% cap on administrative costs.]

SECTION 1. In Colorado Revised Statutes, 24-32-124, **amend** (5)(b) as follows:

24-32-124. Law enforcement community services grant program - committee - policies and procedures - fund - rules - report - definitions - repeal. (5) (b) The law enforcement community services grant program fund is created in the state treasury. The fund consists of money transferred to the fund pursuant to section 16-13-311, any other money that the general assembly may appropriate or transfer to the fund, and any gifts, grants, or donations received by the division. Subject to annual appropriation by the general assembly, the division may only expend money from the fund for the grants awarded pursuant to this section and ~~for up to five percent of the money in the fund~~ for the direct and indirect costs incurred in administering the program. Any unexpended and unencumbered money from an appropriation made for the purposes of this section remains available for expenditure by the division in the next fiscal year without further appropriation.

[Option 2 - Replace 5% cap with $120k cap.]

SECTION 1. In Colorado Revised Statutes, 24-32-124, **amend** (5)(b) as follows:

24-32-124. Law enforcement community services grant program - committee - policies and procedures - fund - rules - report - definitions - repeal. (5) (b) The law enforcement community services grant program fund is created in the state treasury. The fund consists of

money transferred to the fund pursuant to section 16-13-311, any other money that the general assembly may appropriate or transfer to the fund, and any gifts, grants, or donations received by the division. Subject to annual appropriation by the general assembly, the division may only expend money from the fund for the grants awarded pursuant to this section and ~~for~~ up to ~~five percent of the money in the fund~~ ONE HUNDRED TWENTY THOUSAND DOLLARS ANNUALLY for the direct and indirect costs incurred in administering the program. Any unexpended and unencumbered money from an appropriation made for the purposes of this section remains available for expenditure by the division in the next fiscal year without further appropriation.

SECTION 2. Effective date. This act takes effect on July 1, 2020.

SECTION 3. Safety clause. The general assembly hereby finds, determines, and declares that this act is necessary for the immediate preservation of the public peace, health, or safety.

Second Regular Session
Seventy-second General Assembly
STATE OF COLORADO

DRAFT
2.28.20

DRAFT

LLS NO. 20-1092.01 Pierce Lively x2059 **COMMITTEE BILL**

Joint Budget Committee

BILL TOPIC: "SMART Committee Hearings"

A BILL FOR AN ACT

101 **CONCERNING THE TIMING OF JOINT COMMITTEE OF REFERENCE**
102 **HEARINGS UNDER THE "STATE MEASUREMENT FOR**
103 **ACCOUNTABLE, RESPONSIVE, AND TRANSPARENT (SMART)**
104 **GOVERNMENT ACT."**

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at http://leg.colorado.gov/.)

Joint Budget Committee. The bill repeals the requirement that all presentations made to joint committees of reference under the "State Measurement for Accountable, Responsive, and Transparent (SMART)

Capital letters or bold & italic numbers indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.

Government Act" (SMART Act) be conducted in the first 2 weeks of the regular legislative session. The bill replaces that requirement with the requirement that all presentations made to joint committees of reference under the SMART Act be conducted no earlier than December 1 prior to the convening of the general assembly and no later than the 29th day of the regular legislative session.

The bill reinstates the requirement that appointees to committees of reference be designated no later than December 1 prior to the convening of the general assembly and the authorization that members and members-elect are entitled to per diem and reimbursement of expenses.

The bill also makes conforming amendments for current SMART Act reporting requirements.

Be it enacted by the General Assembly of the State of Colorado:

SECTION 1. In Colorado Revised Statutes, 2-7-203, **amend** (2)(a) introductory portion, (2)(a)(III), and (2)(d); and **add** (2)(a.3) as follows:

2-7-203. Departmental presentations to legislative committees of reference - departmental regulatory agendas. (2) (a) Each joint committee of reference shall conduct at least one but not more than three hearings ~~in the first two weeks~~ NO EARLIER THAN DECEMBER 1 AND NO LATER THAN THE FIRST TWENTY-NINE DAYS of the regular legislative session, during which hearings ~~the joint committee shall hear a presentation from~~ each department that is assigned to such committee pursuant to subsection (1) of this section ~~regarding~~ SHALL PRESENT:

(III) The department's budget request and associated legislative agenda for the ~~current regular legislative session~~ UPCOMING STATE FISCAL YEAR.

(a.3) (I) FOR PURPOSES OF THE HEARINGS REQUIRED IN SUBSECTION (2)(a) OF THIS SECTION, APPOINTEES TO COMMITTEES OF REFERENCE SHALL BE DESIGNATED NO LATER THAN THE DECEMBER 1

1 PRIOR TO THE CONVENING OF THE GENERAL ASSEMBLY AT WHICH SUCH
2 MEMBER IS TO SERVE, WHETHER SUCH APPOINTEE IS A MEMBER OF THE
3 THEN CURRENT GENERAL ASSEMBLY OR A MEMBER-ELECT OF THE NEXT
4 GENERAL ASSEMBLY. IF, AS OF DECEMBER 1, AN ELECTION
5 DETERMINATION FOR A PARTICULAR RACE HAS NOT BEEN MADE, ALL
6 APPOINTEES MUST BE DESIGNATED AS SOON AS PRACTICABLE AFTER THE
7 RESULTS OF THE RACE HAVE BEEN DETERMINED. SUCH DESIGNATIONS
8 SHALL BE MADE IN ACCORDANCE WITH THE APPLICABLE RULES OF THE
9 HOUSE OF REPRESENTATIVES OR THE SENATE. ANY MEMBER OR
10 MEMBER-ELECT APPOINTED TO A COMMITTEE OF REFERENCE FOR THE
11 CURRENT GENERAL ASSEMBLY OR THE NEXT GENERAL ASSEMBLY MAY
12 ATTEND SAID HEARINGS. THE CHAIRS OF THE COMMITTEES OF REFERENCE
13 APPOINTED FOR THE CURRENT GENERAL ASSEMBLY SHALL SERVE AS CHAIR
14 UNTIL THE CONVENING OF THE NEXT GENERAL ASSEMBLY. <{***Should this***
15 ***date be earlier so that meetings can actually start on December 1?***}>
16 (II) MEMBERS AND MEMBERS-ELECT ARE ENTITLED TO THE
17 PAYMENT OF PER DIEM AND REIMBURSEMENT OF EXPENSES AS SPECIFIED
18 IN SECTION 2-2-307 FOR ATTENDING THE HEARINGS REQUIRED IN
19 SUBSECTION (2)(a) OF THIS SECTION.
20 <{***The rest of this bill is conforming amendments to align current***
21 ***SMART reporting requirements with the bill and to make the language***
22 ***for SMART reporting requirements more consistent.***}>
23 (d) The Colorado commission on criminal and juvenile justice
24 shall present ~~a progress report on~~ any recommendations the commission
25 anticipates will be made ~~for the current legislative session~~ and any
26 finalized recommendations THE COMMISSION WILL MAKE for the ~~current~~
27 legislative session to the joint judiciary committee of reference during the

1 hearings specified in subsection (2)(a) of this section.

2 **SECTION 2.** In Colorado Revised Statutes, 8-72-101, **amend**
3 (3)(b) introductory portion as follows:

4 **8-72-101. Duties and powers of division.**
5 (3) (b) Notwithstanding section 24-1-136 (11)(a)(I), the department of
6 labor and employment shall update the general assembly ~~annually~~ on the
7 status of the fund during the hearing conducted pursuant to section
8 2-7-203. By August 31, 2012, and by each August 31 thereafter, the
9 division shall report to the joint budget committee, the economic and
10 business development committee of the house of representatives, and the
11 business, labor, and technology committee of the senate, or their
12 successor committees, regarding the status of the fund. The report shall
13 include at least the following from the prior calendar year:

14 **SECTION 3.** In Colorado Revised Statutes, 8-84-303, **amend**
15 (7)(a) as follows:

16 **8-84-303. Employment first advisory partnership -**
17 **memorandum of understanding - reporting - repeal.** (7) (a) The
18 agency partners shall present the initial report of the strategic plan and
19 recommendations developed pursuant to section 8-84-304 to the
20 legislative committees of reference for the agency partners as part of each
21 agency's ~~annual~~ presentation made pursuant to section 2-7-203 during the
22 interim between November 1, 2017, and the start of the 2018 regular
23 legislative session. Thereafter, each agency partner shall inform the
24 legislative committee of reference of revisions to the strategic plan and
25 the implementation of employment first policies as part of the agency's
26 ~~annual~~ presentation made pursuant to section 2-7-203.

27 **SECTION 4.** In Colorado Revised Statutes, 10-16-147, **amend**

(1)(a) introductory portion as follows:

10-16-147. Parity reporting - commissioner - carriers - rules - examination of complaints. (1) (a) By June 1, 2020, and by each June 1 thereafter, the commissioner shall submit a written report to the health and insurance committee and the public health care and human services committee of the house of representatives, or their successor committees, and to the health and human services committee of the senate, or its successor committee, and provide a presentation of the report to ~~those legislative committees before the next regular legislative session that follows submittal of the report,~~ ITS ASSIGNED JOINT COMMITTEE OF REFERENCE AT THE HEARING HELD PURSUANT TO SECTION 2-7-203 that:

SECTION 5. In Colorado Revised Statutes, 12-15-106, **amend** (13)(c) introductory portion as follows:

12-15-106. Conservation easement tax credit certificate application process - definitions - rules. (13) (c) The director is authorized to share publicly available information regarding conservation easements with a third-party vendor for the purpose of developing and maintaining a registry of conservation easements in the state with a corresponding map displaying the boundaries of each easement in the state relative to county boundaries and other relevant mapping information. For purposes of this subsection (13)(c), "publicly available information" means any document showing evidence of its recordation in the records of a county clerk and recorder or other information readily available to the general public. Prior to sharing the information, the director shall consult with the commission regarding the appropriate types of information and the methods used for collecting the information. The department of regulatory agencies shall ~~annually~~ report on the

information contained in the registry as a part of its presentation to its ASSIGNED JOINT committee of reference at a hearing held pursuant to section 2-7-203. ~~(2)(a) of the "State Measurement for Accountable, Responsive, and Transparent (SMART) Government Act".~~ The information to be shared shall include the following:

SECTION 6. In Colorado Revised Statutes, 13-3-101, **amend** (14)(f) introductory portion as follows:

13-3-101. State court administrator - report - definition - repeal. (14) (f) In its ~~annual report~~ PRESENTATION to the JOINT committees of reference pursuant to section 2-7-203, the judicial department shall include information concerning the activities of the state court administrator pursuant to this subsection (14). To the extent practicable, the ~~report~~ PRESENTATION must include:

SECTION 7. In Colorado Revised Statutes, 13-5.5-114, **amend** (2) as follows:

13-5.5-114. Reporting requirements - "State Measurement for Accountable, Responsive, and Transparent (SMART) Government Act" report. (2) Beginning ~~in January 2019, and every two years thereafter,~~ WITH THE PRESENTATION TO THE JOINT JUDICIARY COMMITTEE OF THE GENERAL ASSEMBLY, OR ANY SUCCESSOR COMMITTEE, IN EITHER DECEMBER 2020 OR JANUARY 2021, AS REQUIRED BY SECTION 2-7-203, AND AT EVERY OTHER HEARING HELD THEREAFTER, the state commission shall report on the activities of the commissioners. ~~to the joint judiciary committee of the general assembly as part of its "State Measurement for Accountable, Responsive, and Transparent (SMART) Government Act" presentation required by section 2-7-203.~~

SECTION 8. In Colorado Revised Statutes, 17-34-102, **amend**

(9) introductory portion as follows:

17-34-102. Specialized program for juveniles convicted as adults - report. (9) On and after January 1, 2018, during its ~~annual~~ presentation before the joint judiciary committee of the general assembly, or any successor joint committee, pursuant to section 2-7-203, ~~C.R.S.,~~ the department shall include a status report regarding the progress and outcomes of the specialized program developed and implemented by the department pursuant to this section during the preceding year. The report, at a minimum, shall include:

SECTION 9. In Colorado Revised Statutes, 18-1.3-407, **amend** (1)(c)(IV)(B) as follows:

18-1.3-407. Sentences - youthful offenders - legislative declaration - powers and duties of district court - authorization for youthful offender system - powers and duties of department of corrections - definitions. (1) (c) (IV) (B) The department of corrections shall include in its ~~annual report~~ PRESENTATION to the JOINT judiciary ~~committees of the house of representatives and senate~~ COMMITTEE OF THE GENERAL ASSEMBLY, or to any successor ~~committees~~ JOINT COMMITTEE, pursuant to section 2-7-203, ~~C.R.S.,~~ and in any annual youthful offender system report produced by the department, information regarding the policies and procedures developed by the department pursuant to ~~sub-subparagraph (A) of this subparagraph (IV)~~ SUBSECTION (1)(c)(IV)(A) OF THIS SECTION, the characteristics of the population of youthful offenders transferred pursuant to this ~~paragraph (c)~~ SUBSECTION (1)(c), and the impact, if any, of transferred inmates on any youthful offender system programming or department of corrections programming.

SECTION 10. In Colorado Revised Statutes, 19-1-129, **amend**

(2) as follows:

19-1-129. Department - research authorized - prenatal substance exposure - newborn and family outcomes - report. (2) Beginning WITH THE PRESENTATION TO THE JOINT HEALTH COMMITTEE OF THE GENERAL ASSEMBLY, OR ANY SUCCESSOR JOINT COMMITTEE, in DECEMBER 2020 OR January 2021, ~~and every two years thereafter,~~ AS REQUIRED BY SECTION 2-7-203, AND EVERY OTHER SUCH PRESENTATION THEREAFTER, the department shall report the outcomes of any research conducted pursuant to subsection (1) of this section. ~~to the joint health committees of the general assembly as part of its "State Measurement for Accountable, Responsive, and Transparent (SMART) Government Act" presentation required by section 2-7-203.~~

SECTION 11. In Colorado Revised Statutes, 21-1-104, **amend** (4) introductory portion as follows:

21-1-104. Duties of public defender - report. (4) Notwithstanding section 24-1-136 (11)(a)(I), pursuant to section 2-7-203, the state public defender shall ~~report annually~~ PRESENT to the JOINT judiciary ~~committees of the house of representatives and senate~~ COMMITTEE OF THE GENERAL ASSEMBLY, or to any successor ~~committees~~ JOINT COMMITTEE, information concerning:

SECTION 12. In Colorado Revised Statutes, 21-2-104, **amend** (3) introductory portion as follows:

21-2-104. Duties of alternate defense counsel and contract attorneys - report. (3) Notwithstanding section 24-1-136 (11)(a)(I), pursuant to section 2-7-203, the office of alternate defense counsel shall ~~report annually~~ PRESENT to the JOINT judiciary ~~committees of the house of representatives and senate~~ COMMITTEE OF THE GENERAL ASSEMBLY, or

1 to any successor ~~committees~~ JOINT COMMITTEE, information concerning:
2 **SECTION 13.** In Colorado Revised Statutes, 22-7-1209, **amend**
3 (8)(e) as follows:
4 **22-7-1209. State board - rules - department - duties.**
5 (8) (e) The independent evaluator contracted pursuant to this subsection
6 (8) shall complete the evaluation of the implementation of this part 12 as
7 described in subsection (8)(c) of this section by July 1, 2021. The
8 department shall include a report of the evaluation in the hearing before
9 the joint education committee OF THE GENERAL ASSEMBLY. OR ANY
10 SUCCESSOR JOINT COMMITTEE, held pursuant to section 2-7-203 in
11 ~~November or~~ December 2021 OR JANUARY 2022. The independent
12 evaluator shall continue evaluations of the growth in reading achieved by
13 local education providers' use of per-pupil intervention money and money
14 received through the early literacy grant program.
15 **SECTION 14.** In Colorado Revised Statutes, 22-35.6-106,
16 **amend** (3)(b) as follows:
17 **22-35.6-106. Report - rules.** (3) (b) Notwithstanding ~~the~~
18 ~~provisions of~~ section 24-1-136 (11)(a)(I), beginning ~~with the report that~~
19 ~~the department makes pursuant to section 2-7-203 in December of 2022~~
20 IN DECEMBER 2022 OR JANUARY 2023, the department shall ~~annually~~
21 provide the report prepared pursuant to subsection (3)(a) of this section
22 AS PART OF ITS PRESENTATION to the joint education committee of the
23 general assembly, OR ANY SUCCESSOR JOINT COMMITTEE, PURSUANT TO
24 SECTION 2-7-203.
25 **SECTION 15.** In Colorado Revised Statutes, 22-54-138, **amend**
26 (8) introductory portion as follows:
27 **22-54-138. Career development success program - created -**

funding - report - definitions - repeal. (8) At the hearing with the joint education committee of the general assembly, OR ANY SUCCESSOR JOINT COMMITTEE, held in accordance with section 2-7-203 in November or December 2017, and at ~~the~~ EACH hearing held ~~each year~~ thereafter, the department of education shall provide a report that describes the outcomes achieved by the career development success program. At a minimum, the report must include the following information:

SECTION 16. In Colorado Revised Statutes, **amend** 22-95.5-103 as follows:

22-95.5-103. Reporting requirements. In its ~~annual report before~~ PRESENTATION TO the house and senate committees of reference pursuant to section 2-7-203, the department shall include information describing the grants awarded through the grant program during the preceding year.

SECTION 17. In Colorado Revised Statutes, **amend** 22-95.5-204 as follows:

22-95.5-204. Department of education reporting requirements. In its ~~annual report before the house and senate committees~~ PRESENTATION TO ITS ASSIGNED JOINT COMMITTEE of reference pursuant to section 2-7-203, the department shall include information describing the grants awarded through the grant program during the preceding year.

SECTION 18. In Colorado Revised Statutes, 22-99-103, **amend** (12) as follows:

22-99-103. Pilot program - creation - qualifying instruction - application - award of grants - report. (12) Notwithstanding ~~the provisions of~~ section 24-1-136 (11)(a)(I), ~~to the contrary,~~ the department shall PRESENT A report ON THE GRANTS AWARDED PURSUANT TO THE PILOT PROGRAM to the JOINT education ~~committees~~ COMMITTEE of the ~~senate~~

1 ~~and the house of representatives~~ GENERAL ASSEMBLY, or any successor
2 ~~committees~~ JOINT COMMITTEE, at the ~~annual meeting of legislative~~
3 ~~committees of reference conducted during the legislative interim pursuant~~
4 ~~to section 2-7-203, concerning grants awarded pursuant to the pilot~~
5 ~~program~~ HEARINGS HELD PURSUANT TO SECTION 2-7-203.
6 **SECTION 19.** In Colorado Revised Statutes, 23-5-146, **amend**
7 (8) as follows:
8 **23-5-146. Sexual misconduct - policies - confidential resources**
9 **- training - reports - definitions.** (8) Beginning in ~~2020, and every year~~
10 ~~thereafter~~ DECEMBER 2020 OR JANUARY 2021, the department shall
11 include ~~as part of its "State Measurement for Accountable, Responsive,~~
12 ~~and Transparent (SMART) Government Act" hearing required by section~~
13 ~~2-7-203~~ information concerning the reports submitted by institutions
14 pursuant to subsection (7)(a) of this section AS PART OF ITS PRESENTATION
15 PURSUANT TO SECTION 2-7-203.
16 **SECTION 20.** In Colorado Revised Statutes, 23-75-105, **amend**
17 (1) as follows:
18 **23-75-105. Reporting requirements.** (1) The department shall
19 report to the JOINT education ~~committees of the house of representatives~~
20 ~~and of the senate, or their successor committees~~ COMMITTEE OF THE
21 GENERAL ASSEMBLY, OR ANY SUCCESSOR JOINT COMMITTEE, and to the
22 joint budget committee concerning the development and implementation
23 of the pilot program. The report shall include a summary of the evaluation
24 of the pilot program pursuant to section 23-75-104 (4) in any year in
25 which a pilot program is operating. The department shall report on the
26 pilot program as part of the department's ~~annual~~ presentation to its
27 ~~legislative~~ ASSIGNED JOINT committee of reference pursuant to section

2-7-203.

SECTION 21. In Colorado Revised Statutes, 24-32-120, **amend** (4) as follows:

24-32-120. Justice reinvestment crime prevention initiative - program - rules - cash funds - reports - repeal. (4) On and after December 1, 2017, during its ~~annual~~ presentation before the joint judiciary committee of the general assembly, or any successor joint committee, pursuant to section 2-7-203, the division shall include a status report regarding the progress and outcomes of the initiatives developed and implemented by the division pursuant to this section during the preceding year.

SECTION 22. In Colorado Revised Statutes, 24-32-124, **amend** (6) as follows:

24-32-124. Law enforcement community services grant program - committee - policies and procedures - fund - rules - report - definitions - repeal. (6) The department of local affairs shall include a summarized report of the activities of the program in the department's ~~annual~~ presentation to ~~the committees~~ ITS ASSIGNED JOINT COMMITTEE of reference pursuant to section 2-7-203. Notwithstanding section 24-1-136 (11)(a)(I), the reporting requirements set forth in this section continue indefinitely.

SECTION 23. In Colorado Revised Statutes, 24-32-3501, **amend** (7)(b) as follows:

24-32-3501. Peace officers mental health support grant program - created - rules - policies and procedures - fund - definitions - repeal. (7) (b) On and after ~~November 1~~ DECEMBER 2021 OR JANUARY 2022, the department shall include a summarized report of

the activities of the grant program in the department's ~~annual~~ presentation to ~~the committees~~ ITS ASSIGNED JOINT COMMITTEE of reference pursuant to section 2-7-203. Notwithstanding section 24-1-136 (11)(a)(I), the reporting requirements set forth in this section continue until the grant program is repealed pursuant to subsection (11) of this section.

SECTION 24. In Colorado Revised Statutes, 24-33.5-412, **amend** (5)(b) as follows:

24-33.5-412. Functions of bureau - legislative review - interagency cooperation with reporting functions - processing time for criminal history record checks - computer crime - synthetic cannabinoids enforcement. (5) (b) Beginning in 2018, ~~and every year thereafter,~~ the department shall include ~~as part of its "State Measurement for Accountable, Responsive, and Transparent (SMART) Government Act" hearing required by section 2-7-203~~ information concerning the reports submitted by law enforcement agencies pursuant to subsection (5)(a) of this section, including but not limited to information concerning reports of bias-motivated crimes, as described in section 18-9-121, AS PART OF ITS PRESENTATION PURSUANT TO SECTION 2-7-203.

SECTION 25. In Colorado Revised Statutes, 24-33.5-520, **amend** (7) as follows:

24-33.5-520. Study on drugged driving - substance-affected driving data-analysis cash fund created - report - definitions. (7) The department of public safety shall include the report described in subsection (1) of this section in the department's ~~annual~~ presentation to the committees of reference pursuant to section 2-7-203.

SECTION 26. In Colorado Revised Statutes, 24-33.5-1228, **amend** (2.5)(a) as follows:

24-33.5-1228. Colorado firefighting air corps - creation - powers - aircraft acquisitions required - center of excellence - unmanned aircraft systems study and pilot program - Colorado firefighting air corps fund - creation - report - rules. (2.5) (a) Within eighteen months after May 12, 2014, the division shall operate a center of excellence for advanced technology aerial firefighting, also referred to in this section as the "center of excellence", based on the innovations proposed, analyzed, reviewed, evaluated, or implemented by the C-FAC in the technology, tactics, and economics of aerial resources, particularly in connection with the activities described in ~~subparagraphs (I) and (II) of paragraph (a) of subsection (2)~~ SUBSECTIONS (2)(a)(I) AND (2)(a)(II) of this section. The executive director shall include in his or her ~~annual report~~ PRESENTATION required under section 2-7-203 ~~C.R.S.,~~ an update regarding the center of excellence, including the center's activities, findings, and needs.

SECTION 27. In Colorado Revised Statutes, 24-33.5-1810, **amend** (6)(b) as follows:

24-33.5-1810. School security disbursement program - created - rules - definitions - repeal. (6) (b) Beginning with the ~~annual~~ presentation in 2019 provided by the department to ~~the committees~~ ITS ASSIGNED JOINT COMMITTEE of reference pursuant to section 2-7-203, the department shall include ~~in the annual presentation~~ a summary of the reports received pursuant to subsection (6)(a) of this section. Beginning in January 2020, and every January thereafter, the department shall submit a summary of the reports received pursuant to subsection (6)(a) of this section to the education committees of the senate and the house of representatives, or any successor committees.

1 **SECTION 28.** In Colorado Revised Statutes, 24-33.5-2106,
2 **amend** (2) as follows:
3 **24-33.5-2106. Reporting requirements.** (2) On or before
4 January 15, 2019, and ~~on or before January 31 each year thereafter~~ for the
5 duration of the grant program, the department shall include a summarized
6 report of the activities of the grant program in the department's ~~annual~~
7 presentation to ~~the applicable~~ ITS ASSIGNED JOINT committee of reference
8 pursuant to section 2-7-203.
9 **SECTION 29.** In Colorado Revised Statutes, 24-48.5-125,
10 **amend** (2) as follows:
11 **24-48.5-125. Protecting Colorado call center jobs - definitions.**
12 (2) The department shall ~~annually~~ include, as part of its presentation to
13 its ASSIGNED JOINT committee of reference ~~at a hearing held pursuant to~~
14 ~~section 2-7-203 (2)(a) of the "State Measurement for Accountable,~~
15 ~~Responsive, and Transparent (SMART) Government Act"~~ PURSUANT TO
16 SECTION 2-7-203, data that it currently collects regarding the call center
17 work force, including tracking call center jobs and wage analysis of
18 customer service employees.
19 **SECTION 30.** In Colorado Revised Statutes, 25.5-4-212, **amend**
20 (8) introductory portion as follows:
21 **25.5-4-212. Medicaid client correspondence improvement**
22 **process - legislative declaration - definition.** (8) As part of its ~~annual~~
23 presentation made to its ~~legislative~~ ASSIGNED JOINT committee of
24 reference pursuant to section 2-7-203, the state department shall present
25 information concerning:
26 **SECTION 31.** In Colorado Revised Statutes, 25.5-5-324, **amend**
27 (4)(a) as follows:

25.5-5-324. Nonemergency medical transportation - urgent transportation need - report - repeal. (4) (a) The state department shall ~~annually~~ report on the implementation and effectiveness of the process created in this section for meeting urgent transportation needs within the nonemergency medical transportation benefit. The state department shall present the report as part of its ~~annual~~ presentation to the JOINT health ~~and human services~~ committee of the ~~senate and the public health and human services committee of the house of representatives~~ GENERAL ASSEMBLY, or any successor ~~committees~~ JOINT COMMITTEE, as required pursuant to section 2-7-203.

SECTION 32. In Colorado Revised Statutes, 26-1-111.3, **amend** (4) as follows:

26-1-111.3. Activities of the state department under the supervision of the executive director - Colorado state youth development plan - creation - definitions. (4) Beginning in January 2015, ~~and every January thereafter,~~ the department shall report progress on the development and implementation of the plan as part of its ~~"State Measurement for Accountable, Responsive, and Transparent (SMART) Government Act" hearing required by section 2-7-203, C.R.S.~~ PRESENTATION PURSUANT TO SECTION 2-7-203.

SECTION 33. In Colorado Revised Statutes, 26-11.5-111, **amend** (1)(f)(I) as follows:

26-11.5-111. Duties of state department - report - rules. (1) In order to implement the provisions of this article 11.5, the state department shall carry out the following duties:

(f) (I) BEGINNING prior to the start of the 2018 legislative session, ~~and annually thereafter,~~ report to the joint budget committee and to the

1 state department's ~~legislative~~ ASSIGNED JOINT committee of reference
2 pursuant to section 2-7-203 concerning the state long-term care
3 ombudsman program and the state PACE ombudsman program, including
4 program caseloads and the need, if any, for additional local ombudsmen
5 in the programs.

6 **SECTION 34.** In Colorado Revised Statutes, 27-60-103, **amend**
7 (6)(a) as follows:

8 **27-60-103. Behavioral health crisis response system - services**
9 **- request for proposals - criteria - reporting - rules.** (6) (a) Beginning
10 in January 2014, ~~and every January thereafter,~~ the state department shall
11 report progress on the implementation of the crisis response system, as
12 well as information about and updates to the system, as part of its ~~"State~~
13 ~~Measurement for Accountable, Responsive, and Transparent (SMART)~~
14 ~~Government Act" hearing required by~~ PRESENTATION PURSUANT TO
15 section 2-7-203.

16 **SECTION 35.** In Colorado Revised Statutes, 27-70-103, **amend**
17 (3)(a) as follows:

18 **27-70-103. Medication consistency for individuals with**
19 **behavioral or mental health disorders in the criminal and juvenile**
20 **justice systems - medication formulary - cooperative purchasing -**
21 **reporting - rules.** (3) (a) Beginning in January 2019, ~~and every January~~
22 ~~thereafter,~~ the department of human services and the department of
23 corrections shall report progress on the implementation and use of the
24 medication formulary and cooperative purchasing as part of each
25 department's ~~"State Measurement for Accountable, Responsive, and~~
26 ~~Transparent (SMART) Government Act" hearing required by~~
27 PRESENTATION PURSUANT TO section 2-7-203. Each department shall

1 make such reports to the joint health ~~and human services~~ committee and
2 the joint judiciary committee OF THE GENERAL ASSEMBLY, or any
3 successor JOINT committees.
4 **SECTION 36.** In Colorado Revised Statutes, 27-80-107.5,
5 **amend** (7) as follows:
6 **27-80-107.5. Increasing access to effective substance use**
7 **disorder services act - managed service organizations - substance use**
8 **disorder services - assessment - community action plan - allocations**
9 **- reporting requirements - evaluation.** (7) Notwithstanding section
10 24-1-136 (11)(a)(I), the department shall report on outcomes related to
11 the implementation of this section as part of its ~~annual "State~~
12 ~~Measurement for Accountable, Responsive, and Transparent (SMART)~~
13 ~~Government Act" hearing required by~~ PRESENTATION PURSUANT TO
14 section 2-7-203, beginning with the hearing that precedes the 2019
15 legislative session.
16 **SECTION 37.** In Colorado Revised Statutes, 28-5-712, **amend**
17 (4) as follows:
18 **28-5-712. Veterans assistance grant program - created - rules**
19 **- fund - repeal.** (4) In its ~~annual report before the house and senate~~
20 ~~committees~~ PRESENTATION TO ITS ASSIGNED JOINT COMMITTEE of
21 reference pursuant to section 2-7-203, ~~C.R.S.,~~ the department of military
22 and veterans affairs shall include information describing the grants
23 awarded through the program during the preceding year.
24 **SECTION 38.** In Colorado Revised Statutes, 28-5-713, **amend**
25 (3)(b) as follows:
26 **28-5-713. Grand Junction veterans one-stop center - advisory**
27 **board - fund - definition - repeal.** (3) The division, in consultation with

the advisory board established pursuant to subsection (2) of this section, shall develop procedures for evaluating the effectiveness of the veterans one-stop center. The division shall provide the procedures and the annual results of the procedures to:

(b) The general assembly as part of ~~the annual report of~~ the department of military and veterans ~~affairs~~ AFFAIRS' PRESENTATION before ~~the house and senate committees~~ ITS ASSIGNED JOINT COMMITTEE of reference pursuant to section 2-7-203.

SECTION 39. In Colorado Revised Statutes, 34-60-121, **amend** (1)(c)(III) as follows:

34-60-121. Violations - penalties - rules - legislative declaration. (1) (c) The commission shall:

(III) Ensure that the reports prepared pursuant to ~~subparagraph (II) of this paragraph (c)~~ SUBSECTION (1)(c)(II) OF THIS SECTION are discussed at the ~~annual~~ departmental presentations made pursuant to section 2-7-203. ~~C.R.S.~~

SECTION 40. In Colorado Revised Statutes, 43-1-106, **amend** (17)(b.5)(II) as follows:

43-1-106. Transportation commission - powers and duties. (17) (b.5) (II) The department shall ~~annually~~ report to ~~the joint committees~~ ITS ASSIGNED JOINT COMMITTEE of reference of the ~~house of representatives and the senate to which the department of transportation is assigned~~ GENERAL ASSEMBLY pursuant to section 2-7-203 ~~(1) as part of the hearing required by section 2-7-203 (2)(a)~~ regarding the findings and any recommendations reported as required by subsection (17)(b.5)(I) of this section and the position of the department with respect to the findings and any recommendations.

1 **SECTION 41.** In Colorado Revised Statutes, 43-1-113, **amend**
2 (16)(c)(II) as follows:
3 **43-1-113. Funds - budgets - fiscal year - reports and**
4 **publications.** (16) (c) (II) In its ~~annual~~ presentation to ~~the joint~~
5 ~~committees~~ ITS ASSIGNED JOINT COMMITTEE of reference of the general
6 assembly ~~that have jurisdiction over transportation~~ required by section
7 2-7-203, the department shall identify each project for which the
8 executive director made an award pursuant to subsection (16)(c)(I) of this
9 section and shall explain the reasons for making the award and estimate
10 the amount of cost savings achieved by making the award.
11 **SECTION 42. Act subject to petition - effective date.** This act
12 takes effect at 12:01 a.m. on the day following the expiration of the
13 ninety-day period after final adjournment of the general assembly (August
14 5, 2020, if adjournment sine die is on May 6, 2020); except that, if a
15 referendum petition is filed pursuant to section 1 (3) of article V of the
16 state constitution against this act or an item, section, or part of this act
17 within such period, then the act, item, section, or part will not take effect
18 unless approved by the people at the general election to be held in
19 November 2020 and, in such case, will take effect on the date of the
20 official declaration of the vote thereon by the governor.

MEMORANDUM

JOINT BUDGET COMMITTEE

TO	Joint Budget Committee
FROM	Amanda Bickel, JBC Staff (x4960)
DATE	February 4, 2020
SUBJECT	Bill Draft: Align State Financial Aid Statutes with Current Practice - OLLS 20-0399

SUMMARY: Staff recommends that the JBC vote to sponsor the attached bill draft, *Align State Financial Aid Statutes with Current Practice (OLLS 20-0399)*, as a JBC bill. The bill draft is designed to address archaic and conflicting language in current statute without changing the current management of state financial aid programs. The Department of Higher Education, institutional financial aid directors, and JBC staff collaborated on the bill draft, which was prepared for the Statutory Revision Committee (SRC). Since the SRC has declined to carry the bill on the grounds that it may be too substantive to fit within the SRC's purview, staff recommends that the JBC carry the bill instead. Based on feedback on the bill draft so far, staff does not expect the bill to be controversial. If the Committee agrees to carry the bill, staff requests Committee permission to strike the words "and department guidelines" on page 9, line 8, and make other minor technical changes prior to the bill's introduction.

HISTORY OF THE BILL: At the Committee's September 20, 2019, meeting, JBC staff recommended that the General Assembly take steps to modernize the higher education financial aid statutes, which no longer reflect current practice. Although the Department of Higher Education had indicated it was not interested in statutory change, legislative staff remained concerned about the archaic statutes. If law and practice diverge, it is harder to resolve disputes about what should be happening. Furthermore, if the General Assembly wants to change practice through new legislation, it can be difficult to know what language to change in order to achieve the desired result.

During the JBC's September meeting, staff noted a bill could potentially be carried by either the Joint Budget Committee or the Statutory Revision Committee (SRC). After some discussion, the JBC decided to forward a recommendation to the SRC (on which both Senators Moreno and Zenzinger serve) asking the Committee to consider a bill on this topic.

The SRC subsequently requested a bill draft, which was developed in close collaboration with the Department of Higher Education and JBC staff. On January 16, 2020, the SRC discussed the bill draft. When some members raised concerns that the bill might be too substantive for the SRC, Sen. Zenzinger moved that the SRC decline to carry the bill and instead refer it back to the JBC. This passed without objection.

STATUTORY PROBLEMS ADDRESSED BY THE BILL: there are two key issues addressed by the bill:

- The statutes describe a process by which the Colorado Commission on Higher Education decides which financial aid programs it will fund and then informs the Joint Budget Committee about these plans and updates to the plan. Under modern practice, the Joint Budget Committee appropriates funds to specific line items, e.g., "Need Based Aid", and the Commission allocates funds among higher education institutions for that purpose.

- Current statute also includes conflicting provisions about to what extent higher education governing boards, versus the Colorado Commission on Higher Education, have authority to establish financial aid policies. The statutes appear to provide this authority to both. In current practice, the Commission adopts policies which impose certain limitation on the use of state financial aid, such as limiting financial aid to resident students, and the Department establishes student budget guidelines that are used to determine which students qualify on the basis of need. Institutions then receive block allocations of financial aid funds and apply their own policies to prioritize the distribution of these funds among students who meet the basic qualifications for financial aid. Thus, there is a functional "division of power" in current practice, but this is not clear from statute.

OLLS 20-0399 addresses these issues by reorganizing existing language, adding new text, and deleting obsolete statutory provisions so that the process for appropriating financial aid by the General Assembly and the authority of various entities to make decisions related to financial aid are more clear.

The bill draft is attached. The September 20, 2019 memo provides additional detail about current financial aid statutes, practice, and funding allocations. The memo is available at this link: http://leg.colorado.gov/sites/default/files/hedfinaid-09-20-19.pdf

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MEMORANDUM[1]

TO: Statutory Revision Committee

FROM: Julie Pelegrin, Office of Legislative Legal Services

DATE: October 1, 2019

SUBJECT: Concerning changes to align state financial aid statutes with current practice

Summary

The statutes concerning student financial aid – section 23-3.3-101, et seq., C.R.S., – were originally enacted in 1979, and although they have been amended over the years, they do not reflect the current practice of appropriating money for student financial aid programs by line item and are ambiguous as to the duties and authority that the Colorado Commission on Higher Education (Commission) and the Department of Higher Education (CDHE) currently exercise in allocating student financial aid money to institutions of higher education.

Parts 1, 2, 3, 4, and 5 of article 3.3 and article 3.5 of title 23, C.R.S., may be amended or repealed to provide an accurate description of the existing powers, duties, and practices regarding the student financial aid program and to remove obsolete statutes. Amending and repealing some of these statutes would result in streamlining and reducing the statutes.

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[1] This legal memorandum was prepared by the Office of Legislative Legal Services (OLLS) in the course of its statutory duty to provide staff assistance to the Statutory Revision Committee (SRC). It does not represent an official legal position of the OLLS, SRC, General Assembly, or the state of Colorado, and is not binding on the members of the SRC. This memorandum is intended for use in the legislative process and as information to assist the SRC in the performance of its legislative duties.

The Joint Budget Committee staff brought this issue to the attention of the Joint Budget Committee, which requested the OLLS to prepare a bill draft for the Statutory Revision Committee's consideration. In reviewing the requested changes, the OLLS believes the changes may require significant policy decisions by the General Assembly, which may place this bill beyond the Statutory Revision Committee's charge to "modify or eliminate antiquated, redundant, or contradictory rules of law and to bring the law of this state into harmony with modern conditions …".[2]

It is the understanding of the OLLS staff that the Joint Budget Committee staff and staff from the CDHE have discussed these proposed changes and that the CDHE and the Commission do not support amending or repealing any portion of article 3.3 of title 23, C.R.S., or repealing article 3.5 of title 23, C.R.S.

Analysis

Under current law, part 1 of article 3.3 of title 23, C.R.S., generally authorizes the Commission to establish a program of financial assistance. Further, the statute requires the Commission to:

- Adopt guidelines for determining which institutions are eligible to participate in the program and annually allocate money to each institution;
- Provide information in its annual budget request for the proposed distribution of money among financial aid programs created in the remaining parts of article 3.3; and
- After the final appropriations, provide to the Joint Budget Committee a proposal for allocating the appropriations among the programs in the coming year.

Parts 3, 4, and 5 of article 3.3 of title 23, C.R.S., consistent with the language in part 1, direct the Commission, out of any money remaining after allocating money to financial aid for dependents of deceased or disabled prisoners of war, National Guard members, law enforcement officers, or firefighters, to allocate money first to the student loan matching program and next to work-study programs and scholarship and grant programs based on need and merit. The statutes do not define need-based or merit-based grants or programs.

In actual practice, the Joint Budget Committee appropriates money for financial aid to dependents of deceased or disabled prisoners of war, National Guard members, law

[2] § 2-3-902 (1)(d), C.R.S.

enforcement officers, or firefighters and for work-study, need-based, and merit-based financial aid programs by separate line items in the annual long bill. The Commission does not provide a proposal for allocations following the appropriation, and it does not itself decide how much of the total student financial aid appropriation is allocated to work-study programs or need-based or merit-based grants or programs.

In addition, the Commission has adopted policies:

- Limiting financial aid funding to only students who are Colorado residents;
- Limiting the eligibility of students for financial aid based on other factors;
- Setting goals for the various financial aid programs;
- Establishing procedures for determining residency and student need; and
- Establishing minimum administrative requirements for implementing the financial aid programs at institutions of higher education.

While section 23-3.3-102 (1), C.R.S., grants the Commission broad authority "to establish a program of financial assistance," it is arguably ambiguous as to whether the Commission's authority extends to adopting all of these policies. In addition, section 23-3.3-102 (3), C.R.S., directs each state institution and each private institution that participates in the financial aid programs to administer their programs according to policies and procedures established by their respective governing boards. The statute authorizes both the Commission and the institutional governing boards to establish policies and procedures for financial aid programs, but does not allocate the authority to address specific issues between the Commission and the institutions' governing boards.

Article 3.5 of title 23, C.R.S., concerning the Colorado student incentive grant program, was enacted two years before article 3.3 of title 23, C.R.S., and it appears to be completely redundant to article 3.3. Further, article 3.5 has not been funded in several years, because all of the student financial aid funding is appropriated pursuant to article 3.3 of title 23, C.R.S.

Statutory Charge[3]

The financial aid program statutes do not reflect actual practice in appropriating and allocating money for these programs, and they are ambiguous with regard to the

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[3] The Statutory Revision Committee is charged with "[making] an ongoing examination of the statutes of the state and current judicial decisions for the purpose of discovering defects and anachronisms in the law and recommending needed reforms" and recommending "legislation annually to effect such changes

allocation of authority to adopt policies and procedures concerning these programs. Clarifying the statutory appropriations process and distribution of regulatory authority to reflect what has been the practice of the Joint Budget Committee, the Commission, and the institutional governing boards for several years could be described as removing anachronisms from the law and correcting defects in the law, thereby falling within the Committee's charge. However, amending the statutes to clarify and assign responsibilities and duties with regard to financial aid programs would likely raise many policy considerations and decisions, which suggests a bill making these changes may not fit within the Committee's charge.

Proposed Bill

If approved by the Statutory Revision Committee, a bill to address the issues discussed in this memo would:

- Amend section 23-3.3-101, C.R.S., to add and clarify definitions;
- Repeal and reenact section 23-3.3-102, C.R.S., to specify the appropriations process for student financial aid programs and describe the regulatory authority of the Commission and institutional governing boards regarding student financial aid programs;
- Repeal parts 3 through 5 of article 3.3 and article 3.5 of title 23, C.R.S.; and
- Make necessary conforming amendments.

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in the law as it deems necessary in order to modify or eliminate antiquated, redundant, or contradictory rules of law and to bring the law of this state into harmony with modern conditions." § 2-3-902 (1), C.R.S. In addition, the Committee "shall propose legislation only to streamline, reduce, or repeal provisions of the Colorado Revised Statutes." § 2-3-902 (3), C.R.S.

ADDENDUM A

Part 1 of article 3.3 of Title 23, C.R.S.

23-3.3-101. Definitions. As used in this article 3.3, unless the context otherwise requires:

(1) "Commission" means the Colorado commission on higher education.

(1.5) "Cost of attendance at a nonpublic institution of higher education" means:

(a) Allowances specified by the commission for room and board and miscellaneous expenses, which shall be the same for nonpublic institutions of higher education as for a representative group of comparable state institutions, as determined by the commission; and

(b) An allowance for tuition and fees equal to the lesser of:

(I) The actual tuition and fees charged by the nonpublic institution of higher education; or

(II) One hundred percent of the combination of actual in-state tuition and fees charged by a representative group of comparable state institutions plus the general fund moneys allocated to support such comparable state institutions.

(2) "In-state student" means a student at an institution of higher education who meets the criteria established by article 7 of this title for classification as an in-state student at a state institution of higher education, but "in-state student" does not include a member of the armed forces of the United States or his dependents who are eligible to obtain in-state tuition status upon moving to Colorado on a permanent change-of-station basis until such individual meets the one-year domicile requirement of section 23-7-102 (5).

(3) "Institution" means an educational institution operating in this state that meets all of the following:

(a) Admits as regular students persons having a certification of graduation from a school providing secondary education or comparable qualifications and persons for enrollment in courses which they reasonably may be expected to complete successfully;

(b) Is accredited by a nationally recognized accrediting agency or association and, in the case of private occupational schools, holds a regular certificate in accordance with the provisions of article 64 of this title 23;

(c) (I) Provides an educational program for which it awards a bachelor's degree;

(II) Provides not less than a two-year program which is acceptable for full credit towards such a degree; or

(III) Provides not less than a six-month program of training to prepare students for gainful employment in a recognized occupation;

(d) Is not a branch program of an institution of higher education whose principal campus and facilities are located outside this state.

(3.5) "Nonpublic institution of higher education" shall have the same meaning as provided in section 23-3.7-102 (3).

(3.7) "Professional degree in theology" means a certificate signifying a person's graduation from a degree program that is:

(a) Devotional in nature or designed to induce religious faith; and

(b) Offered by an institution as preparation for a career in the clergy.

(4) "State institution" means an institution supported in whole or in part by general fund moneys.

(5) "Undergraduate" refers to any program leading toward a bachelor's degree or associate degree or any nondegree program providing training for employment in a recognized occupation.

23-3.3-102. Assistance program authorized - procedure - audits. (1) The general assembly hereby authorizes the commission to establish a program of financial assistance, to be operated during any school sessions, including summer sessions for students attending institutions.

(2) The commission shall determine, by guideline, the institutions eligible for participation in the program and shall annually determine the amount allocated to each institution.

(3) Each state institution shall administer a financial assistance program according to policies and procedures established by the governing board of the institution. Each private institution of higher education, as defined in section 23-18-102 (9), that participates in the program of financial assistance established pursuant to this section shall administer a financial assistance program according to policies and procedures established by the governing board of the institution. Each participating nonpublic institution that is not a private institution of higher education shall administer a financial assistance program according to policies and procedures established by the commission. Each institution shall fund its assistance program using state moneys allocated to the institution and institutional moneys.

(3.5) Notwithstanding any provision of this article to the contrary, each participating institution shall adopt policies and procedures to allow a person who meets the following criteria to qualify for financial assistance through the financial assistance programs established pursuant to this article:

(a) The person qualifies as an in-state student; and

(b) The person is enrolled at an institution that participates in the programs of financial assistance established pursuant to this article; and

(c) The person is enrolled in an approved program of preparation, as defined in section 22-60.5-102 (8), C.R.S., for principals.

(4) Program disbursements shall be handled by the institution subject to audit and review.

(5) Upon commencement of participation in the program, no participating institution shall decrease the amount of its own funds spent for student aid below the amount so spent prior to participation in the program.

(6) In determining the amount allocated to each institution that is not a state institution or a nonpublic institution of higher education, the commission shall consider only that portion of financial need which would have existed were the institution's tuition no greater than the highest in-state tuition rate charged by a comparable state institution. In determining the amount allocated to each nonpublic institution of higher education, the commission shall base its determination upon the cost of attendance at a nonpublic institution of higher education.

(7) Each annual budget request submitted by the commission shall provide information on the proposed distribution of moneys among the programs developed under this article. Subsequent to final appropriation, the commission shall provide to the

joint budget committee an allocation proposal specifically identifying the distributions among programs for the coming year. Expenditures in any program shall not exceed the allocation for that program by more than ten percent of such allocation, and the total appropriation for all student aid programs shall not be exceeded. The commission may require such reports from institutions as are necessary to fulfill the reporting requirements of this subsection (7) and to perform other administrative tasks.

(8) The state auditor or his or her designee shall audit, in accordance with state statute and federal guidelines, the program at any participating institution every other year to review residency determinations, needs analyses, awards, payment procedures, and such other practices as may be necessary to ensure that the program is being properly administered, but the audit shall be limited to the administration of the program at the participating institution. The state auditor may accept an audit of the program from an institution that is not a state institution from such institution's independent auditor. The cost of conducting audits of the program at an institution that is not a state institution shall be borne by such institution.

(9) Repealed.

Part 3 of Article 3.3 of Title 23, C.R.S.

23-3.3-301. Student loan matching program - funding. Out of any moneys provided for the financial assistance program authorized by section 23-3.3-102 and remaining after meeting the requirements of part 2 of this article, the commission shall provide the matching funds required for federal allocations to institutions for student loan programs.

Part 4 of Article 3.3 of Title 23, C.R.S.

23-3.3-401. Work-study program established - requirements. (1) The commission shall use a portion of any moneys remaining after meeting the requirements of parts 2 and 3 of this article to provide a work-study program of employment of qualifying students in good standing with the institution in which they are enrolled in positions that are directly under the control of the institution in which the student is enrolled or in positions with nonprofit organizations, governmental agencies, or for-profit organizations with which the institution may execute student employment contracts.

(2) Any in-state student who is enrolled or accepted for enrollment at an institution as an undergraduate may qualify for participation in the work-study program established pursuant to this section.

(3) Funds appropriated to the commission may also be used by the commission in conjunction with and to supplement funds for current job opportunities or to supplement or match funds made available through any other public or private program for financial assistance. A sum not to exceed thirty percent of the funds allocated by the commission for the work-study program may be used to provide funding on a basis other than financial need. A sum of not less than seventy percent of such money shall be used for students demonstrating financial need.

Part 5 of Article 3.3 of Title 23, C.R.S.

23-3.3-501. Scholarship and grant program - funding. The commission shall use a portion of any moneys remaining after meeting the requirements of parts 2 and 3 of this article to provide other programs of financial assistance based upon financial need, merit, talent, or other criteria established by the commission for students enrolled at institutions.

Article 3.5 of Title 23, C.R.S.

23-3.5-101. Legislative declaration. The general assembly hereby declares that it is the policy of this state, within appropriations available for such purpose, to provide assistance to Colorado in-state students attending institutions of higher education, by utilizing federal and other moneys available for such purpose.

23-3.5-102. Definitions. As used in this article 3.5, unless the context otherwise requires:

(1) "Commission" means the Colorado commission on higher education.

(2) "In-state student" means an undergraduate student at an institution of higher education who meets the criteria established by article 7 of this title for classification as an in-state student at a state institution of higher education, but "in-state student" does not include a member of the armed forces of the United States or his dependents who are eligible to obtain in-state tuition status upon moving to Colorado on a permanent change-of-station basis until such individual meets the one-year domicile requirement of section 23-7-102 (5).

(3) (a) "Institution of higher education" means an educational institution operating in this state that:

(I) Admits as regular students only persons having a certification of graduation from a school providing secondary education or the recognized equivalent of such a certificate;

(II) Is accredited by a nationally recognized accrediting agency or association and, in the case of private occupational schools, holds a regular certificate from the private occupational school division in accordance with the provisions of article 64 of this title 23, or is regulated or approved pursuant to any other statute;

(III) (A) Provides an educational program for which it awards a bachelor's degree; or

(B) Provides not less than a two-year program which is acceptable for full credit towards such a degree; or

(C) Provides not less than a one-year program of training to prepare students for gainful employment in a recognized occupation; or

(D) Is a private occupational school providing not less than a six-month program of training to prepare students for gainful employment in a recognized occupation;

(IV) Was in operation in this state as of January 1, 1999, or has been in operation in this state for a minimum of ten academic years.

(b) The term "institution of higher education" does not include a branch program of an institution of higher education whose principal campus and facilities are located outside this state, unless the institution operating the branch program has received a certificate of approval from the private occupational school division in accordance with the provisions of article 64 of this title 23.

(4) "Nonpublic institution" means an educational institution which receives no support from general fund moneys in support of its operating costs.

(5) "Professional degree in theology" means a certificate signifying a person's graduation from a degree program that is:

(a) Devotional in nature or designed to induce religious faith; and

(b) Offered by an institution as preparation for a career in the clergy.

23-3.5-103. Grant program authorized - administration. (1) The general assembly hereby authorizes the commission to establish a grant program for in-state students having financial need, to be administered in accordance with federal law and regulations and guidelines established by the commission.

(2) The commission shall determine, by guideline, the institutions of higher education eligible for participation in the grant program, and each eligible institution of higher education shall recommend in-state students to the commission for receipt of a grant.

(3) Grant program disbursements shall be handled by the institution of higher education, subject to audit and review as provided in section 23-3.5-104.

(4) Upon commencement of participation in the grant program, no participating institution of higher education shall decrease the amount of its own funds spent for student aid below the amount so spent prior to participation in the grant program.

(5) In determining the amount of a grant, the commission shall consider only that portion of an in-state student's financial need which would have existed were the nonpublic institution's tuition no greater than the highest in-state tuition rate charged by a comparable state institution of higher education.

23-3.5-103.5. Assistance to professional theology students prohibited. (1) The guidelines established by the commission pursuant to section 23-3.5-103 (1) shall include:

(a) A prohibition against the awarding of any financial assistance pursuant to this article to a student who is pursuing a professional degree in theology; except that the prohibition described in this section shall not apply to financial assistance that is awarded to a student from a federal program, including but not limited to Title IV of the federal "Higher Education Act of 1965", 20 U.S.C. sec. 1070, as amended; and

(b) A requirement that an institution or nonpublic institution of higher education that seeks to award financial assistance to a student pursuant to this article certify that the student is not pursuing a professional degree in theology.

23-3.5-104. Audit and review. The state auditor or his designee shall audit, in accordance with federal and commission guidelines, the grant program at any participating institution of higher education every other year to review residency determinations, needs analyses, awards, payment procedures, and such other practices as may be necessary to ensure that the grant program is being properly administered, but such audit shall be limited to the administration of the grant program at the participating institution of higher education. The state auditor may accept an audit of the program from an institution not supported in whole or in part by the general fund from the institution's independent auditor. The cost of conducting audits of the program at an institution not supported in whole or in part by the general fund shall be borne by the institution.

23-3.5-105. Determination of eligibility. (Repealed)

23-3.5-106. Determination of invalidity. A final judicial determination that this article is invalid as applied to any individual institution of higher education or student shall not operate to terminate any grant provided pursuant to this article to any other institution of higher education or student.

Second Regular Session
Seventy-second General Assembly
STATE OF COLORADO

DRAFT
1.9.20

DRAFT

LLS NO. 20-0399.01 Julie Pelegrin x2700 **COMMITTEE BILL**

Statutory Revision Committee

BILL TOPIC: "Align Student Financial Aid With Practice"

A BILL FOR AN ACT

101 **CONCERNING CHANGES TO ALIGN FINANCIAL AID STATUTES WITH**
102 **PRACTICE IN ALLOCATING FINANCIAL AID.**

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at http://leg.colorado.gov/.)

Statutory Revision Committee. Existing statutes set priorities for the Colorado commission on higher education (commission) to follow in allocating money to various forms of student financial aid, including aid to dependents of certain military and public safety personnel, need-based financial aid, work study programs, and merit-based financial aid. Under the bill, the general assembly will appropriate specific amounts by separate line item for the various forms of student financial aid. Each

institution of higher education must ensure that it uses the amounts it receives in accordance with the purposes of the various line item appropriations. Under existing law, funding for financial aid for dependents of certain military personnel and public safety personnel have priority over other forms of financial aid, and the bill maintains that priority.

The bill clarifies the commission's and the department of higher education's responsibilities and powers in establishing the state financial aid program and the powers and responsibilities of the various institutions in establishing and administering the institutional financial aid programs.

The bill allows the commission to transfer money between financial aid line items and between a financial aid line item and the appropriation for the Colorado opportunity fund stipend for students enrolled in participating private institutions of higher education, but a transfer cannot increase the spending authority for a line item by more than 10%. The commission must submit an annual report concerning the state student financial assistance program to the joint budget committee and the education committees of the general assembly.

Be it enacted by the General Assembly of the State of Colorado:

SECTION 1. In Colorado Revised Statutes, **amend** 23-3.3-101 as follows:

23-3.3-101. Definitions. As used in this article 3.3, unless the context otherwise requires:

(1) "Commission" means the Colorado commission on higher education ESTABLISHED IN SECTION 23-1-102.

(1.5) ~~"Cost of attendance at a nonpublic institution of higher education" means:~~

~~(a) Allowances specified by the commission for room and board and miscellaneous expenses, which shall be the same for nonpublic institutions of higher education as for a representative group of comparable state institutions, as determined by the commission; and~~

~~(b) An allowance for tuition and fees equal to the lesser of:~~

~~(I) The actual tuition and fees charged by the nonpublic institution~~

~~of higher education; or~~

~~(II) One hundred percent of the combination of actual in-state tuition and fees charged by a representative group of comparable state institutions plus the general fund moneys allocated to support such comparable state institutions.~~

(2) "In-state student" means a student ~~at~~ ENROLLED IN an institution ~~of higher education~~ who meets the criteria established by article 7 of this ~~title~~ TITLE 23 for classification as an in-state student, ~~at a state institution of higher education,~~ but "in-state student" does not include a member of the armed forces of the United States or ~~his~~ THE MEMBER'S dependents who are eligible to obtain in-state tuition status upon moving to Colorado on a permanent change-of-station basis until ~~such individual~~ THE MEMBER OR THE DEPENDENT meets the one-year domicile requirement of section 23-7-102 (5).

(3) "Institution" means an educational institution operating in this state that meets all of the following:

(a) Admits as regular students persons having a certification of graduation from a school ~~providing~~ THAT PROVIDES secondary education or comparable qualifications and persons for enrollment in courses ~~which~~ THAT they reasonably may be expected to complete successfully;

(b) Is accredited by a nationally recognized accrediting agency or association and, in the case of private occupational schools, holds a regular certificate in accordance with the provisions of article 64 of this title 23;

(c) (I) Provides an educational program for which it awards a bachelor's degree;

(II) Provides not less than a two-year program ~~which~~ THAT is

1 acceptable for full credit ~~towards~~ TOWARD such a degree; or
2 (III) Provides not less than a six-month program of training to
3 prepare students for gainful employment in a recognized occupation;
4 (d) Is not a branch program of an institution of higher education
5 whose principal campus and facilities are located outside this state; AND
6 (e) HAS OPERATED WITHIN THE STATE FOR AT LEAST TEN
7 ACADEMIC YEARS.
8 (4) "MERIT-BASED ASSISTANCE" MEANS FINANCIAL AID THAT AN
9 INSTITUTION AWARDS TO A STUDENT BASED ON THE STUDENT'S ACADEMIC,
10 ARTISTIC, ATHLETIC, OR OTHER SPECIAL ACCOMPLISHMENTS.
11 (5) "NEED-BASED ASSISTANCE" MEANS FINANCIAL AID THAT AN
12 INSTITUTION AWARDS TO A STUDENT TO OFFSET THE STUDENT'S
13 DEMONSTRATED FINANCIAL NEED. FOR THE PURPOSES OF DETERMINING
14 STATE AND FEDERAL NEED-BASED FINANCIAL ASSISTANCE, AN
15 INSTITUTION SHALL CALCULATE NEED AS THE COST OF ATTENDANCE, LESS
16 THE EXPECTED FAMILY CONTRIBUTION.
17 ~~(3.5)~~ (6) "Nonpublic institution of higher education" ~~shall have~~
18 HAS the same meaning as provided in section 23-3.7-102 (3).
19 (7) "PRIVATE INSTITUTION" HAS THE SAME MEANING AS THE TERM
20 "PRIVATE INSTITUTION OF HIGHER EDUCATION" DEFINED IN SECTION
21 23-18-102 (9).
22 ~~(3.7)~~ (8) "Professional degree in theology" means a certificate
23 signifying a person's graduation from a degree program that is:
24 (a) Devotional in nature or designed to induce religious faith; and
25 (b) Offered by an institution as preparation for a career in the
26 clergy.
27 ~~(4)~~ (9) ~~"State institution"~~ "PUBLIC INSTITUTION" means an

1 institution ~~supported in whole or in part by general fund moneys~~ THAT
2 ENTERS INTO A FEE-FOR-SERVICE CONTRACT WITH THE DEPARTMENT OF
3 HIGHER EDUCATION PURSUANT TO SECTION 23-18-303, A LOCAL DISTRICT
4 COLLEGE THAT OPERATES PURSUANT TO ARTICLE 71 OF THIS TITLE 23, OR
5 AN AREA TECHNICAL COLLEGE AS DEFINED IN SECTION 23-60-103 (1).
6 (10) "STATE PROGRAM" MEANS THE STATE PROGRAM OF STUDENT
7 FINANCIAL ASSISTANCE ESTABLISHED BY THE COMMISSION PURSUANT TO
8 SECTION 23-3.3-102 (2).
9 ~~(5)~~ (11) "Undergraduate" ~~refers to any program leading~~ MEANS A
10 PROGRAM THAT LEADS toward a bachelor's degree, ~~or~~ AN associate degree,
11 or ~~any nondegree program providing~~ A CERTIFICATE OR A PROGRAM THAT
12 PROVIDES training for employment in a recognized occupation AND THAT
13 DOES NOT REQUIRE A PERSON TO HOLD A BACHELOR'S DEGREE OR HIGHER
14 AS A CONDITION OF ADMISSION.
15 (12) "WORK STUDY" MEANS A PROGRAM FOR EMPLOYMENT OF A
16 QUALIFYING STUDENT IN GOOD STANDING WITH THE INSTITUTION IN WHICH
17 THE STUDENT IS ENROLLED IN A POSITION THAT IS DIRECTLY UNDER THE
18 CONTROL OF THE INSTITUTION IN WHICH THE STUDENT IS ENROLLED OR IN
19 A POSITION WITH A NONPROFIT ORGANIZATION, GOVERNMENTAL AGENCY,
20 OR FOR-PROFIT ORGANIZATION WITH WHICH THE INSTITUTION MAY
21 EXECUTE A STUDENT EMPLOYMENT CONTRACT. AN IN-STATE STUDENT
22 WHO IS ENROLLED OR ACCEPTED FOR ENROLLMENT AT AN INSTITUTION AS
23 AN UNDERGRADUATE MAY QUALIFY FOR PARTICIPATION IN A WORK STUDY
24 PROGRAM.
25 **SECTION 2.** In Colorado Revised Statutes, **repeal and reenact,**
26 **with amendments,** 23-3.3-102 as follows:
27 **23-3.3-102. Assistance program authorized - procedure -**

1 **audits - report.** (1) THE GENERAL ASSEMBLY SHALL ANNUALLY
2 APPROPRIATE MONEY THAT THE COMMISSION SHALL ALLOCATE TO
3 INSTITUTIONS FOR STUDENT FINANCIAL ASSISTANCE PROGRAMS. IT IS THE
4 INTENT OF THE GENERAL ASSEMBLY TO ANNUALLY APPROPRIATE AN
5 AMOUNT FOR FINANCIAL ASSISTANCE FOR STUDENTS WHO QUALIFY UNDER
6 PART 2 OF THIS ARTICLE 3.3. IN ADDITION, THE GENERAL ASSEMBLY MAY
7 ANNUALLY APPROPRIATE, AS SEPARATE LINE ITEMS, MONEY FOR STUDENT
8 FINANCIAL ASSISTANCE IN THE FORM OF NEED-BASED ASSISTANCE, WORK
9 STUDY ASSISTANCE, AND MERIT-BASED ASSISTANCE.
10 (2) (a) THE COMMISSION SHALL ESTABLISH A STATE PROGRAM OF
11 STUDENT FINANCIAL ASSISTANCE TO ALLOCATE TO INSTITUTIONS THE
12 AMOUNTS THE GENERAL ASSEMBLY APPROPRIATES PURSUANT TO
13 SUBSECTION (1) OF THIS SECTION. IN ESTABLISHING THE STATE PROGRAM,
14 THE COMMISSION SHALL SPECIFY THE STATEWIDE GOALS FOR THE STATE
15 PROGRAM AND ADOPT POLICIES, AND THE DEPARTMENT OF HIGHER
16 EDUCATION SHALL ADOPT GUIDELINES AS NECESSARY, TO IDENTIFY THE
17 INSTITUTIONS THAT ARE ELIGIBLE TO PARTICIPATE IN THE STATE
18 PROGRAM, AND TO ALLOCATE THE MONEY APPROPRIATED FOR THE STATE
19 PROGRAM. THE COMMISSION SHALL DESIGN THE STATE PROGRAM TO
20 DISTRIBUTE AMOUNTS FOR STUDENT FINANCIAL ASSISTANCE THROUGHOUT
21 THE FISCAL YEAR.
22 (b) THE COMMISSION SHALL ADOPT POLICIES, AND THE
23 DEPARTMENT OF HIGHER EDUCATION SHALL ADOPT GUIDELINES AS
24 NECESSARY, TO ANNUALLY ESTABLISH THE STUDENT BUDGET IN
25 ACCORDANCE WITH TITLE IV OF THE FEDERAL "HIGHER EDUCATION ACT
26 OF 1965", 20 U.S.C. SEC. 1070, ET SEQ., FOR PURPOSES OF DETERMINING
27 THE LEVEL OF STUDENT NEED.

1 (c) THE COMMISSION MAY ADOPT ADDITIONAL POLICIES, AND THE
2 DEPARTMENT OF HIGHER EDUCATION MAY ADOPT ANY NECESSARY
3 GUIDELINES, TO:
4 (I) LIMIT STUDENT ELIGIBILITY FOR AID BASED ON ONE OR MORE
5 OF THE FOLLOWING FACTORS:
6 (A) WHETHER THE STUDENT IS SEEKING A DEGREE OR A
7 CERTIFICATE;
8 (B) WHETHER THE STUDENT IS AN UNDERGRADUATE STUDENT OR
9 A GRADUATE STUDENT;
10 (C) IF THE STUDENT IS A GRADUATE STUDENT, WHETHER THE
11 DEGREE PROGRAM IN WHICH THE STUDENT IS ENROLLED MEETS A STATE
12 EMPLOYMENT NEED; AND
13 (D) WHETHER THE STUDENT IS IN GOOD ACADEMIC STANDING AND
14 DEMONSTRATING SATISFACTORY ACADEMIC PROGRESS;
15 (II) ESTABLISH PROCEDURES FOR DETERMINING STUDENT
16 RESIDENCY AND STUDENT NEED, CONSISTENT WITH STATUTORY
17 REQUIREMENTS;
18 (III) FACILITATE COMPLIANCE WITH OTHER STATE AND FEDERAL
19 REQUIREMENTS; AND
20 (IV) ESTABLISH MINIMUM ADMINISTRATIVE REQUIREMENTS TO
21 ENSURE THAT EACH INSTITUTION'S FINANCIAL ASSISTANCE PROGRAM
22 COMPLIES WITH STATE AND FEDERAL LAW, COMMISSION POLICIES, AND
23 DEPARTMENT OF HIGHER EDUCATION GUIDELINES AND THAT EACH
24 PARTICIPATING INSTITUTION HAS ADOPTED POLICIES AND PRACTICES
25 NECESSARY TO ENSURE PROPER PROGRAM ADMINISTRATION.
26 (3) (a) TO RECEIVE MONEY FOR STUDENT FINANCIAL ASSISTANCE
27 PURSUANT TO SUBSECTION (2) OF THIS SECTION, AN INSTITUTION MUST

1 ESTABLISH A FINANCIAL ASSISTANCE PROGRAM FOR STUDENTS ENROLLED
2 IN THE INSTITUTION. IN ESTABLISHING AND IMPLEMENTING A FINANCIAL
3 ASSISTANCE PROGRAM, AN INSTITUTION SHALL CREATE POLICIES AND
4 PROGRAMS THAT ALIGN WITH THE COMMISSION'S FINANCIAL AID POLICIES.
5 AT A MINIMUM, THE FINANCIAL ASSISTANCE PROGRAM MUST INCLUDE
6 DISTRIBUTION OF STUDENT FINANCIAL ASSISTANCE IN THE FORMS
7 DESCRIBED IN THIS PART 1 AND IN PART 2 OF THIS ARTICLE 3.3; EXCEPT
8 THAT, IN A FISCAL YEAR IN WHICH THE GENERAL ASSEMBLY DOES NOT
9 APPROPRIATE MONEY FOR A PARTICULAR FORM OF FINANCIAL ASSISTANCE,
10 THE INSTITUTION'S FINANCIAL ASSISTANCE PROGRAM IS NOT REQUIRED TO
11 DISTRIBUTE MONEY FOR THAT FORM OF FINANCIAL ASSISTANCE.
12 (b) EACH INSTITUTION SHALL DISTRIBUTE THROUGH ITS FINANCIAL
13 ASSISTANCE PROGRAM THE STATE MONEY THAT THE COMMISSION
14 ALLOCATES TO THE INSTITUTION PURSUANT TO THIS SECTION. THE
15 INSTITUTION'S FINANCIAL ASSISTANCE PROGRAM IS SUBJECT TO AUDIT AS
16 PROVIDED IN SUBSECTION (10) OF THIS SECTION. A PARTICIPATING
17 INSTITUTION SHALL NOT DECREASE THE AMOUNT OF INSTITUTIONAL FUNDS
18 DISTRIBUTED THROUGH ITS STUDENT FINANCIAL ASSISTANCE PROGRAM
19 BELOW THE AMOUNT DISTRIBUTED BEFORE THE INSTITUTION BEGAN
20 PARTICIPATING IN THE STATE PROGRAM OF STUDENT FINANCIAL
21 ASSISTANCE. AN INSTITUTION MAY DESIGNATE A PORTION OF THE STATE
22 MONEY IT RECEIVES FOR USE AS MATCHING FUNDS REQUIRED FOR FEDERAL
23 ALLOCATIONS TO INSTITUTIONS FOR STUDENT LOAN PROGRAMS.
24 (4) (a) EACH PUBLIC INSTITUTION AND EACH PRIVATE INSTITUTION
25 SHALL ADMINISTER ITS STUDENT FINANCIAL ASSISTANCE PROGRAM
26 ACCORDING TO POLICIES AND PROCEDURES ESTABLISHED BY THE
27 GOVERNING BOARD OF THE PUBLIC INSTITUTION OR PRIVATE INSTITUTION.

1 AT A MINIMUM, THE POLICIES AND PROCEDURES MUST:
2 (I) ENSURE THAT THE EXPENDITURES OF STATE MONEY ALLOCATED
3 TO THE PUBLIC INSTITUTION OR PRIVATE INSTITUTION PURSUANT TO THIS
4 SECTION ARE CONSISTENT WITH THE PURPOSE DESCRIBED IN EACH LINE
5 ITEM APPROPRIATION IN THE ANNUAL GENERAL APPROPRIATIONS BILL; AND
6 (II) COMPLY WITH THE FINANCIAL AID PROGRAM DEFINITIONS AND
7 DESCRIPTIONS SPECIFIED IN THIS ARTICLE 3.3 AND THE COMMISSION
8 POLICIES AND DEPARTMENT GUIDELINES.
9 (b) EACH PARTICIPATING NONPUBLIC INSTITUTION OF HIGHER
10 EDUCATION THAT IS NOT A PRIVATE INSTITUTION SHALL ADMINISTER ITS
11 STUDENT FINANCIAL ASSISTANCE PROGRAM IN ACCORDANCE WITH THE
12 COMMISSION POLICIES.
13 (5) TO BE ELIGIBLE FOR THE FORMS OF STUDENT FINANCIAL
14 ASSISTANCE DESCRIBED IN THIS PART 1 AND IN PART 2 OF THIS ARTICLE 3.3
15 THROUGH A STUDENT FINANCIAL ASSISTANCE PROGRAM, A STUDENT MUST
16 BE CLASSIFIED AS AN IN-STATE STUDENT.
17 (6) IN DETERMINING THE AMOUNT ALLOCATED TO EACH
18 NONPUBLIC INSTITUTION OF HIGHER EDUCATION, INCLUDING EACH
19 PRIVATE INSTITUTION, THE COMMISSION SHALL CONSIDER ONLY THAT
20 PORTION OF STUDENT FINANCIAL NEED THAT WOULD EXIST IF THE
21 INSTITUTION'S TUITION WAS NO GREATER THAN THE HIGHEST IN-STATE
22 TUITION RATE CHARGED BY A COMPARABLE PUBLIC INSTITUTION.
23 (7) IN THE ANNUAL BUDGET REQUEST, THE COMMISSION SHALL
24 SPECIFY THE AMOUNTS REQUESTED FOR EACH FORM OF STUDENT
25 FINANCIAL ASSISTANCE INCLUDED IN THE STATE FINANCIAL ASSISTANCE
26 PROGRAM. THE COMMISSION MAY TRANSFER MONEY BETWEEN THE LINE
27 ITEM APPROPRIATIONS FOR THE VARIOUS FORMS OF STUDENT FINANCIAL

1 ASSISTANCE AND FROM ONE OR MORE OF THE FINANCIAL ASSISTANCE LINE
2 ITEM APPROPRIATIONS TO THE COLLEGE OPPORTUNITY FUND STIPEND
3 PROGRAM FOR UNDERGRADUATE STUDENTS WHO ATTEND PARTICIPATING
4 PRIVATE INSTITUTIONS OF HIGHER EDUCATION AND RECEIVE STIPENDS
5 PURSUANT TO SECTION 23-18-202 (2)(e); EXCEPT THAT A TRANSFER MUST
6 NOT INCREASE THE SPENDING AUTHORITY FOR A LINE ITEM BY MORE THAN
7 TEN PERCENT.
8 (8) THE COMMISSION MAY USE AMOUNTS APPROPRIATED FOR THE
9 VARIOUS FORMS OF FINANCIAL ASSISTANCE, AND AN INSTITUTION MAY USE
10 AMOUNTS ALLOCATED FOR THE VARIOUS FORMS OF FINANCIAL
11 ASSISTANCE, TO SUPPLEMENT AMOUNTS FOR CURRENT JOB OPPORTUNITIES
12 OR TO SUPPLEMENT OR MATCH MONEY MADE AVAILABLE THROUGH ANY
13 OTHER PUBLIC OR PRIVATE PROGRAM FOR FINANCIAL ASSISTANCE. IN
14 PROVIDING SUPPLEMENTARY OR MATCHING MONEY FOR PUBLIC OR
15 PRIVATE PROGRAMS FOR FINANCIAL ASSISTANCE, THE COMMISSION AND
16 THE INSTITUTIONS SHALL ENSURE THAT THE PURPOSES OF THE PUBLIC OR
17 PRIVATE PROGRAMS ARE CONSISTENT WITH THE PURPOSES FOR WHICH THE
18 MONEY WAS ORIGINALLY APPROPRIATED.
19 (9) THE COMMISSION SHALL USE AT LEAST SEVENTY PERCENT OF
20 THE AMOUNT APPROPRIATED IN THE WORK STUDY LINE ITEM, AND EACH
21 INSTITUTION SHALL USE AT LEAST SEVENTY PERCENT OF THE AMOUNT
22 RECEIVED FOR WORK STUDY, AS AID TO STUDENTS WHO DEMONSTRATE
23 FINANCIAL NEED. THE COMMISSION MAY USE UP TO THIRTY PERCENT OF
24 THE AMOUNT APPROPRIATED IN THE WORK STUDY LINE ITEM, AND EACH
25 INSTITUTION MAY USE UP TO THIRTY PERCENT OF THE AMOUNT RECEIVED
26 FOR WORK STUDY, TO PROVIDE ASSISTANCE TO STUDENTS ON A BASIS
27 OTHER THAN FINANCIAL NEED.

1 (10) THE STATE AUDITOR OR HIS OR HER DESIGNEE SHALL AUDIT,
2 IN ACCORDANCE WITH STATE STATUTE AND FEDERAL GUIDELINES AND IN
3 ACCORDANCE WITH COMMISSION POLICIES, WHERE APPLICABLE, THE
4 STUDENT FINANCIAL ASSISTANCE PROGRAM AT A PARTICIPATING
5 INSTITUTION EVERY OTHER YEAR TO REVIEW RESIDENCY
6 DETERMINATIONS, NEEDS ANALYSES, AWARDS, PAYMENT PROCEDURES,
7 AND SUCH OTHER PRACTICES AS MAY BE NECESSARY TO ENSURE THAT THE
8 INSTITUTION IS PROPERLY ADMINISTERING THE PROGRAM, BUT THE AUDIT
9 MUST BE LIMITED TO THE ADMINISTRATION OF THE PROGRAM AT THE
10 INSTITUTION. THE STATE AUDITOR MAY ACCEPT AN AUDIT OF THE
11 STUDENT FINANCIAL ASSISTANCE PROGRAM FROM AN INSTITUTION THAT
12 IS NOT A PUBLIC INSTITUTION, WHICH AUDIT WAS PREPARED BY THE
13 INSTITUTION'S INDEPENDENT AUDITOR. AN INSTITUTION THAT IS NOT A
14 PUBLIC INSTITUTION SHALL PAY THE COST OF AUDITING THE STUDENT
15 FINANCIAL ASSISTANCE PROGRAM AT THE INSTITUTION.
16 (11) ON OR BEFORE DECEMBER 1, 2020, AND ON OR BEFORE
17 DECEMBER 1 EACH YEAR THEREAFTER, THE COMMISSION SHALL SUBMIT
18 A REPORT CONCERNING IMPLEMENTATION OF THE STATE PROGRAM AND
19 THE INSTITUTIONS' STUDENT FINANCIAL ASSISTANCE PROGRAMS. THE
20 COMMISSION SHALL SUBMIT THE REPORT TO THE JOINT BUDGET
21 COMMITTEE AND TO THE EDUCATION COMMITTEES OF THE HOUSE OF
22 REPRESENTATIVES AND THE SENATE, OR ANY SUCCESSOR COMMITTEES.
23 THE REPORT MUST INCLUDE DATA CONCERNING THE EFFICIENCY AND
24 EFFECTIVENESS OF STATE FINANCIAL AID IN EXPANDING ACCESS TO HIGHER
25 EDUCATION FOR COLORADO RESIDENTS AND SUCH RELATED INFORMATION
26 AS THE COMMISSION MAY DEEM APPROPRIATE OR THE JOINT BUDGET
27 COMMITTEE MAY REQUEST. THE COMMISSION MAY REQUIRE FROM

1 INSTITUTIONS SUCH REPORTS AS ARE NECESSARY TO FULFILL THE
2 REPORTING REQUIREMENTS OF THIS SUBSECTION (11) AND TO PERFORM
3 OTHER ADMINISTRATIVE TASKS. NOTWITHSTANDING THE REQUIREMENT
4 IN SECTION 24-1-136 (11)(a)(I), THE REQUIREMENT TO SUBMIT THE
5 REPORT DESCRIBED IN THIS SUBSECTION (11) CONTINUES INDEFINITELY.
6 **SECTION 3.** In Colorado Revised Statutes, **repeal and reenact,**
7 **with amendments,** 23-3.3-202 as follows:
8 **23-3.3-202. Program funding.** IT IS THE INTENT OF THE GENERAL
9 ASSEMBLY TO ANNUALLY APPROPRIATE, AS A SEPARATE LINE ITEM, AN
10 AMOUNT FOR FINANCIAL ASSISTANCE FOR STUDENTS WHO QUALIFY UNDER
11 THE PROVISIONS OF THIS PART 2. IN A FISCAL YEAR IN WHICH THE AMOUNT
12 APPROPRIATED FOR PURPOSES OF THIS PART 2 IS LESS THAN THE AMOUNT
13 REQUIRED TO FULLY FUND THIS PART 2, THE COMMISSION SHALL TRANSFER
14 MONEY, TO THE EXTENT AUTHORIZED BY SECTION 23-3.3-102 (7), TO
15 FULLY FUND THIS PART 2.
16 **SECTION 4.** In Colorado Revised Statutes, 23-3.3-204, **amend**
17 (2) as follows:
18 **23-3.3-204. Dependents of prisoners of war and military**
19 **personnel missing in action.** (2) Any dependent of a prisoner of war or
20 a person missing in action, upon being accepted for enrollment into any
21 institution, shall be permitted to pursue studies leading toward a
22 bachelor's degree or a certificate of completion, free of tuition, for so long
23 as said dependent achieves and maintains standards as set by the
24 institution for its students generally, but said benefits shall not be
25 extended beyond twelve academic quarters or eight academic semesters,
26 as the case may be. Such dependents pursuing studies at an institution that
27 is not a ~~state~~ PUBLIC institution shall be eligible for assistance not to

exceed the average cost of undergraduate instruction calculated for a full-time equivalent student at a comparable ~~state~~ PUBLIC institution for the previous year. The institution or the commission shall provide tuition assistance to such qualified students from appropriated student financial assistance funds.

SECTION 5. In Colorado Revised Statutes, 23-3.3-205, **amend** (1)(a) as follows:

23-3.3-205. Dependents of deceased or permanently disabled National Guardsman, law enforcement officer, or firefighter. (1) (a) Any dependent of a person who died or was permanently disabled while on state active duty, federalized active duty, or authorized training duty as a Colorado National Guardsman or any dependent of any person who has been permanently disabled or killed while acting to preserve the public peace, health, and safety in the capacity of police officer, sheriff, or other law enforcement officer or firefighter, upon being accepted for enrollment into any ~~state~~ PUBLIC institution, shall be permitted to pursue studies leading toward his or her first bachelor's degree or certificate of completion, free of tuition and free of room and board charges of the institution, for so long as said dependent achieves and maintains a cumulative grade point average of 2.5 or above based upon a 4.0 scale, but said benefits shall not be extended beyond six years from the date of enrollment. Such dependents pursuing studies at a nonpublic institution of higher education within the state of Colorado shall be eligible for assistance not to exceed the average cost of undergraduate instruction calculated for a full-time equivalent student at a comparable ~~state~~ PUBLIC institution for the previous year, and the average cost of room and board calculated for a full-time equivalent student at all ~~state~~ PUBLIC institutions

for the previous year. Such dependents pursuing studies at an out-of-state institution of higher education shall be eligible for assistance not to exceed the average cost of undergraduate instruction calculated for a full-time equivalent student at a comparable ~~state~~ PUBLIC institution for the previous year. The commission shall provide tuition and, if appropriate, room and board assistance to such qualified students from appropriated student financial assistance funds.

SECTION 6. In Colorado Revised Statutes, **repeal** parts 3, 4, and 5 of article 3.3 of title 23 and article 3.5 of title 23.

SECTION 7. In Colorado Revised Statutes, 23-3.1-202, **amend** (19) as follows:

23-3.1-202. Definitions. As used in this part 2, unless the context otherwise requires:

(19) "State institution" ~~shall have the same meaning as provided in section 23-3.3-101 (4)~~ MEANS AN INSTITUTION SUPPORTED IN WHOLE OR IN PART BY GENERAL FUND MONEY.

SECTION 8. In Colorado Revised Statutes, 23-3.1-226, **amend** (1)(a) and (1)(b) as follows:

23-3.1-226. Policies for promotion and disclosure of program information. (1) The authority shall design a policy related to the promotion of the prepaid expense program and a policy related to the disclosure of program-related information to purchasers or qualified beneficiaries in a manner consistent with this part 2 and consistent with the requirements of section 529 of the internal revenue code in order to require that:

(a) Appropriate promotional material and program-related information disclose the average tuition increase in state institutions of

1 higher education in Colorado, as defined in ~~section 23-3.3-101 (4)~~
2 SECTION 23-3.1-202 (19), over the previous five years;
3 (b) Annual statements to purchasers or qualified beneficiaries
4 disclose the number of tuition units paid for, the payments made for such
5 tuition units, and the current value of such tuition units, as well as the
6 average tuition increases in state institutions of higher education in
7 Colorado, as defined in ~~section 23-3.3-101 (4)~~ SECTION 23-3.1-202 (19),
8 over the five previous years;
9 **SECTION 9.** In Colorado Revised Statutes, 23-3.3-104, **amend**
10 (1) introductory portion as follows:
11 **23-3.3-104. Assistance to professional theology students**
12 **prohibited.** (1) The policies and procedures established by the
13 commission pursuant to ~~section 23-3.3-102 (3) shall~~ SECTION 23-3.3-102
14 (4)(b) MUST include:

15 <{***Does the committee prefer a safety clause or act-subject-to-petition***
16 ***clause?***}>

Second Regular Session
Seventy-second General Assembly
STATE OF COLORADO

DRAFT
3.5.20

DRAFT

LLS NO. 20-1093.01 Ed DeCecco x4216 **COMMITTEE BILL**

Joint Budget Committee

BILL TOPIC: "Report On Cost Savings Resulting From Budget Items"

A BILL FOR AN ACT

101 **CONCERNING THE REQUIREMENT THAT A STATE AGENCY REPORT TO**
102 **THE JOINT BUDGET COMMITTEE ABOUT COST SAVINGS**
103 **RESULTING FROM AN EXPENDITURE IN A BUDGET REQUEST.**

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at http://leg.colorado.gov/.)

Joint Budget Committee. If, in a budget request or amended budget request, a state agency states that a proposed expenditure will result in cost savings, the state agency is required to include the following information about the proposed cost savings:

- A description of how the cost savings will be achieved;

- The estimated amount of the cost savings;
- The time over which the cost savings will be realized; and
- A way to measure the cost savings.

The state agency is required to subsequently provide a report to the joint budget committee about the actual cost savings achieved. The office of state planning and budgeting is required to establish a standardized method for reporting the information, which state agencies will use.

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1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1.** In Colorado Revised Statutes, 2-3-208, **add** (6) as
3 follows:

4 **2-3-208. Budget requests - amendments - supplemental**
5 **appropriation requests - deadlines - cost savings reporting -**
6 **definitions.** (6) (a) IF, IN A BUDGET REQUEST OR AMENDED BUDGET
7 REQUEST, A STATE AGENCY STATES THAT A PROPOSED EXPENDITURE WILL
8 RESULT IN COST SAVINGS, THE STATE AGENCY SHALL INCLUDE THE
9 FOLLOWING INFORMATION ABOUT THE PROPOSED COST SAVINGS:

10 (I) A DESCRIPTION OF HOW THE COST SAVINGS WILL BE ACHIEVED;

11 (II) THE ESTIMATED AMOUNT OF THE COST SAVINGS;

12 (III) THE TIME OVER WHICH THE COST SAVINGS WILL BE REALIZED;
13 AND

14 (IV) A WAY TO MEASURE THE COST SAVINGS.

15 (b) A STATE AGENCY SHALL SUBSEQUENTLY PROVIDE A REPORT TO
16 THE JOINT BUDGET COMMITTEE ABOUT THE ACTUAL COST SAVINGS
17 ACHIEVED FOR A PROPOSED COST SAVINGS THAT A STATE AGENCY
18 IDENTIFIES. THE REPORT MUST INCLUDE THE INFORMATION SET FORTH IN
19 SUBSECTION (6)(a) OF THIS SECTION; EXCEPT THAT THE REPORT MUST
20 INCLUDE THE ACTUAL COST SAVINGS INSTEAD OF THE PROPOSED COST
21 SAVINGS. THE STATE AGENCY SHALL SUBMIT THE REPORT ALONG WITH ITS
22 FIRST BUDGET REQUEST AFTER THE FIRST FULL FISCAL YEAR IN WHICH THE

1 COST SAVINGS ARE OR SHOULD HAVE BEEN REALIZED.

2 (c) THE OFFICE OF STATE PLANNING AND BUDGETING SHALL
3 ESTABLISH A STANDARDIZED METHOD FOR REPORTING THE INFORMATION
4 SET FORTH IN SUBSECTIONS (6)(a) AND (6)(b) OF THIS SECTION, WHICH
5 STATE AGENCIES SHALL USE. THE OFFICE SHALL SUBMIT THE INFORMATION
6 REQUIRED BY THIS SUBSECTION (6) IF THE OFFICE SUBMITS THE BUDGET
7 REQUEST OR AMENDED BUDGET REQUEST ON BEHALF OF A STATE AGENCY.

8 **SECTION 2. Act subject to petition - effective date.** This act
9 takes effect at 12:01 a.m. on the day following the expiration of the
10 ninety-day period after final adjournment of the general assembly (August
11 5, 2020, if adjournment sine die is on May 6, 2020); except that, if a
12 referendum petition is filed pursuant to section 1 (3) of article V of the
13 state constitution against this act or an item, section, or part of this act
14 within such period, then the act, item, section, or part will not take effect
15 unless approved by the people at the general election to be held in
16 November 2020 and, in such case, will take effect on the date of the
17 official declaration of the vote thereon by the governor.

MEMORANDUM

JOINT BUDGET COMMITTEE

TO	Joint Budget Committee
FROM	Eric Kurtz, JBC Staff (303-866-4952)
DATE	March 10, 2020
SUBJECT	Transfer and Overexpenditure Statutes

➔ REAUTHORIZATION OF TRANSFER AND OVEREXPENDITURE STATUTES

REQUEST

Several statutes that authorize transfers or overexpenditures of line items when certain conditions are met are scheduled to expire at the end of FY 2019-20. The Governor did not submit an official request for legislation to renew the transfer and overexpenditure statutes, but the JBC staff and Governor's Office of State Planning and Budgeting (OSPB) have had ongoing conversations about these statutes and OSPB supports a JBC bill to renew the statutes. One of the statutes applies to the judicial branch and the Chief Justice also supports a JBC bill to renew the statutes.

The most commonly used authority, and for the largest dollar amounts, is for Medicaid expenditures, although the statutes allow smaller dollar-capped transfers and overexpenditures for other programs when approved by the Governor or, if relevant, the Chief Justice. Overexpenditure authority for Medicaid is necessary to ensure that claims can be paid for eligible clients. Because eligible clients are legally entitled to the benefits, the state cannot fail to pay the claims. The rest of the transfer and overexpenditure authority provides some flexibility to the Governor and Chief Justice. Sometimes by the point an agency realizes it will overexpend the appropriation it is too late in the fiscal year to change practices or request a supplemental to avoid an overexpenditure. The flexibility provided to the Governor and Chief Justice may reduce unauthorized overexpenditures of this nature.

The sections of the Colorado Revised Statute that are up for renewal include:

- **24-75-105 and 107 – Allows transfers of centralized appropriations, provided the transfers are consistent with the statutory purposes of cash funds involved in the transfers.** Centralized appropriations are defined in Section 24-75-112 (1)(b), C.R.S., and may include salary survey, merit pay or anniversary increases, senior executive service, shift differential, group health and life insurance, capital outlay, ADP capital outlay, information technology asset maintenance, legal services, purchase of services from computer center, multiuse network payments, vehicle lease payments, leased space, lease purchase, payment to risk management and property funds, short-term disability insurance, utilities, communications services payments, amortization equalization disbursements, supplemental amortization equalization disbursements, administrative law judge services, and centralized ADP.

- **24-75-106 and 106.5 – Allows transfers between HCPF and Human Services for "materially similar" and "corresponding" appropriations respectively.** These transfers are for higher or lower Medicaid earned funds, or for non-Medicaid expenses where expressly allowed by a footnote.

- **24-75-108 – Allows transfers between appropriations within a department for "like purposes" up to $5,000,000 for the executive branch and $1,000,000 for the judicial branch.** All transfers must be approved by the Governor or Chief Justice. Transfers for utilities are unlimited.

- **24-75-109 and 110 – Allows overexpenditures of the appropriation under certain conditions and/or within limited dollar amounts.** The overexpenditures must be approved by the Governor or Chief Justice, consistent with the statutory purposes of the program, and accomplishable within the available fund balance. If an overexpenditure occurs, the Controller must restrict appropriations for the overexpending department for the next fiscal year unless the restriction is specifically lifted by a supplemental appropriation.

There are tables at the end of this document summarizing how the authority has actually been used over the last several years.

STAFF RECOMMENDATION

Staff recommends legislation to reauthorize the transfer and overexpenditure statutes for another five fiscal years. This means the statutes would be reauthorized through September 1, 2025, which allows for a few months of accounting adjustments after the close of the fiscal year. The last time the statutes were renewed it was for a period of six fiscal years (FY 2014-15 through FY 2019-20). Keeping an expiration date on the statutes ensures the General Assembly revisits them periodically and any unintended abuses are time limited without the need for a modifying bill that could potentially be vetoed by the Governor. The staff recommendation for a shorter reauthorization of five years provides slightly more control to the General Assembly than six years and the odd number of years ensures that the chair of the JBC is from the opposite chamber in the year the statues next need renewal.

The staff recommendation is to keep the limits on overexpenditures and transfers at their current levels. This approach preserves more authority for the legislature relative to an option that would provide an inflationary increase in the limits.

Under the current limits the Governor can approve non-Medicaid and non-Human Services overexpenditures up to $3.0 million. The most the Governor authorized in the last six years was $1.3 million, or 45 percent of the limit, in FY 2018-19.

For Human Services the Governor can approve overexpenditures up to $1.0 million. The Governor has come closer to this limit with approved overexpenditures of $683,550 (68 percent) in FY 2013-14 and $708,131 (71 percent) in FY 2016-17. In FY 2017-18 the Department of Human Services blew past the limit with overexpenditures of $14.3 million total funds, including $6.8 million General Fund, when the Department of Human Service took emergency measures to address abuse and neglect at the Pueblo Regional Center for people with intellectual and developmental disabilities. The experience in FY 2017-18 was an anomaly and the current limit appears sufficient for normal operations.

For transfers within departments for "like purposes" the Governor can approve up to $5.0 million statewide for the executive branch. The most the Governor approved in the last six years was $2,245,020 (45 percent) in FY 2016-17.

The Chief Justice may approve up to $1.0 million in overexpenditures and transfers combined for the judicial branch. The Chief Justice did not use the overexpenditure authority, but did transfer more than $900,000 in FY 2014-15, FY 2015-16, and FY 2016-17. However, the Chief Justice did not express any concerns about needing to increase the limit.

ALTERNATIVE 1

An alternative to the staff recommendation would be to provide inflationary adjustments for some or all of the limits. As noted, there was no official request from the Governor requesting reauthorization of the transfer and overexpenditure statutes and justifying any modifications to the statutes. However, in conversations with OSPB, the OSPB staff expressed a preference for inflationary increases in the transfer and overexpenditure limits commensurate with the increases in the relevant portions of the state budget since the statues were last reauthorized. The Chief Justice did not express any concerns about needing to increase the limit.

If the JBC wants to provide inflationary increases for the transfer and overexpnditure limits based on increases in appropriations, then the JBC staff would recommend the following:

- Human Services non-Medicaid programs – Increase from $1.0 million to $1.4 million
- Executive Branch non-Human Services – Increase from $3.0 million to $4.1 million
- Judicial Branch – Increase from $1.0 million to $1.4 million
- Intradepartmental transfers – Increase from $5.0 million to $6.9 million

These inflationary increases are based on the growth in relevant appropriations from FY 2014-15 to FY 2019-20, ignoring federal funds, because there are only very limited circumstances where federal funds are appropriated and the State Controller would restrict federal funds. They do not make any adjustment to remove informational funds, because the tracking of informational funds in FY 2014-15 versus FY 2019-20 was not consistent. They round to the nearest $100,000.

ALTERNATIVE 2

The JBC may want to consider increasing or eliminating the overexpenditure cap for the Children's Basic Health Plan (CHP+). Currently, the overexpenditure authority for CHP+ is unlimited for cash funds, but restricted to $250,000 for the General Fund. CHP+ is an insurance program like Medicaid and an argument could be made that it should be treated similarly and given unlimited overexpenditure authority. With decreases in the federal match rate for CHP+, an increasing portion of the funding for CHP+ is from the General Fund and there is no projected balance in the CHP+ Trust Cash Fund to address higher than expected costs.

However, unlike with Medicaid, the Department could cap enrollment in CHP+ to control expenditures, and this has happened at least once previously. Also, there are other programs where predicting and controlling expenditures would be similarly difficult, but those programs do not receive unlimited overexpenditure authority. For example, in Judicial there are statutory requirements to provide court-appointed counsel equivalent to private pay and limiting expenditures to the appropriations when more defendants show up would be problematic.

If the JBC wants to keep a cap on CHP+ General Fund expenditures, but increase the cap, then the JBC could consider increasing the cap from $250,000 to $1.3 million. This amount is based on the General Fund share of two weeks' worth of CHP+ payments after the decrease in the federal match rate is fully annualized.

It should be noted that the Governor can potentially use the statewide overexpenditure authority of $3.0 million to address cost overruns in CHP+, and so the General Assembly does not necessarily need a separate cap for CHP+.

ALTERNATIVE 3
The JBC could consider folding the Human Services and/or CHP+ caps into the statewide cap on overexpenditures the Governor can approve. The JBC staff does not know the history or policy reasons behind why there are separate caps on overexpenditures for Human Services and CHP+. Rather than a statewide cap of $3.0 million excluding Human Services and a Human Services cap of $1.0 million, the JBC could consider a statewide cap of $4.0 million including Human Services. A similar change could be done with the CHP+ cap of $250,000.

STATUTORY SECTIONS SCHEDULED TO REPEAL

The relevant statutory sections that are scheduled to repeal are excerpted below for easy reference:

24-75-105. Transfers required to implement conditional and centralized appropriations - repeal.

(1) Transfers of appropriations which are authorized in the 1990-91 and subsequent general appropriation acts and are required to implement appropriations conditioned on the distribution of the appropriation among, or the transfer of the appropriation between, departments, agencies, or programs, including centralized appropriations, are expressly authorized.

(2) This section is repealed, effective September 1, 2020.

24-75-106. Transfers between departments of health care policy and financing and human services for materially similar items of appropriation for medicaid programs - limitation – repeal

(1) Notwithstanding the effect of the "M" provision in the 1990-91 and subsequent general appropriation acts, the governor may transfer unlimited amounts of general fund appropriations and reappropriated funds to and from the departments of health care policy and financing and human services when required by changes from the appropriated levels in the amount of medicaid cash funds earned through programs or services provided under the supervision of the department of human services or the department of health care policy and financing if the transfer of appropriations is between one or more materially similar items of appropriation and is for purposes other than department administrative costs associated with programs or services.

(2) This section is repealed, effective September 1, 2020.

24-75-106.5. Transfers between departments of health care policy and financing and human services for corresponding items of appropriation - limitations - repeal.

(1) Subject to the provisions of subsection (2) of this section, upon approval of the governor:

(a) The executive director of the department of health care policy and financing may transfer general fund or reappropriated funds spending authority from one or more items of appropriation made to that department in the annual general appropriations act to one or more corresponding items of appropriation made to the department of human services in the act.

(b) The executive director of the department of human services may transfer general fund or reappropriated funds spending authority from one or more items of appropriation made to that department in the annual general appropriations act to one or more corresponding items of appropriation made to the department of health care policy and financing in the act.

(2) The governor may approve a transfer of spending authority between one or more corresponding items of appropriation of the departments of health care policy and financing and human services pursuant to subsection (1) of this section only if:

(a) Authority for the transfer of spending authority has been expressly granted in a footnote in the annual general appropriations act;

(b) The amount of spending authority to be transferred does not exceed the maximum amount, if any, specified in the footnote authorizing the transfer; and

(c) The transfer is not otherwise authorized pursuant to section 24-75-106.

(3) The transfers authorized by this section shall:

(a) Be in addition to any other transfers between the departments of health care policy and financing and human services authorized by law; and

(b) Apply to the 2008-09 and subsequent general appropriations acts.

(4) The governor shall report to the joint budget committee no later than October 1 after the close of the fiscal year on any transfers approved by the governor pursuant to this section.

(5) This section is repealed, effective September 1, 2020.

24-75-107. Cash fund transfers pursuant to sections 24-75-105 and 24-75-106 - repeal.

(1) All transfers pursuant to sections 24-75-105 and 24-75-106 which involve cash funds shall be consistent with statutes governing the use of cash funds.

(2) This section is repealed, effective September 1, 2020.

24-75-108. Intradepartmental transfers between appropriations – repeal.

(1) Upon approval by the governor, the head of a principal department of state government may, on or after May 1 of any fiscal year and before the forty-fifth day after the close of such fiscal year, transfer moneys from one item of appropriation made to the principal department in the general appropriation act to another item of appropriation made to the same principal department in said act; except that such transfers shall be made only between appropriations for like purposes. All transfers made pursuant to this section shall be between appropriations made for the expiring fiscal year.

(2) None of the following transfers shall be deemed to be between like purposes within the meaning of subsection (1) of this section:

(a) and (b) (Deleted by amendment, L. 2010, (HB 10-1119), ch. 340, p. 1574, Section 10, effective August 11, 2010.)

(c) Transfers from any item of appropriation into a lease purchase item;

(d) Transfers between governing boards of institutions of higher education;

(e) Transfers between capital construction projects; except that transfers between specific maintenance projects or between controlled maintenance projects may be made as authorized in the general appropriation act;

(f) Transfers made to match federal funds for a program which has not been authorized by law;

(g) Transfers of cash-spending authority which operate to increase appropriations of moneys out of one cash fund by decreasing appropriations of moneys out of a different cash fund in a corresponding amount if such transfers increase the total spending authority for all fund sources within a program. A transfer of cash spending authority shall not authorize a transfer of cash between cash funds.

(3) (a) (Deleted by amendment, L. 2010, (HB 10-1119), ch. 340, p. 1574, Section 10, effective August 11, 2010.)

(b) Any savings realized from an energy cost-savings contract pursuant to section 24-30-2003 may be transferred to an operating expense item for the purpose of making an annual payment on a lease-purchase agreement under such contract.

(4) All transfers within a department or within an office involving cash funds shall be consistent with statutes governing the use of such cash funds.

(5) Transfers between items of appropriation made to the judicial department may be made, upon approval by the chief justice of the Colorado supreme court, to the same extent and subject to the same limitations as transfers within a principal department as authorized by subsections (1) to (4) of this section. Transfers between items of appropriation made to the judicial department shall also be subject to the limitation in section 24-75-110.

(6) Transfers between items of appropriation made to the office of the governor, including the office of state planning and budgeting, may be made, upon approval by the governor, to the same extent and subject to the same limitations as transfers within a principal department as authorized by subsections (1) to (4) of this section.

(7) The transfers authorized by this section shall be in addition to any other transfers within a department or within an office which are authorized by law or which are authorized in the general appropriation act and are required to implement appropriations conditioned on the distribution or transfer of the appropriated amounts.

(8) The total amount of moneys transferred between items of appropriation made to principal departments of state government and to the office of the governor pursuant to this section, other than transfers within a principal department from an operating expense item to a utilities item, from a utilities item to an operating expense item pursuant to paragraph (b) of subsection (3) of this section, or from a utilities item to a utilities item, shall not exceed five million dollars.

(9) The governor shall report to the joint budget committee no later than October 1 after the close of the fiscal year on the transfers approved by the governor and by the chief justice pursuant to this section and section 24-75-106 and on overexpenditures allowed under section 24-75-109.

(10) The transfers authorized by this section shall apply to the 1990-91 and subsequent general appropriation acts.

(11) This section is repealed, effective September 1, 2020.

(12) As used in this section, "utilities" means water, sewer service, electricity, or other fuel sources, equipment purchased for the purpose of utility cost savings, payments made to private companies for services rendered or equipment installed for the purpose of reducing utility costs, lease-purchase payments to private companies for the purpose of reducing utility costs, and all heating fuels.

24-75-109. Controller may allow expenditures in excess of appropriations - limitations - appropriations for subsequent fiscal year restricted - repeal.

(1) For the purpose of closing the state's books, and subject to the provisions of this section, the controller may, on or after May 1 of any fiscal year and before the forty-fifth day after the close thereof, upon approval of the governor, allow any department, institution, or agency of the state,

including any institution of higher education, to make an expenditure in excess of the amount authorized by an item of appropriation for such fiscal year if:

(a) The overexpenditure is for medicaid programs; or

(a.5) The overexpenditure is by the department of health care policy and financing for the children's basic health plan established pursuant to article 8 of title 25.5, C.R.S.; except that, to the extent that the overexpenditure allowed pursuant to this paragraph (a.5) is from the general fund, the overexpenditure from the general fund shall not exceed two hundred fifty thousand dollars in any fiscal year; or

(a.6) The overexpenditure is by the department of health care policy and financing for the required state contribution payment pursuant to the federal "Medicare Prescription Drug, Improvement, and Modernization Act of 2003", Pub.L. 108-173; or

(b) The overexpenditure is by the department of human services for any purpose other than medicaid programs, but the total of all overexpenditures allowed pursuant to this paragraph (b) shall not exceed one million dollars in any fiscal year; or

(c) The overexpenditure is for any purpose of a department, institution, or agency of the executive branch other than the department of human services, but the total of all overexpenditures allowed pursuant to this paragraph (c) shall not exceed three million dollars in any fiscal year; or

(c.5) The overexpenditure is for the workers' compensation self-insurance program of the department of human services established pursuant to section 8-44-203, C.R.S.; or

(d) The overexpenditure is for any purpose of the judicial department, but overexpenditures allowed pursuant to this paragraph (d) shall be subject to the limitation in section 24-75-110; or

(e) The overexpenditure is by the department of corrections for the purchase of pharmaceuticals and the purchase of medical services from other medical facilities as part of the medical services subprogram for department institutions. The overexpenditure authorized by this paragraph (e) shall only be allowed for the 2001-02 fiscal year.

(1.5) For the purposes of this section, an overexpenditure includes any instance in which the total expenditures charged to a specific line item of appropriation are in excess of the total spending authority appropriated for that line item and any instance in which sufficient cash or cash-exempt reserves have not been earned to cover related expenditures and there is no statutory fund balance to cover such expenditures.

(2) Overexpenditures allowed pursuant to subsection (1) of this section shall be subject to the following requirements:

(a) Except as specifically provided in this section, overexpenditures shall be consistent with all statutory provisions applicable to the program, function, or purpose for which the overexpenditure is made, including the provisions of appropriation acts.

(b) No overexpenditure shall be allowed in excess of the unencumbered balance of the fund from which the overexpenditure is made as of the date of the expenditure.

(c) For fiscal years commencing on or after July 1, 2014, no overexpenditure is allowed under paragraph (a) or (a.5) of subsection (1) of this section for any appropriation in the annual general appropriation act to the department of health care policy and financing that is in a line item for the executive director's office or in a line item that the general assembly has labeled as ineligible for an overexpenditure under said paragraphs.

(3) For any overexpenditure, whether or not allowed by the controller in accordance with subsection (1) of this section, the controller shall restrict, in an amount equal to said overexpenditure, the corresponding item or items of appropriation that are made in the general appropriation act for the fiscal year following the fiscal year for which the overexpenditure that is

allowed occurs. For the purposes of determining such corresponding item or items of appropriation, the controller shall consider, in order of importance, the fund from which the overexpenditure was allowed, the department, institution, or agency that was allowed to make the overexpenditure, and the purpose for which the overexpenditure was allowed. The department, institution, or agency shall not be allowed to expend any amount restricted pursuant to this subsection (3) unless such restriction is released in accordance with subsection (4) of this section.

(4) (a) The department, institution, or agency whose appropriation is restricted may request a supplemental appropriation for the fiscal year in which the overexpenditure occurred for the amount of any overexpenditure allowed pursuant to this section. If a supplemental appropriation is enacted for the overexpenditure or some portion thereof, the restriction on the succeeding fiscal year's appropriation shall be released in the amount of the supplemental appropriation enacted.

(b) If the amount of the restriction imposed pursuant to subsection (3) of this section was based on an estimate of the amount of the overexpenditure and the amount of such restriction exceeds the actual amount of the overexpenditure, the controller shall release that portion of the restricted amount that exceeds the actual amount of the overexpenditure.

(5) The limitation on general fund appropriations and the requirement for a general fund reserve contained in section 24-75-201.1 shall not apply to overexpenditures from the general fund for medicaid programs allowed pursuant to paragraph (a) of subsection (1) of this section or to supplemental general fund appropriations for medicaid programs enacted pursuant to subsection (4) of this section. Overexpenditures for all other purposes allowed pursuant to subsection (1) of this section and supplemental general fund appropriations for all other purposes enacted pursuant to subsection (4) of this section shall be considered appropriations for the fiscal year in which the overexpenditure was allowed and shall accordingly be subject to the limitations and requirements of section 24-75-201.1.

(6) The controller may allow overexpenditures pursuant to this section only for the fiscal years beginning on or after July 1, 1998, but prior to July 1, 2020. This section is repealed, effective September 1, 2020.

24-75-110. Limitation on judicial department - repeal.

(1) The total amount of moneys transferred between items of appropriation made to the judicial department pursuant to section 24-75-108 and overexpenditures by the judicial department allowed pursuant to section 24-75-109 shall not exceed one million dollars in any fiscal year.

(2) This section is repealed, effective September 1, 2020.

Overexpenditures Authorized by Section 24-75-109 (1), C.R.S.

Line	Fund	FY 13-14	FY 14-15	FY 15-16	FY 16-17	FY 17-18	FY 18-19	Cumulative
(a) Medicaid programs, except administration - unlimited	**TF**	**$31,198,581**	**$24,751,722**	**$3,940,557**	**$8,434,540**	**$21,985,547**	**$27,993,435**	**$118,304,382**
Medical Services Premiums	GF	27,130,236	21,509,588	0	0	17,847,003	23,436,863	89,923,690
Medical Services Premiums	CF	904,633	0	3,689,240	6,787,129	0	1,320,521	12,701,523
Medical Services Premiums	RF	0	0	0	401,424	0	102,743	504,167
Behavioral Health Capitation Payments	GF	1,791,913	454,308	0	0	444,003	0	2,690,224
Behavioral Health Capitation Payments	CF	1,368,503	2,298,290	0	0	0	0	3,666,793
Behavioral Health Fee-for-service Payments	GF	0	489,536	251,317	0	0	243,763	984,616
Mental Health Institutes	GF	0	0	0	0	3,694,541	41,132	3,735,673
Adult Comprehensive Services	GF	0	0	0	0	0	2,751,539	2,751,539
Regional Centers	GF	0	0	0	754,733	0	0	754,733
Regional Center Depreciation	GF	0	0	0	6,558	0	0	6,558
Division of Youth Services - Medicaid Funding	GF	0	0	0	0	0	96,874	96,874
Community Services for Developmental Disabilities	GF	3,296	0	0	0	0	0	3,296
Public School Health Services	CF	0	0	0	484,696	0	0	484,696
(a.5) Children's Basic Health Plan - up to $250,000 GF, unlimited other	**CF**	**$0**	**$0**	**$1,133,477**	**$766,562**	**$992,706**	**$0**	**$2,892,745**
(a.6) Medicare Modernization Act - unlimited	**GF**	**$1,285,691**	**$1,126,778**	**$154,208**			**$1,654,910**	**$4,221,587**
(b) Human Services non-Medicaid - $1,000,000	**TF**	**$683,550**	**$0**	**$0**	**$708,131**	**$874,762**	**$0**	**$2,266,443**
Early Intervention Services	GF	0	0	0	708,131	0	0	708,131
CBMS Operating Expenses	GF	599,828	0	0	0	0	0	599,828
Payments to OIT	RF	0	0	0	0	489,984	0	489,984
Utilities	GF	0	0	0	0	186,717	0	186,717
County Financial Management System	RF	0	0	0	0	91,235	0	91,235
Grand Junction Regional Center Depreciation	RF	0	0	0	0	89,296	0	89,296
CBMS Modernization Contract Expenses	GF	83,722	0	0	0	0	0	83,722
Injury Prevention Program	GF	0	0	0	0	17,530	0	17,530
(c) Executive Branch non-Human Services - $3,000,000	**TF**	**$62**	**$997,218**	**$1,138,612**	**$0**	**$0**	**$1,346,338**	**$3,482,230**
Corrections, Operating Expenses	GF	0	0	0	0	0	1,137,147	1,137,147
Education, CORE Operations	CF	0	47,897	121,724	0	0	0	169,621
Governor, Colorado Office of Film, Television, and Media	GF	0	515,982	0	0	0	0	515,982
Natural Resources, CORE Operations	CF	0	26,961	88,683	0	0	0	115,644
Personnel, Administrative Courts	CF	0	0	5,837	0	0	0	5,837
Personnel, Worker's Compensation, TPA Fees, and Loss Control	CF	0	21,367	0	0	0	0	21,367
Personnel, Worker's Compensation, Legal Fees	CF	0	250,368	0	0	0	0	250,368
Personnel, IDS Operating Expenses - Reprographics	CF	0	134,643	0	0	0	0	134,643
Personnel, Operating Expenses	GF	62	0	0	0	0	0	62
Public Health and Environment, Indirect Cost Assessment	CF	0	0	922,368	0	0	0	922,368
Public Safety, Community Corrections Placements	GF	0	0	0	0	0	209,191	209,191
(c.5) Human Services workers' compensation self insurance - unlimited	**TF**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
(d) Judicial - $1,000 for all transfers and overexpenditures	**TF**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
TOTAL Overexpenditures Authorized	**TF**	**$31,882,193**	**$25,748,940**	**$5,079,169**	**$9,142,671**	**$22,860,309**	**$29,339,773**	**$124,053,055**
	GF	30,894,748	24,096,192	405,525	1,469,422	22,189,794	29,571,419	108,627,100
	CF	2,273,136	2,779,526	5,961,329	8,038,387	992,706	1,320,521	21,365,605
	RF	0	0	0	401,424	670,515	102,743	1,174,682

Overexpenditures Not Authorized by Section 24-75-109, C.R.S.

	Fund	FY 13-14	FY 14-15	FY 15-16	FY 16-17	FY 17-18	FY 18-19	Cumulative
(b) Human Services non-Medicaid - in excess of $1,000,000	**TF**	**$0**	**$0**	**$0**	**$0**	**$13,401,443**	**$0**	**$13,401,443**
Personal Services, EDO	RF	0	0	0	0	12,966	0	12,966
Operating Expenses, EDO	RF	0	0	0	0	68,255	0	68,255
Payment to Risk Management and Property Funds	GF	0	0	0	0	390,376	0	390,376
Injury Prevention Program	GF	0	0	0	0	19,942	0	19,942
Personal Services, OOO	GF	0	0	0	0	4,698,701	0	4,698,701
Operating Expenses, OOO	GF	0	0	0	0	226,578	0	226,578
Utilities, OOO	GF	0	0	0	0	1,475,745	0	1,475,745
Operating Expenses, OIT	RF	0	0	0	0	19,711	0	19,711
County Financial Management System, OIT	RF	0	0	0	0	356,277	0	356,277
Payments to OIT, OIT	RF	0	0	0	0	5,173,803	0	5,173,803
CORE Operations, OIT	RF	0	0	0	0	20,153	0	20,153
Enterprise Content Management, OIT	GF	0	0	0	0	154	0	154
Indirect Cost Assessment (Various Divisions)	CF/RF	0	0	0	0	938,782	0	938,782
(2)(b) Cash Funds in excess of balance at time of transaction	**TF**	**$3,073,633**	**$4,935,320**	**$8,551,095**	**$6,042,842**	**$433,933**	**$643,517**	**$23,680,340**
Education, State Share of Districts' Total Program	CF	0	836,508	0	0	0	0	836,508
Governor, Registration Number Fund	CF	88,570	105,098	0	0	0	0	193,668
Law, Legal Services Cash Fund	CF	701,828	0	0	0	0	0	701,828
Personnel, Debt Collection Fund	CF	0	0	0	0	0	249,502	249,502
Public Health and Environment, Distribution to Local Public Health Agencies	CF	0	0	529	0	0	0	529
Public Health and Environment, Home and Community Survey Cash Fund	CF	0	69,055	0	0	0	0	69,055
Public Safety, Disaster Emergency Fund	CF	0	0	0	3,244,242	0	0	3,244,242
Regulatory Agencies, Professions and Occupations Cash Funds	CF	0	0	471,306	0	0	0	471,306
Regulatory Agencies, Fixed Utilities Fund	CF	0	390,337	0	0	0	0	390,337
Regulatory Agencies, Real Estate Cash Fund	CF	0	81,141	0	0	0	0	81,141
Transportation, Highway Fund	CF	0	0	0	77,160	433,933	394,015	905,108
Transportation, High Performance Transportation Enterprise Operating	CF	2,283,235	3,294,462	2,886,656	1,956,679	0	0	10,421,032
Transportation, Aviation Fund	CF	0	158,719	5,189,122	706,277	0	0	6,054,118
Transportation, Law Enforcement Assistance Fund	CF	0	0	0	58,484	0	0	58,484
Various Departments, Four Lines	CF	0	0	3,482	0	0	0	3,482
TOTAL Overexpenditures Not Authorized	**TF**	**$3,073,633**	**$4,935,320**	**$8,551,095**	**$6,042,842**	**$13,835,376**	**$643,517**	**$37,081,783**
	GF	0	0	0	0	6,811,496	0	6,811,496
	CF	3,073,633	4,935,320	8,551,095	6,042,842	433,933	643,517	23,680,340
	RF	0	0	0	0	5,651,165	0	5,651,165

Section 24-75-106, C.R.S. Transfers (Medicaid)
Fiscal Years 2015 through 2019

	Transfer From:				Transfer To:			
Fiscal Year	**Department**	**Line**	**Fund Type**	**Amount**	**Department**	**Line**	**Fund Type**	**Amount**
2019	Health Care Policy & Financing	Adult Assistance Programs, Community Services for the Elderly - Medicaid Funding	General Fund	500,000	Human Services	State Funding for Senior Services	General Fund	500,000
	Human Services	Child Welfare Services, Family and Children's Services	General Fund	13,090	Health Care Policy & Financing	Administrative Case Management	General Fund	13,090
	Health Care Policy & Financing	Child Welfare Services	General Fund	3,776,282	Human Services	Child Welfare Services	General Fund	3,776,282
	Health Care Policy & Financing	Children's Habitation Residential Program	General Fund	160,022	Human Services	Child Welfare Services	General Fund	160,022
FY 2019 Total				4,449,394				4,449,394
2018	Human Services	Child Welfare Services	General Fund	630,397	Health Care Policy & Financing	Administrative Case Management	General Fund	630,397
	Human Services	Family and Children's Programs	General Fund	282,714	Health Care Policy & Financing	Administrative Case Management	General Fund	282,714
	Health Care Policy & Financing	Adult Assistance Programs, Community Services for the Elderly - Medicaid Funding	General Fund	500,000	Human Services	State Funding for Senior Services	General Fund	500,000
	Health Care Policy & Financing	Child Welfare Services	General Fund	3,931,129	Human Services	Child Welfare Services	General Fund	3,931,129
	Human Services	County Administration	General Fund	315,061	Health Care Policy & Financing	County Administration	General Fund	315,061
	Human Services	Adult Protective Services	General Fund	574,368	Health Care Policy & Financing	County Administration	General Fund	574,368
	Health Care Policy & Financing	Administrative Case Management	General Fund	175,500	Human Services	Child Welfare Services	General Fund	175,500
FY 2018 Total				6,409,169				6,409,169
2017	Human Services	Child Welfare Services	General Fund	548,258	Health Care Policy & Financing	Administrative Case Management	General Fund	548,258
	Human Services	Family and Children's Programs	General Fund	127,480	Health Care Policy & Financing	Administrative Case Management	General Fund	127,480
	Health Care Policy & Financing	Child Welfare Services	General Fund	4,651,578	Human Services	Child Welfare Services	General Fund	4,651,578
	Health Care Policy & Financing	Administrative Case Management	General Fund	32,628	Human Services	Child Welfare Services	General Fund	32,628
FY 2017 Total				5,359,944				5,359,944
2016	Human Services	Mental Health Institute - Pueblo, Personal Services	General Fund	600,000	Health Care Policy & Financing	Mental Health Institutes	General Fund	600,000
	Human Services	Child Welfare Services	General Fund	585,000	Health Care Policy & Financing	Administrative Case Management	General Fund	585,000
	Human Services	Purchase of Contract Placements	General Fund	67,000	Health Care Policy & Financing	Division of Youth Corrections - Medicaid Funding	General Fund	67,000
	Health Care Policy & Financing	Administrative Case Management	General Fund	14,609	Human Services	Child Welfare Services	General Fund	14,609
	Health Care Policy & Financing	Division of Youth Corrections - Medicaid Funding	General Fund	38,531	Human Services	Purchase of Contract Placements	General Fund	38,531
	Health Care Policy & Financing	Child Welfare Services	General Fund	4,293,242	Human Services	Child Welfare Services	General Fund	4,293,242
	Human Services	Colorado Benefits Management Systems, Personal Services	General Fund	65,713	Health Care Policy & Financing	Colorado Benefits Management Systems, Operating and Contract Expenses	General Fund	65,713
FY2016 Total				5,664,096				5,664,096
2015	Human Services	Mental Health Institute - Pueblo, Personal Services	General Fund	650,000	Health Care Policy & Financing	Mental Health Institutes	General Fund	650,000
	Human Services	Mental Health Institute - Pueblo, Operating Expenses	General Fund	150,000	Health Care Policy & Financing	Mental Health Institutes	General Fund	150,000
	Human Services	Child Welfare Services	General Fund	300,000	Health Care Policy & Financing	Administrative Case Management	General Fund	300,000
	Health Care Policy & Financing	Medical and Long-Term Care Services for Medicaid Eligible Individuals	Cash Funds	110,000	Health Care Policy & Financing	Estate Recovery	Cash Funds	110,000
	Health Care Policy & Financing	Medical and Long-Term Care Services for Medicaid Eligible Individuals	Federal Funds	110,000	Health Care Policy & Financing	Estate Recovery	Federal Funds	110,000
	Human Services	Child Welfare Services	General Fund	22,563	Health Care Policy & Financing	Administrative Case Management	General Fund	22,563
	Health Care Policy & Financing	Child Welfare Services	General Fund	4,012,862	Human Services	Child Welfare Services	General Fund	4,012,862
	Health Care Policy & Financing	Regional Centers	General Fund	4,643,039	Human Services	Wheat Ridge Regional Center Personal Services	General Fund	1,377,701
	Health Care Policy & Financing	Regional Centers	General Fund	915,170	Human Services	Grand Junction Regional Center Personal Services	General Fund	2,940,674
					Human Services	Pueblo Regional Center Personal Services	General Fund	1,239,834
FY2015 Total				10,913,634				10,913,634

Section 24-75-108(8), C.R.S. Intradepartmental Transfers
Fiscal Years 2015 through 2019

		Transfer From:			Transfer To:		
Fiscal Year	**Department**	**Line**	**Fund Type**	**Amount**	**Line**	**Fund Type**	**Amount**
2019	Health Care Policy & Financing	Medical and Long-Term Care Services for Medicaid Eligible Individuals	General Fund	245,166	Estate Recovery	General Fund	245,166
	Health Care Policy & Financing	Medical and Long-Term Care Services for Medicaid Eligible Individuals	Federal Funds	223,501	Estate Recovery	Federal Funds	223,501
	Treasury	Unclaimed Property, Promotion and Correspondence	Cash Funds	35,000	Unclaimed Property, Operating Expenses	Cash Funds	35,000
	Higher Education	Work Study	General Fund	220,000	Veterans'/Law Enforcement/POW Tuition Assistance	General Fund	220,000
FY 2019 Total				723,668			723,668
2018	Health Care Policy & Financing	Medical and Long-Term Care Services for Medicaid Eligible Individuals	Cash Funds	73,611	Estate Recovery	Cash Funds	73,611
	Health Care Policy & Financing	Medical and Long-Term Care Services for Medicaid Eligible Individuals	Federal Funds	73,611	Estate Recovery	Federal Funds	73,611
	Public Health & Environment	Hasardous Materials & Waste Management Division, Indirect Cost Assessment	Cash Funds	385,200	Prevention Services Division, Indirect Cost Assessment	Cash Funds	385,200
	Public Health & Environment	Health Facilities and Emergency Medical Services Division, Indirect Cost Assessment	Cash Funds	637	Administration and Support, Indirect Cost Assessment	Cash Funds	637
	Health Care Policy & Financing	Medicaid Management Information System Maintenance and Projects	Cash Funds	18,027	Medicaid Management Information System Reprocurement Contracts	Cash Funds	18,027
FY 2018 Total				551,086			551,086
2017	Human Services	Community Programs, Personal Services	General Fund	1,125,000	Community Programs, Purchase of Contract Placements	General Fund	1,125,000
	Health Care Policy & Financing	Medical and Long-Term Care Services for Medicaid Eligible Individuals	Federal Funds	54,000	Estate Recovery	Federal Funds	54,000
	Health Care Policy & Financing	Medical and Long-Term Care Services for Medicaid Eligible Individuals	Cash Funds	67,000	Estate Recovery	Cash Funds	67,000
	Military & Veterans Affairs	Operating Expenses	General Fund	62,857	CORE Operations	General Fund	62,857
	Natural Resources	Operating Expenses	Cash Funds	88,683	CORE Operations	Cash Funds	88,683
	Public Health & Environment	Administration, Indirect Cost Assessment	Cash Funds	40,000	Center for Health and Environmental Information, Indirect Cost Assessment	Cash Funds	90,000
	Public Health & Environment	Laboratory Services, Indirect Cost Assessment	Cash Funds	300,000	Division of Environmental Health and Sustainability, Indirect Cost Assessment	Cash Funds	7,000
	Public Health & Environment	Water Quality Control Division, Indirect Cost Assessment	Cash Funds	400,000	Prevention Services Division, Indirect Cost Assessment	Cash Funds	750,000
	Public Health & Environment	Disease Control and Environmental Epidemiology Division, Indirect Cost Assessment	Cash Funds	33,000			
	Public Health & Environment	Health Facilities and Emergency Medcial Services Division, Indirect Cost Assessment	Cash Funds	74,000			
	Public Health & Environment	Prevention Services Division, Indirect Cost Assessment	Cash Funds	480	Division of Environmental Health and Sustainability, Indirect Cost Assessment	Cash Funds	480
FY2017 Total				2,245,020			2,245,020
2016	Personnel & Administration	Fuel Automotive Supplies	Reappropriated Funds	410,000	Fleet Management Program and Motor Pool Expenses, Operating Expenses	Reappropriated Funds	410,000
	Public Health & Environment	Center for Health and Environmental Information, Indirect Cost Assessment	Cash Funds	118,290	Air Pollution Control, Indirect Cost Assessment	Cash Funds	118,290
	Public Health & Environment	Water Quality Control Division, Indirect Cost Assessment	Cash Funds	10,775	Air Pollution Control, Indirect Cost Assessment	Cash Funds	10,775
	Public Health & Environment	Disease Control and Environmental Epidemiology Division, Indirect Cost Assessment	Cash Funds	84,200	Air Pollution Control, Indirect Cost Assessment	Cash Funds	84,200
FY2016 Total				623,265			623,265
2015	Personnel & Administration	Fuel Automotive Supplies	Reappropriated Funds	342,000	Fleet Management Program and Motor Pool Expenses, Operating Expenses	Reappropriated Funds	342,000
	Personnel & Administration	IDS Postage	Reappropriated Funds	481,551	Integrated Document Solutions, Operating Expenses	Reappropriated Funds	481,551
	Health Care Policy & Financing	General Professional Services and Special Projects	General Fund	65,226	Leased Space	General Fund	65,226
	Health Care Policy & Financing	General Professional Services and Special Projects	Federal Funds	132,244	Leased Space	Federal Funds	132,244
	Public Health & Environment	Administration and Support, Indirect Cost Assessment	Cash Funds	1,000	Air Pollution Control, Indirect Cost Assessment	Cash Funds	97,600
	Public Health & Environment	Center for Health and Environmental Information, Indirect Cost Assessment	Cash Funds	254,000	Water Quality Control Division, Indirect Cost Assessment	Cash Funds	142,100
	Public Health & Environment	Laboratory Services, Indirect Cost Assessment	Cash Funds	173,100	Hazardous Materials and Waste Management Division, Indirect Cost Assessment	Cash Funds	131,300
	Public Health & Environment	Division of Environmental Health and Sustainability, Indirect Cost Assessment	Cash Funds	63,000	Prevention Services Division, Indirect Cost Assessment	Cash Funds	173,100
	Public Health & Environment	Health Facilities and Emergency Medicial Services Division, Indirect Cost Assessment	Cash Funds	53,000			
FY2015 Total				1,565,121			1,565,121

Section 24-75-110, C.R.S. Transfers (Judicial)

Fiscal Years 2015 through 2019

	Transfer From:			Transfer To:		
Fiscal Year	**Line**	**Fund Type**	**Amount**	**Line**	**Fund Type**	**Amount**
2019	Court Costs, Jury Costs, Court-Appointed Counsel	General Fund	1,780	Vehicle Lease Payments	General Fund	1,780
	Statewide Behavioral Health Court Liaison Program	General Fund	4,789	Vehicle Lease Payments	General Fund	4,789
	Ralph L. Carr Colorado Judicial Center, Personal Services	Cash Funds	45,122	Judicial Education and Training	Cash Funds	45,122
FY 2019 Total			51,690			51,690
2018	Court Costs, Jury Costs, and Court-appointed Counsel	General Fund	163	Supreme Court, Appellate Court Programs	General Fund	163
	Court Costs, Jury Costs, and Court-appointed Counsel	General Fund	500	Administration and Technology, General Courts Administration	General Fund	500
	Court Costs, Jury Costs, and Court-appointed Counsel	General Fund	2,844	Vehicle Lease Payments	General Fund	2,844
	Court Costs, Jury Costs, and Court-appointed Counsel	General Fund	4,468	Trial Courts, Trial Court Programs	General Fund	4,468
	Court Costs, Jury Costs, and Court-appointed Counsel	General Fund	188,000	Centrally-administered Programs, Language Interpreters and Translators	General Fund	188,000
	Court Costs, Jury Costs, and Court-appointed Counsel	General Fund	8,571	Trial Courts, District Attorney Mandated Costs	General Fund	8,571
	Court Costs, Jury Costs, and Court-appointed Counsel	General Fund	8,000	Probation and Related Services, Probation Programs	General Fund	8,000
FY 2018 Total			212,545			212,545
2017	Office of the Child's Representative, Court-appointed Counsel	General Fund	911,747	Office of the Alternate Defense Counsel, Conflict-of-interest Contracts	General Fund	911,747
	Independent Ethics Commission, Legal Services for 1,800 hours	General Fund	43,024	Courts Administration, Central Appropriations, Legal Services for 2,000 hours	General Fund	43,024
FY 2017 Total			954,771			954,771
2016	Centrally-administered Programs, District Attorney Adult Pretrial Diversion Programs	General Fund	184,483	Administration and Technology, General Courts Administration	General Fund	134
	Central Appropriations, Lease Purchase	General Fund	8,451	Centrally-administered Programs, Child Support Enforcement	General Fund	787
	Central Appropriations, Vehicle Lease Payments	General Fund	11,030	Trial Courts, Trial Court Programs	General Fund	168
	Centrally-administered Programs, Senior Judge Program	General Fund	89,142	Trial Courts, Court Costs, Jury Costs, and Court-appointed Counsel	General Fund	337,401
	Trial Courts, District Attorney Mandated Costs	General Fund	144,769	Centrally-administered Programs, Language Interpreters and Translators	General Fund	602,611
	Office of the Child's Representative, Court-appointed Counsel	General Fund	501,500	Probation and Related Services, Probation Programs	General Fund	1,023
	Independent Ethics Commission, Program Costs	General Fund	22,330	Central Appropriations, Legal Services for 2,000 hours	General Fund	55,907
	Independent Ethics Commission, Legal Services for 1,800 hours	General Fund	35,293			
	Office of the Child Protection Ombudsman	General Fund	1,032			
FY 2016 Total			998,030			998,030
2015	Central Appropriations, Legal Services for 2,204 hours	General Fund	17,418	Centrally-administered Programs, Senior Judge Program	General Fund	17,418
	Trial Courts, Trial Court Programs	General Fund	321,903	Trial Courts, Court Costs, Jury Costs, and Court-appointed Counsel	General Fund	321,903
	Office of the Child's Representative, Court-appointed Counsel	General Fund	640,000	Office of the Alternate Defense Counsel, Conflict-of-interest Contracts	General Fund	640,000
FY 2015 Total			979,321			979,321