

MEMORANDUM



JOINT BUDGET COMMITTEE

TO Joint Budget Committee Members
FROM JBC Staff
DATE February 4, 2021
SUBJECT Potential Legislation

This packet includes bill drafts and related memos for the Committee’s consideration. Each individual item 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.

POTENTIAL LEGISLATION

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MEMORANDUM



JOINT BUDGET COMMITTEE

TO Members of the Joint Budget Committee
FROM Amanda Bickel, JBC Staff (303-866-4960)
DATE February 4, 2021
SUBJECT LLS 21-0652.01 Higher Education Student Financial Assistance Funding

LLS 21-0642.01 provides a temporary exemption to a provision that requires increases for financial aid to align with increases in funding for the institutions of higher education. The statutory provision to be addressed reads as follows:

“The annual appropriations for student financial assistance under this article shall increase by at least the same percentage as the aggregate percentage increase of all general fund appropriation to institutions of higher education...” [Section 23-3.3-103 (1), C.R.S.]

Under normal circumstances, funding for the public institutions comprises close to 80 percent of total General Fund higher education appropriations, while funding for financial aid comprises approximately 20 percent of total General Fund higher education appropriations. However, as the JBC is aware, the public governing boards were subject to a 58.0 percent temporary funding cut in FY 2020-21, while financial aid programs had modest reductions in FY 2020-21.

The FY 2021-22 Executive Request to restore funding for the public institutions to the FY 2019-20 level adds \$490.7 million for the public institutions--an increase of 136.8 percent (includes an assumed offset for some special legislation). An aligned increase for financial aid would require an additional increase of \$265.1 million General Fund or would require adjusting the funding restoration for the governing boards to provide \$172.1 million less to the institutions and \$172.1 million more for financial aid.¹

As outlined in previous staff write-ups, staff believes that a straight restoration of funding for the governing boards, without an aligned increase in financial aid, is reasonable under these very unusual circumstances. **However, staff recommends that any increases that are approved above the restoration should not be exempted from the requirement to provide an aligned increase for financial aid.**

There are several issues that have led staff to recommend something other than a straight suspension of 23-3.3-103 (1) for FY 2021-22:

- The Committee has approved a common policy increase of 2.5 percent for salary survey for FY 2021-22 and a 2.5 percent increase for community provider rates (part of which restores a FY 2020-21 cut). While there is no requirement that funding for public institutions aligns with funding increases for the rest of state government, some alignment seems reasonable if state resources are sufficient.

¹ Note, these totals are adjusted from prior analyses to exclude a potential COSI impact and incorporate a technical correction.

- As the Committee is aware, the institutions have approached the Committee requesting an increase of \$74.4 million General Fund (**8.7 percent**) in FY 2021-22 above the FY 2019-20 funding level and may well request even more in light of the JBC's recent common policy decisions for total compensation. *If the Committee were to approve \$74.4 million for the institutions, an aligned increase for financial aid would require nearly \$17.0 million General Fund.*
- As the Committee is also aware, the Governor's Office has requested a supplemental FY 2020-21 appropriation of \$15.0 million General Fund for the Colorado Opportunity Scholarship Initiative (COSI) program, which is one of the financial aid programs included in Article 3.3 of Title 23. It remains uncertain whether the General Assembly will move forward with this request in whole or in part for FY 2020-21 and/or FY 2021-22.

In light of these issues, the revised version of the bill includes the following provisions:

- 1) For FY 2021-22, General Fund appropriations for the higher education institutions that restore funding up to the level of FY 2019-20 appropriations are exempted from the requirement that financial aid must increase at the same rate. However, increases for the governing boards above this level would still require aligned financial aid increases.
- 2) The bill exempts any supplemental appropriations for financial aid for FY 2020-21 from the calculation. Thus, in the event the COSI request for one-time additional funding for FY 2020-21 moves forward, this will not create a problem for the FY 2021-22 calculation for aligning funding increases. (In the absence of such an adjustment, financial aid support might appear to *fall* in FY 2021-22).

The table below illustrates how the calculation authorized by the bill draft would operate using a 2.5 percent increase for the governing boards as an example.

FINANCIAL AID INCREASE UNDER PROPOSED LEGISLATION WITH HYPOTHETICAL 2.5 PERCENT INCREASE FOR GOVERNING BOARDS	
Executive Request for public institutions for FY 2021-22, with technical corrections ^{1,2}	\$856,019,657
Hypothetical 2.5 percent increase for public institutions	<u>21,400,491</u>
Total FY 2021-22 Hypothetical GF appropriation for institutions	877,420,148
Total FY 2019-20 Enacted GF appropriation for public institutions ²	<u>856,230,905</u>
FY 2021-22 Increase over FY 2019-20 appropriation for institutions	21,189,243
FY 2021-22 Institutions' percentage increase over FY 2019-20	2.5%
Total FY 2020-21 Financial aid appropriation excluding any supplementals	193,849,624
Aligned percentage increase required for financial aid	2.5%
Dollar increase required for financial aid to align to increase for institutions	\$4,797,219

¹ Excludes a special bill and corrects an annualization error in the request

² Small differences between FY 2019-20 and the corrected FY 2021-22 request figure are related to temporary funding for new legislation provided in FY 2019-20.

Other observations:

- Based on current law, and as the bill is drafted, financial aid could always increase *more* in FY 2021-22 than the increase in funding for the institutions. It simply could not increase less.
- If the Committee provides an increase for the governing boards in FY 2021-22 and also provides an increase for COSI in FY 2021-22, it could count the COSI increase toward the requirement that increases for financial aid be aligned with increases for the institutions. However, **this would be at the General Assembly's discretion**. Members have noted that COSI is managed differently from most other financial aid in Article 3.3. Some COSI funds are directed to student support services, and there is more centralized state administration. In contrast, the largest share of state financial aid funds is allocated as “block grants” to higher education institutions based on the number of Pell-eligible students they enroll. *The Department has historically **not** included COSI in its “aligned financial aid” calculation, even though it fits within the statute.*

First Regular Session
Seventy-third General Assembly
STATE OF COLORADO

DRAFT
2.2.21

DRAFT

LLS NO. 21-0652.01 Jacob Baus x2173

COMMITTEE BILL

Joint Budget Committee

BILL TOPIC: "Higher Ed Student Financial Assistance Funding"

A BILL FOR AN ACT

101 **CONCERNING THE MODIFICATION OF THE REQUIREMENT FOR THE**
102 **FISCAL YEAR 2021-22 THAT THE ANNUAL APPROPRIATIONS FOR**
103 **STUDENT FINANCIAL ASSISTANCE FOR HIGHER EDUCATION**
104 **INCREASE BY AT LEAST THE SAME PERCENTAGE AS THE**
105 **AGGREGATE PERCENTAGE INCREASE OF ALL GENERAL FUND**
106 **APPROPRIATIONS TO INSTITUTIONS OF HIGHER EDUCATION.**

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 modifies the requirement for

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

the 2021-22 fiscal year that the annual appropriations for the higher education student financial assistance program increase by at least the same percentage as the aggregate percentage increase of all general fund appropriations to institutions of higher education. The bill clarifies that this standard increase will not apply to appropriations for the 2021-22 fiscal year for increases in funding for the institutions of higher education that restore aggregate general fund appropriations to a level at or below the level of such appropriations for the 2019-20 fiscal year. Furthermore, for the 2021-22 fiscal year, the standard formula will be calculated based on 2020-21 fiscal year financial aid appropriations during the 2020 legislative session and does not include supplemental appropriations for financial aid during the 2021 legislative session.

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

2 **SECTION 1.** In Colorado Revised Statutes, 23-3.3-103, **add** (9)
3 as follows:

4 **23-3.3-103. Annual appropriations - repeal.** (9) (a) THE
5 PROVISIONS OF SUBSECTION (1) OF THIS SECTION CONCERNING
6 APPROPRIATIONS FOR STUDENT FINANCIAL ASSISTANCE UNDER THIS
7 ARTICLE 3.3 DO NOT APPLY TO APPROPRIATIONS FOR THE 2021-22 FISCAL
8 YEAR FOR INCREASES IN FUNDING FOR THE INSTITUTIONS OF HIGHER
9 EDUCATION THAT RESTORE AGGREGATE GENERAL FUND APPROPRIATIONS
10 TO A LEVEL AT OR BELOW THE LEVEL OF SUCH APPROPRIATIONS FOR THE
11 2019-20 FISCAL YEAR.

12 (b) FOR THE 2021-22 FISCAL YEAR, SUBSECTION (1) OF THIS
13 SECTION IS CALCULATED BASED ON 2020-21 FISCAL YEAR FINANCIAL AID
14 APPROPRIATIONS ENACTED DURING THE 2020 REGULAR LEGISLATIVE
15 SESSION, AND DOES NOT INCLUDE ANY SUPPLEMENTAL APPROPRIATION
16 FOR FINANCIAL AID ENACTED DURING THE 2021 LEGISLATIVE SESSION.

17 (c) THIS SUBSECTION (9) IS REPEALED, EFFECTIVE JULY 1, 2025.

18 **SECTION 2. Safety clause.** The general assembly hereby finds,

- 1 determines, and declares that this act is necessary for the immediate
- 2 preservation of the public peace, health, or safety.

First Regular Session
Seventy-third General Assembly
STATE OF COLORADO

DRAFT
2.3.21

DRAFT

LLS NO. 21-0771.01 Brita Darling x2241

COMMITTEE BILL

Joint Budget Committee

BILL TOPIC: "Adjustments To School Funding FY 2020-21"

A BILL FOR AN ACT

101 **CONCERNING ADJUSTMENTS TO SCHOOL FUNDING FOR THE 2020-21**
102 **BUDGET YEAR, AND, IN CONNECTION THEREWITH, MAKING**
103 **APPROPRIATIONS.**

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 general assembly recognizes that the actual funded pupil count and the actual at-risk pupil count for the 2020-21 budget year are lower than anticipated when the appropriation amount was established during the 2020 legislative session, resulting in a decrease in total program funding for the 2020-21 budget year.

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Dashes through the words indicate deletions from existing statute.*

In addition, local property tax revenue and specific ownership tax revenue were less than anticipated, resulting in a decrease in the local share of total program funding.

The bill declares the general assembly's intent to maintain total program funding at the dollar amount of the original appropriation made during the 2020 legislative session, thereby reducing the budget stabilization factor.

The bill appropriates additional funding for the 2020-21 budget year for districts that experienced a percentage decrease in total program funding from that estimated during the 2020 legislative session that was greater than the districts' percentage decrease in funded pupil count from that estimated during the 2020 legislative session. In addition, the bill includes additional funding for districts that have an overall reduction in total program funding that is more than 2% below the districts' estimated total program funding during the 2020 legislative session.

The bill makes an appropriation to increase the state share of total program funding.

Further, the bill makes an appropriation to increase funding to rural schools and rural institute charter schools pursuant to House Bill 20-1427.

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

2 **SECTION 1. Legislative declaration.** (1) The general assembly
3 finds and declares that:

4 (a) The actual funded pupil count and the actual at-risk pupil
5 count for the 2020-21 budget year are lower than anticipated when the
6 appropriation was established in the 2020 legislative session for total
7 program funding for the 2020-21 budget year. As a result, total program
8 funding, before application of the budget stabilization factor, is
9 \$120,850,246 lower than anticipated when appropriations were
10 established in the 2020 legislative session.

11 (b) Based on actual local property tax revenue and specific
12 ownership tax revenue available to school districts for the 2020-21 budget
13 year, the local share of total program funding is \$40,905,287 lower than
14 anticipated when appropriations were established in the 2020 legislative

1 session; and

2 (c) It is the general assembly's intent to maintain total program
3 funding at the dollar amount of the original appropriation for the 2020-21
4 budget year.

5 (2) Therefore, the general assembly finds it necessary to increase
6 the appropriation for the state share of districts' total program funding.

7 **SECTION 2.** In Colorado Revised Statutes, 22-54-104, **amend**
8 (5)(g)(I)(K) as follows:

9 **22-54-104. District total program - definitions.** (5) For
10 purposes of the formulas used in this section:

11 (g) (I) For the 2010-11 budget year and each budget year
12 thereafter, the general assembly determines that stabilization of the state
13 budget requires a reduction in the amount of the annual appropriation to
14 fund the state's share of total program funding for all districts and the
15 funding for institute charter schools. The department of education shall
16 implement the reduction in total program funding through the application
17 of a budget stabilization factor as provided in this subsection (5)(g)(I).
18 For the 2010-11 budget year and each budget year thereafter, the
19 department of education and the staff of the legislative council shall
20 determine, based on budget projections, the amount of such reduction to
21 ensure the following:

22 (K) That, for the 2020-21 budget year, the sum of the total
23 program funding for all districts, including the funding for institute
24 charter schools, after application of the budget stabilization factor, is not
25 less than ~~seven billion two hundred thirty million four hundred forty-eight~~
26 ~~thousand eight hundred ninety-one dollars (\$7,230,448,891)~~ SEVEN
27 BILLION TWO HUNDRED THIRTY-TWO MILLION TWO HUNDRED SEVENTY

1 THOUSAND FOUR HUNDRED EIGHTY-TWO DOLLARS (\$7,232,270,482);
2 except that the department of education and the staff of the legislative
3 council shall make mid-year revisions to replace projections with actual
4 figures, including but not limited to actual pupil enrollment, assessed
5 valuations, and specific ownership tax revenue from the prior year, to
6 determine any necessary changes in the amount of the reduction to
7 maintain a total program funding amount for the applicable budget year
8 that is consistent with this subsection (5)(g)(I)(K). For the 2021-22
9 budget year, the difference between calculated statewide total program
10 funding and actual statewide total program funding must not exceed the
11 difference between calculated statewide total program funding and actual
12 statewide total program funding for the 2020-21 budget year.

13 **SECTION 3.** In Colorado Revised Statutes, **add** 22-54-143 as
14 follows:

15 **22-54-143. Additional funding - 2020-21 budget year -**
16 **definitions - repeal.** (1) AS USED IN THIS SECTION, UNLESS THE CONTEXT
17 OTHERWISE REQUIRES:

18 (a) "ESTIMATED FUNDED PUPIL COUNT" MEANS THE FUNDED PUPIL
19 COUNT CALCULATED FOR A DISTRICT DURING THE 2020 LEGISLATIVE
20 SESSION FOR THE 2020-21 BUDGET YEAR.

21 (b) "ESTIMATED TOTAL PROGRAM FUNDING" MEANS THE TOTAL
22 PROGRAM FUNDING CALCULATED FOR A DISTRICT DURING THE 2020
23 LEGISLATIVE SESSION FOR THE 2020-21 BUDGET YEAR.

24 (2) THE GENERAL ASSEMBLY SHALL APPROPRIATE TO THE
25 DEPARTMENT OF EDUCATION ADDITIONAL FUNDING FOR THE 2020-21
26 BUDGET YEAR FOR DISTRIBUTION TO DISTRICTS AS PROVIDED IN
27 SUBSECTION (3) OF THIS SECTION.

1 (3) AFTER ADJUSTING TOTAL PROGRAM FUNDING FOR THE 2020-21
2 BUDGET YEAR PURSUANT TO SECTION 22-54-104 (5)(g)(I)(K), AS
3 AMENDED BY SENATE BILL 21-____, ENACTED IN 2021, THE DEPARTMENT
4 OF EDUCATION SHALL ALLOCATE AND DISTRIBUTE AN AMOUNT OF MONEY
5 AS NECESSARY TO EACH DISTRICT TO ENSURE THAT:

6 (a) A DISTRICT'S TOTAL PROGRAM FUNDING FOR THE 2020-21
7 BUDGET YEAR DOES NOT DECREASE BELOW THE DISTRICT'S ESTIMATED
8 TOTAL PROGRAM FUNDING BY A PERCENTAGE THAT IS GREATER THAN THE
9 PERCENTAGE DECREASE IN THE DISTRICT'S ACTUAL FUNDED PUPIL COUNT
10 BELOW THE DISTRICT'S ESTIMATED FUNDED PUPIL COUNT; AND

11 (b) A DISTRICT'S TOTAL PROGRAM FUNDING FOR THE 2020-21
12 BUDGET YEAR DOES NOT DECREASE BELOW THE DISTRICT'S ESTIMATED
13 TOTAL PROGRAM FUNDING BY MORE THAN TWO PERCENT.

14 (4) IF A DISTRICT'S STATE SHARE OF TOTAL PROGRAM FUNDING
15 PURSUANT TO SECTION 22-54-106, BEFORE APPLICATION OF THE BUDGET
16 STABILIZATION FACTOR PURSUANT TO SECTION 22-54-104 (5)(g), WAS
17 ESTIMATED DURING THE 2020 LEGISLATIVE SESSION TO BE LESS THAN
18 ONE-HALF OF ONE PERCENT OF THE DISTRICT'S TOTAL PROGRAM FUNDING
19 FOR THE 2020-21 BUDGET YEAR, THE DEPARTMENT OF EDUCATION, IN
20 DETERMINING THE DISTRICT'S TOTAL PROGRAM FUNDING FOR THE 2020-21
21 BUDGET YEAR FOR PURPOSES OF SUBSECTION (3) OF THIS SECTION, SHALL
22 INCLUDE THE BALANCE, AS OF THE EFFECTIVE DATE OF SENATE BILL
23 21-____, OF THE DISTRICT'S TOTAL PROGRAM RESERVE FUND ESTABLISHED
24 PURSUANT TO SECTION 22-45-103 (1)(k).

25 (5) EACH DISTRICT THAT AUTHORIZES A CHARTER SCHOOL SHALL
26 DISTRIBUTE TO THE DISTRICT CHARTER SCHOOL ONE HUNDRED PERCENT
27 OF THE PER PUPIL AMOUNT THAT IS ATTRIBUTABLE TO THE DISTRICT

1 CHARTER SCHOOL FROM THE DISTRIBUTION RECEIVED PURSUANT TO THIS
2 SECTION.

3 (6) THIS SECTION IS REPEALED, EFFECTIVE JULY 1, 2022.

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.

First Regular Session
Seventy-third General Assembly
STATE OF COLORADO

DRAFT
2.3.21

DRAFT

LLS NO. 21-0778.01 Brita Darling x2241

COMMITTEE BILL

Joint Budget Committee

BILL TOPIC: "State Payments Adult Day Programming Providers"

A BILL FOR AN ACT

101 **CONCERNING SUPPLEMENTAL PAYMENTS TO QUALIFIED HOME- AND**
102 **COMMUNITY-BASED SERVICES PROVIDERS OF DAY**
103 **PROGRAMMING FOR INDIVIDUALS WITH INTELLECTUAL AND**
104 **DEVELOPMENTAL DISABILITIES, AND, IN CONNECTION**
105 **THEREWITH, 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 establishes supplemental state-funded payments (supplemental state payment) to qualified home-

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Dashes through the words indicate deletions from existing statute.*

and community-based services providers of day programming services to individuals with intellectual and developmental disabilities (providers) that have experienced a reduction in reimbursement payments as a result of the COVID-19 virus and the associated decline in day programming services provided.

The bill defines day programming services and establishes the requirements for providers to qualify for the supplemental state payment.

The bill sets forth the calculation for the amount of the supplemental state payment distributed to providers and makes an appropriation for the supplemental state payment.

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

2 **SECTION 1.** In Colorado Revised Statutes, **add** 25.5-4-424 as
3 follows:

4 **25.5-4-424. Supplemental state payments to qualified home-**
5 **and community-based services providers of day programming for**
6 **individuals with intellectual and developmental disabilities - no**
7 **federal financial participation - rules - legislative declaration -**
8 **definitions - repeal.** (1) THE GENERAL ASSEMBLY FINDS AND DECLARES
9 THAT AS A RESULT OF THE PRESENCE OF THE COVID-19 VIRUS IN THE
10 STATE, THERE HAS BEEN AN ASSOCIATED DECLINE IN DAY PROGRAMMING
11 SERVICES PROVIDED FOR INDIVIDUALS WITH INTELLECTUAL AND
12 DEVELOPMENTAL DISABILITIES THROUGH THE HOME- AND
13 COMMUNITY-BASED SERVICES WAIVER UNDER THE MEDICAL ASSISTANCE
14 PROGRAM. CONSEQUENTLY, WITHOUT ADDITIONAL STATE FUNDING FOR
15 THE 2020-21 STATE FISCAL YEAR TO AMELIORATE THE DECLINE IN
16 REVENUE EXPERIENCED BY DAY PROGRAMMING SERVICES PROVIDERS,
17 COLORADO MAY EXPERIENCE A SHORTAGE IN HOME- AND
18 COMMUNITY-BASED SERVICES PROVIDERS WHO PROVIDE DAY
19 PROGRAMMING SERVICES TO INDIVIDUALS WITH INTELLECTUAL AND
20 DEVELOPMENTAL DISABILITIES ONCE THE COVID-19 VIRUS IS NO LONGER

1 RESTRICTING THESE SERVICES IN THE STATE.

2 (2) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE
3 REQUIRES:

4 (a) "DAY PROGRAMMING SERVICES" MEANS THE FOLLOWING
5 HOME- AND COMMUNITY-BASED SERVICES FOR INDIVIDUALS WITH
6 INTELLECTUAL AND DEVELOPMENTAL DISABILITIES THAT ARE
7 REIMBURSABLE UNDER THE MEDICAL ASSISTANCE PROGRAM:

8 (I) ADULT DAY CARE SERVICES;

9 (II) DAY HABILITATION SERVICES;

10 (III) NONEMERGENCY MEDICAL TRANSPORTATION; AND

11 (IV) SUPPORTED EMPLOYMENT SERVICES.

12 (b) "QUALIFIED PROVIDER" MEANS AN ENTITY THAT:

13 (I) WAS CONTINUOUSLY ENROLLED WITH THE STATE DEPARTMENT
14 DURING THE PERIOD BEGINNING OCTOBER 1, 2019, THROUGH THE
15 DEADLINE FOR PAYMENT SET FORTH IN SUBSECTION (4)(b) OF THIS
16 SECTION;

17 (II) PROVIDED DAY PROGRAMMING SERVICES DURING THE PERIOD
18 BEGINNING OCTOBER 1, 2019, THROUGH MAY 31, 2021; AND

19 (III) AS A RESULT OF THE COVID-19 VIRUS AND ITS RESTRICTIONS
20 ON DAY PROGRAMMING SERVICES AND THE DEMAND FOR DAY
21 PROGRAMMING SERVICES, HAS EXPERIENCED A REDUCTION IN THE NUMBER
22 OF DAY PROGRAMMING SERVICES PROVIDED DURING THE PERIOD OF THE
23 COVID-19 DECLARED PUBLIC HEALTH EMERGENCY IN THE STATE.

24 (c) "QUALIFIED PROVIDER'S LOSS PERCENTAGE" MEANS THE
25 QUALIFIED PROVIDER'S LOST REVENUE DIVIDED BY THE TOTAL OF ALL
26 QUALIFIED PROVIDERS' LOST REVENUE.

27 (d) "QUALIFIED PROVIDER'S LOST REVENUE" MEANS THE DOLLAR

1 AMOUNT OF LOST REVENUE EXPRESSED AS A POSITIVE NUMBER
2 CALCULATED BY SUBTRACTING THE QUALIFIED PROVIDER'S
3 REIMBURSEMENTS FOR DAY PROGRAMMING SERVICES PROVIDED FOR THE
4 PERIOD BEGINNING OCTOBER 1, 2020, THROUGH DECEMBER 31, 2020,
5 FROM THE QUALIFIED PROVIDER'S REIMBURSEMENTS FOR DAY
6 PROGRAMMING SERVICES PROVIDED FOR THE PERIOD BEGINNING OCTOBER
7 1, 2019, THROUGH DECEMBER 31, 2019.

8 (3) THE STATE DEPARTMENT SHALL DISTRIBUTE TO EACH
9 QUALIFIED PROVIDER AN AMOUNT EQUAL TO THE QUALIFIED PROVIDER'S
10 LOSS PERCENTAGE MULTIPLIED BY THE TOTAL STATE APPROPRIATION FOR
11 SUPPLEMENTAL STATE PAYMENTS PURSUANT TO THIS SECTION; EXCEPT
12 THAT STATE SUPPLEMENTAL PAYMENTS TO QUALIFIED PROVIDERS MUST
13 BE ADJUSTED PRO RATA TO ENSURE THAT THE SUM OF ALL STATE
14 SUPPLEMENTAL PAYMENTS DOES NOT EXCEED THE TOTAL APPROPRIATION
15 FOR STATE SUPPLEMENTAL PAYMENTS.

16 (4) (a) ONCE THE STATE DEPARTMENT HAS DETERMINED THE
17 AMOUNT OF THE SUPPLEMENTAL STATE PAYMENTS, THE STATE
18 DEPARTMENT SHALL ALLOW QUALIFIED PROVIDERS TO EXAMINE THE
19 CALCULATION OF THE PAYMENTS PRIOR TO FINALIZING THE DISTRIBUTION
20 OF FUNDING AND SHALL CONSIDER FEEDBACK FROM QUALIFIED PROVIDERS
21 PRIOR TO FINALIZING THE DISTRIBUTION. A QUALIFIED PROVIDER MAY
22 REQUEST THAT THE STATE DEPARTMENT RECALCULATE THE
23 SUPPLEMENTAL STATE PAYMENT AMOUNT WITHIN THIRTY DAYS AFTER
24 NOTIFICATION OF THE PAYMENT AMOUNT PRIOR TO FINALIZATION.

25 (b) THE STATE DEPARTMENT SHALL DISTRIBUTE THE
26 SUPPLEMENTAL STATE PAYMENTS TO QUALIFIED PROVIDERS NO LATER
27 THAN MAY 31, 2021. ONCE PAYMENTS HAVE BEEN DISTRIBUTED, THE

1 STATE DEPARTMENT SHALL NOT RECALCULATE OR RE-ESTIMATE THE
2 PAYMENTS FOR THE PURPOSE OF CHANGING THE DISTRIBUTION. THE STATE
3 DEPARTMENT MAY RECOVER PAYMENTS MADE TO A QUALIFIED PROVIDER
4 PURSUANT TO THIS SECTION IF THE STATE DEPARTMENT DETERMINES THAT
5 THE PAYMENTS WERE MATERIALLY AFFECTED BY FRAUDULENT CLAIMS
6 SUBMISSIONS MADE BY THAT QUALIFIED PROVIDER UNDER THE MEDICAL
7 ASSISTANCE PROGRAM.

8 (5) THE STATE BOARD MAY ADOPT ANY RULES NECESSARY TO
9 IMPLEMENT THIS SECTION.

10 (6) THIS SECTION IS REPEALED, EFFECTIVE JULY 1, 2022.

11 **SECTION 2. Appropriation.** For the 2020-21 state fiscal year,
12 \$14,500,000 is appropriated to the department of health care policy and
13 financing for use by the office of community living. This appropriation
14 is from the general fund. To implement this act, the office may use this
15 appropriation for supplemental payments to qualified providers pursuant
16 to section 25.5-4-424, C.R.S.

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