

MEMORANDUM



JOINT BUDGET COMMITTEE

TO JBC Members
FROM JBC Staff
DATE March 16, 2022
SUBJECT Figure Setting - Comeback Packet 6

Included in this packet are staff comeback memos for the following items:

LAW, page 1 (Scott Thompson): R5 Patterns and Practices Investigations (*Tabled Item*)

AGR, page 3 (Andrew Forbes): R3 Colorado Hemp Decortication (*Tabled Item*)

REV, page 7 (Jon Catlett): Correction for S.B. 18-200 Annualization (*Technical Item*)

DMVA, page 8 (Jon Catlett): R1 State Women Veterans Service Officer (*Tabled Item*)

DMVA, page 14 (Jon Catlett): R4 Department Automation and Improvement (*Tabled Item*)

EDU, page 16 (Amanda Bickel): Adjustment to Annualization of FY 2022 Salary Survey (*Technical Item*)

EDU, page 17 (Amanda Bickel): Staff-initiated Nutrition Program Adjustment (*Tabled Item*)

EDU, page 23 (Amanda Bickel): Staff-initiated Adjustment for Colorado School for the Deaf and the Blind (*New Item*)

EDU, page 24 (Amanda Bickel): Footnote for Funding Flexibility in Early Literacy Division (*New Item*)

EDU, page 27 (Amanda Bickel): Other Additional Information (*Informational, Three Items*)

COR, page 30 (Justin Brakke): R1/BA2 Prison Caseload (*Tabled Item*)

COR, page 36 (Justin Brakke): R2/BA3 Medical Caseload (*Tabled Item*)

COR, page 39 (Justin Brakke): Offset Salary Increases Other Agencies (*New Item*)

DORA, page 41 (Mitch Burmeister): BA1 Fee Relief for Licensed Nurses and Mental Health (*Tabled Item*)

DORA, page 43 (Mitch Burmeister): Reverse Prior Action on BA2 - BHA (*New Item*)

DHS, page 44 (Tom Dermody): R10 SNAP Fair Hearings (*Tabled Item*)

DPA, page 49 (Tom Dermody): BA2 DHR Stimulus Staffing (*Technical Item*)

DPA, page 50 (Tom Dermody): R3 CSEAP Resources (*Tabled Item*)

DPS, page 57 (Emily Hansen): R6 State Emergency Operations Center (*Tabled Item*)

COMEBACK PACKET 6
MARCH 16, 2022

DPS, page 58 (Emily Hansen): R11 Cybersecurity Program (*Tabled Item*)

DHS, page 65 (Eric Kurtz): FTE Correction (*Technical Item*)

DHS, page 65 (Eric Kurtz): Annualization of S.B. 21-137 (*Technical Item*)

STA, page 66 (Abby Magnus): R1 Security Services (*Tabled Item*)

STA, page 68 (Abby Magnus): R3 Money in Politics System (*Tabled Item*)

MEMORANDUM



JOINT BUDGET COMMITTEE

TO Members of the Joint Budget Committee
FROM Scott Thompson, JBC Staff (303-866-4957)
DATE March 11, 2022
SUBJECT JBC staff comeback for the Department of Law - R5 Patterns and Practices Investigations

This item was tabled during the JBC staff figure setting presentation for the Department of Law because the Committee was seeking further information on specific drivers of workload. JBC staff agreed not to publish additional information, due to the confidential nature of the program, and recommended to staff from the Attorney General's Office that communicating directly with Committee members is likely most effective given that fact. Therefore, the following is the original JBC staff recommendation and analysis to refresh the memory of Committee members.

→ R5 PATTERNS AND PRACTICES PROGRAM

REQUEST: The request includes \$156,421 General Fund and 0.9 FTE to increase staff capacity for patterns and practices investigations as authorized by S.B. 20-217 due to the volume of investigation requests made under the program. The request annualized to \$161,418 General Fund and 1.0 FTE.

RECOMMENDATION: Staff recommends approval of the Department request but consistent with JBC policy for new FTE, the recommendation does not include certain centralized costs. JBC staff recommends an appropriation of \$127,760 General Fund for 0.9 FTE in FY 2022-23. This annualizes to \$161,418 General Fund and 1.0 FTE in FY 2023-24.

DISCUSSION

Senate Bill 20-217 (Concerning Measures to Enhance Law Enforcement Integrity) authorized the Department to conduct investigations into patterns and practices by governmental authorities that violate civil rights. While the Department is unable to comment publicly on pending or ongoing investigations, this authority is currently in use and driving staffing resource needs.

Significant requests have been made from the public for the Department to commence patterns and practices investigations into a number of governmental authorities. During the FY 2021-22 budget setting process, the Department requested and was approved resources for 2.0 dedicated FTE for patterns and practices investigations. This request was submitted in early 2021 based on estimates of necessary resources—since the first Department investigation had still not reached completion, this estimate was made prior to having full knowledge of the extent of workload necessary to conduct a full patterns and practices investigation from beginning and end.

Since that time, the Department completed one patterns and practices investigation. This investigation consumed the equivalent of 6,200 hours in staff time (both pro bono volunteer attorneys and paid Department staff), the equivalent of 3.0 FTE. With this data now known, the Department requests that the 2.0 FTE funded in the prior budget cycle be supplemented with an additional FTE to match the workload anticipated for future patterns and practices investigations.

MARCH 11, 2022

To address the additional responsibilities and workload, the Department requests a Senior AAG FTE. This additional resource will facilitate the appropriate follow up, and in those instances that are warranted, the investigation and resolution of actionable issues. This staff support will also enable the Department to implement the intent of SB 20-217 patterns and practices investigations without sacrificing other critical Department priorities and obligations, while meeting the estimated workload necessary for the investigation and resolution of these efforts.

The department assumes that the Senior AAG position will be filled at the beginning of the second quartile of the Senior pay range. These efforts require seasoned employees that not only hold significant expertise in investigations and prosecutions as well as effective negotiation skills.

JBC Staff recommends approving the Department request but, consistent with JBC policies, the recommendation excludes funding certain centrally appropriated line items in the first year for new FTE. As such, the recommendation is an appropriation of \$127,760 General Fund and 0.9 FTE. This annualizes to \$161,418 General Fund and 1.0 FTE in FY 2023-24.

MEMORANDUM



JOINT BUDGET COMMITTEE

TO Joint Budget Committee
FROM Andrew Forbes, JBC Staff (303-866-2062)
DATE March 08, 2022
SUBJECT R3 Hemp Decortication

During Staff's figure setting presentation for the Department of Agriculture on February 16, 2022 the Committee requested more information on the Department's R-03: Colorado Hemp Decortication request. Below is some background on hemp decortication programs in other states, an outline of what the proposed program could look like if put in statute, as well as staff's original write up.

There are two known hemp processing grant programs in the United States:

- New York State created a \$5 Million Capital Grant Program for Hemp Processors in 2017 where "Grants may provide a minimum of \$10,000 and a maximum of \$500,000 for up to 50% of total project costs supporting capital investments. The remaining 50% must be matched by the recipient."
- Missouri created a \$700,000 Industrial Hemp Fiber Processing Grant in 2021 where "Missouri General Assembly appropriated \$700,000 to help build Missouri's industrial hemp fiber processing infrastructure. Increased hemp fiber processing capacity will create additional marketing opportunities for Missouri's industrial hemp producers. The maximum award amount will be \$200,000, with a minimum 25% cash match required."

According to the U.S. Department of Agriculture, Colorado is the second largest exporter of raw industrial hemp for processing in other nations. In 2021, Colorado sent \$367,000 worth of raw hemp to Switzerland and Germany for processing. In total from 2016-2021 Colorado shipped \$3,994,000 worth of hemp overseas for processing.

PROPOSED PROGRAM

Rather than allowing grant dollars to be used for decortication facilities only, the Department is proposing that the grants should be open to all processing of industrial hemp.

MAXIMUM/MINIMUM AWARD AMOUNTS:

- \$5.0 million available for grants
- Applications requesting less than \$150,000 requires a minimum 10% match
- Applications requesting \$150,000 or more (maximum \$1,500,000) requires a minimum 25% match

MATCH CONTRIBUTIONS:

- In-kind and cash

ELIGIBILITY:

- Both new and established companies are eligible to apply
- Project must be for industrial hemp processing (not floral hemp)

- Grants available for both in state and out of state applicants so long as the facility is built in Colorado and utilizes hemp grown in Colorado.

ELIGIBLE EXPENSES:

Expenses eligible for reimbursement are limited to equipment used for processing industrial hemp and associated costs for the installation of such equipment. Processing for floral hemp is not eligible.

INELIGIBLE EXPENSES:

Ineligible expenses include, but are not limited to:

- Expenses that have been or will be reimbursed under any federal, state, or local government funding
- Expenses that have been or will be reimbursed by insurance
- Bond/Insurance costs
- Wages
- Feasibility studies
- Marketing expenses
- Grant proposal preparation cost
- Research

APPLICATION DETAILS:

Applications will be reviewed by the Value Added Development Board who will advise the Commissioner of a project's feasibility and economic impact. The Commissioner will review applications and the advice of the Value Added Development Board in approving grant applications. The Commissioner has the ultimate authority in approving applications.

- Start Date: Applications available
- 6 Week Period: Last day to submit an application
- 3 Week Period: Applicants notified of acceptance or denial
- 1 year period: Last day that eligible expenses may be incurred for reimbursement
- 14-16 Month Period: Progress report and reimbursement request submitted to the Department
- Smart Act 2023: The Department will report on projects funded and the increase in industrial hemp fiber processing production.

PREVIOUSLY PRESENTED STAFF ANALYSIS

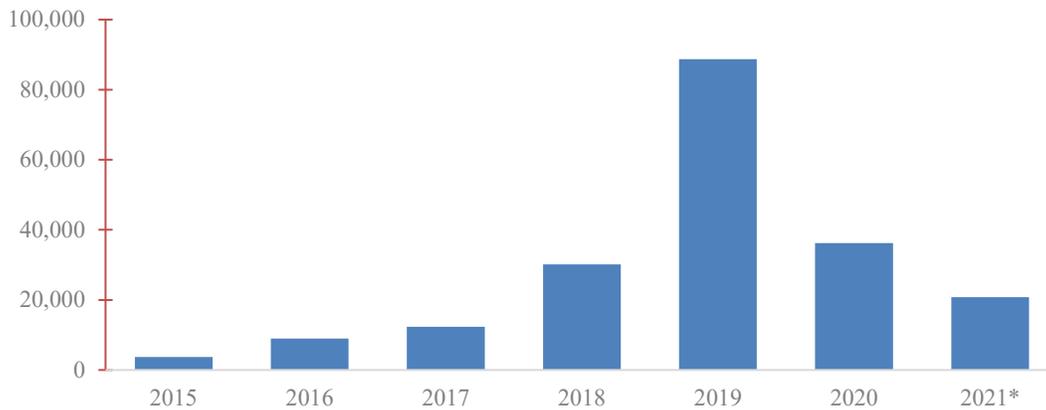
REQUEST: The Department requests a one-time increase of \$5,072,735 cash funds from the Marijuana Tax Cash Fund and 0.8 FTE for FY 2022-23 to establish a grant program to expand hemp decortication in the state. The Department also seeks roll forward authority on the appropriation in order to facilitate the grants across multiple fiscal years.

RECOMMENDATION: **JBC staff recommends denial of the Department's request.** JBC staff and the Office of Legislative Legal Services (OLLS) agree that the proposed grant program does not fall under allowable uses of the Marijuana Tax Cash Fund. If the Committee wanted to move forward with funding this request there are a couple of options to achieve this goal.

- Run a JBC sponsored bill (or placeholder) that changes the allowable uses of the Marijuana Tax Cash Fund to include the proposed grant program.
- Fund the request with General Fund instead of Marijuana Tax Cash Fund and provide roll forward authority for the grants to be dispersed over multiple years.

ANALYSIS: The Department of Agriculture regulates the cultivation of industrial hemp across the state through both the industrial hemp program and the certified seed program. In order to cultivate industrial hemp in Colorado producers must register annually with the Department, and pay a registration fee per acre and/or indoor square foot which is then deposited into the Industrial Hemp Registration Cash Fund created in Section 35-61-106 (1), C.R.S. Over the last several years annual hemp registrations have fluctuated, with a sharp increase since the establishment of the industrial hemp program in 2015 to a sharp decline between the 2019-20 and 2020-21 fiscal years, as illustrated in the graph below.

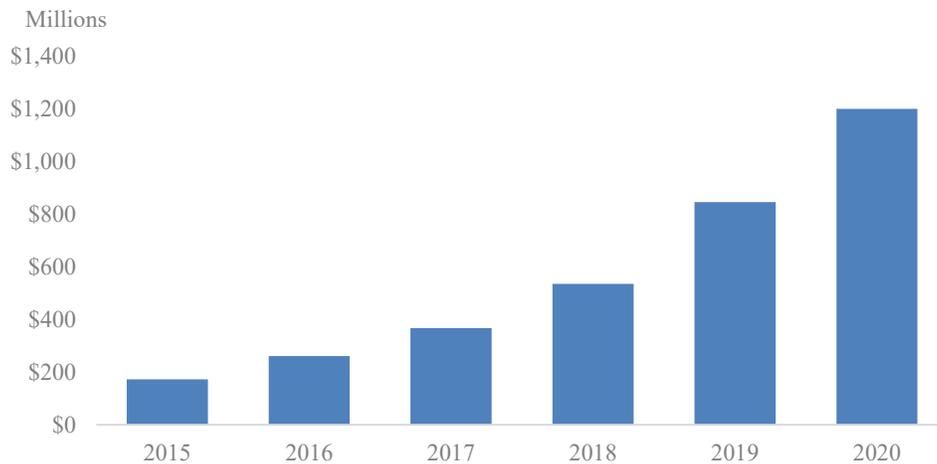
Acres of Hemp Production Registered by Calander Year



*Through September 2021

One assumption about the spike and subsequent drop off in hemp registrations is that there was an initial market saturation following the legalization of hemp production outlined in the 2018 Farm Bill. The 2018 Farm Bill expanded the cultivation of hemp from small scale pilot programs for “studies” in the markets response to hemp derived products to a more broad cultivation of hemp, and even allows for the transfer of hemp derived products across state lines. Important to note for purposes of this discussion is that along with the relaxing of hemp regulations under the 2018 Farm Bill the bill also removes hemp derived products as a schedule 1 substance. The result of this was that cannabinoid (CBD) oil was considered to be legalized, as long as it was produced through the approved hemp production process. While hemp registration areas have decreased in Colorado the market share of CBD products has continued to increase over the same time period, according to a study by Statista. The increase in consumer sales nationally can be seen in the graph below.

National Growth in US CBD Product Sales 2015-2020



Nationally, in 2019, just under 80 percent of the 500,000 total hemp registered areas were intended primarily to produce flower for CBD extraction. CBD oil is used in a variety of health and beauty products, and to produce this oil only the flower of the hemp plant is used. To extract this oil the hemp plant is sent to an extraction facility, and in many cases the remainder of the plant is discarded without further processing. A decortication machine separates the flower from the fiber and the hurd of the plant. The hurd (the woody innermost part of the stalk) can be used for construction and building materials, animal bedding, cosmetics, and an alternative for plastics while the fiber has uses in yarn and textiles.

There are currently 10 decortication facilities in the country, and one in Colorado (Formation AG). Formation AG is located in the San Luis Valley and has a decortication machine with a current backlog of 4-6 weeks. While this indicates that there is a demand for decortication services in Colorado there hasn't been any sort of market analysis done to determine the scale of this demand. Because the processing of hemp was just allowed with the passage of the 2018 Farm Bill there is very little national or state level data available. The U.S. Department of Agriculture is expected to release its first ever national hemp survey sometime in early 2022, but as of the writing of this document staff cannot confidently say that a decortication grant program would be successful in revitalizing the state's hemp industry.

EVIDENCE BASED POLICY: The Department indicates that funding is for the implementation of a theory-informed program as defined in S.B. 21-284 (Evidence-based evaluation for budget). The Department does not have any data that indicates that a grant program for hemp decortication will /will not be effective in expanding the states hemp industry. Based on JBC staff analysis and pursuant to S.B. 21-284, assignment of a level of evidence is not applicable to this budget request.

MEMORANDUM



JOINT BUDGET COMMITTEE

TO Members of the Joint Budget Committee
FROM Jon Catlett, JBC Staff (303-866-4386)
DATE March 11, 2022
SUBJECT Technical Correction REV SB18-200 Annualization

During figure setting the Committee approved an increase of \$502,106 total funds including \$227,901 General Fund for the annualization of SB18-200. The Department reflected this annualization in the PERA Direct Distribution line item. The annualization should be made in the Personal Services line item in the Executive Director's Office, Administration and Support division. JBC staff request permission to make this technical correction.

MEMORANDUM



JOINT BUDGET COMMITTEE

TO Members of the Joint Budget Committee
FROM Jon Catlett, JBC Staff (303-866-4386)
DATE March 11, 2022
SUBJECT Department of Military and Veterans Affairs Tabled Decision Item R1

During figure setting for the Department of Military and Veterans Affairs on Monday, February 14, 2022, the Committee delayed action on R1 (State Women Veteran Service Officer). The Committee requested additional information from the Department regarding how this position would support diversity, equity, and inclusion initiatives relating to Colorado veterans. The Committee also was interested in understanding how this position would allocate their time between issues relating to female veterans and initiatives relating to diversity, equity, and inclusion. Finally, the Committee asked if one FTE was enough to fill both of these roles, or if the Department needed two FTE to meet the needs of the diverse Colorado veteran population. **Staff's recommendation remains approval of the original request.**

The table below provides a summary of the original Department request and JBC staff recommendation based on Committee policy regarding new FTE. Adjustments to these figures align with the Committee's prior action on the Department's R2 State Veteran Service Officer Compensation Adjustment request.

Women Veteran Service Officer		
	Request	Recommendation
SOC SERVICES SPEC III	62,109	59,213
PERA	6,770	6,809
AED	3,105	
SAED	3,105	
Medicare	901	859
STD	99	
Health-Life-Dental	14,086	
Operating Expenses	12,950	12,950
TOTAL:	\$103,125	\$79,831

In response to the Committee's questions during figure setting, the Department provided the following additional information regarding the R1 request, specifically as the position pertains to equity, diversity, and inclusion.

During figure setting, the Committee asked if one FTE was adequate to meet Colorado's veteran population's diverse needs or if an additional FTE dedicated to equity, diversity, and inclusion is merited. In response, the Department states that a second position is warranted. The Department provided the information below regarding their revised request for an Equity, Diversity, and Inclusion Veterans Service Officer.

The role of the Equity, Diversity, and Inclusion Veteran Service Officer (EDIVSO) will be to provide more direct and appropriate support to marginalized veteran groups, while minimizing employee

turnover that has hampered past attempts at establishing veterans outreach programs to promote equity, diversity, and inclusion.

The Department states that this position will provide advocacy, engagement, and improved outcomes to veterans of color in Colorado by serving as a specific liaison, providing focused support and enhanced assistance to underrepresented veterans and community partners. The EDIVSO will assist minority populations in addressing benefits, health care, and emergent issues. This position will enhance service delivery to underrepresented veterans and improve both quantity and quality of service. Additionally, this position will provide focused training to County Veterans Service Officers (CSVOs) across the state. The EDIVSO will advise and work with CSVOs on issues that marginalized veteran groups face and enhance the CSVOs' ability to assist and more effectively serve underrepresented veteran populations.

The Department reports the following statistics to support the need for an EDIVSO. The Veterans Administration's Office of Health Equity has determined that American Indian and Alaska Native veterans had post-traumatic stress disorder (PTSD) rates 7% greater than the average amongst veterans. Pacific Islanders have rates that are 4% higher. Nationally, underrepresented Veterans make up 22% of the veteran population. Additionally, underrepresented veterans tend to be younger and are considered a steadily growing segment of the total veteran population (VA Underrepresented Veterans Report). Underrepresented veterans have unique challenges after their service including a lower labor force participation rate than non-veterans. These underrepresented groups also struggle with access to care, including telehealth and other care options.

The table below shows the changing composition of Colorado's veteran population over the next two decades.

Colorado Veteran Population								
	2015	2020	2025	2030	2035	2040	2045	% Change
White	331,247	308,471	284,156	262,311	241,395	222,080	205,783	-37.9%
Minorities	80,436	81,005	78,292	75,501	74,135	73,836	74,332	-7.6%
Total	411,683	389,476	362,448	337,812	315,530	295,916	280,115	-32.0%

*Minorities are all races/ethnicities other than non-Hispanic White veterans

Source: National Center for Veterans Analysis & Statistics, U.S. Department of Veterans Affairs

The Department has proposed a revised request for two FTE to fill outreach roles to Colorado's veterans. In order to facilitate dialogue regarding the revised request, staff have included the revised Department's request for an Equity, Diversity, and Inclusion Veteran Service Officer in addition to the original request for a Women Veterans Service Officer. Figures for the revised request as well as the associated figures reflecting Committee policy are provided in the table below.

Women Veteran Service Officer & E.D.I. Veteran Service Officer		
Personal Services	Request	JBC Policy
SOC SERVICES SPEC III	\$124,218	\$118,426
PERA	13,540	13,618
AED	6,210	
SAED	6,210	
Medicare	1,802	1,718
STD	198	

Women Veteran Service Officer & E.D.I. Veteran Service Officer		
Personal Services	Request	JBC Policy
Health-Life-Dental	28,172	
Operating Expenses	25,900	25,900
TOTAL:	\$206,250	\$159,662

This decision item, as originally presented on February 14th, is shown below.

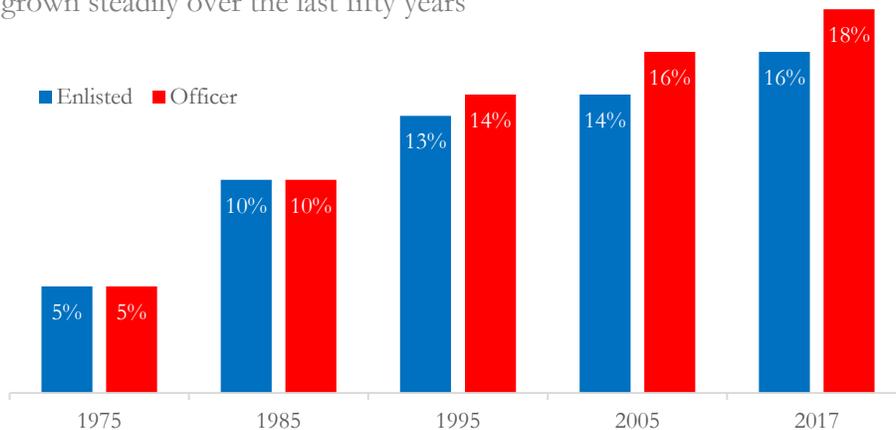
→ R1 STATE WOMEN VETERAN SERVICE OFFICER

REQUEST: The Department requests \$103,125 General Fund and 1.0 FTE to hire a Women Veterans Service Officer. This position would provide direct and focused support to women veterans and other marginalized veteran groups and help meet the specific needs of this growing demographic of service members.

RECOMMENDATION: Staff recommends approval of \$79,831 and 1.0 FTE.

BACKGROUND AND ANALYSIS: The proportion of women serving in the U.S. armed forces has steadily grown from 5 percent in 1975 to just under 20 percent today. This growth of females in the armed services is forecast to continue for coming decades. As the number of women serving in the armed forces rises, there will be a corresponding increase in female veterans.

The Proportion of women serving in the U.S. Military has grown steadily over the last fifty years

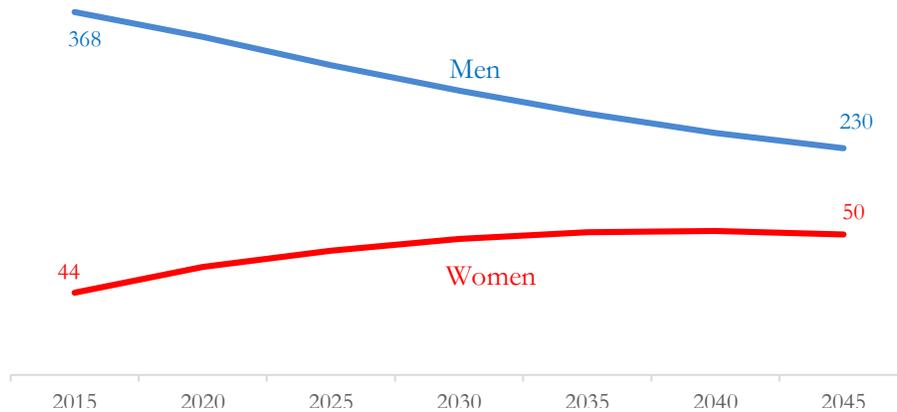


Today there are approximately 20 million veterans in the United States and its Territories. Women account for roughly 2 million of these veterans. In Colorado, as of 2020, approximately 390,000 veterans were living in the state, and of these, 47,000 were female. Female veterans represent approximately 12 percent of the total veteran population in Colorado, which is greater than the national average of 9.4 percent.

Colorado Veterans								
	2015	2020	2025*	2030*	2035*	2040*	2045*	% Change
Male	367,700	342,660	313,843	287,937	264,902	245,158	229,719	-37.5%
Female	43,983	46,816	48,605	49,875	50,628	50,758	50,395	14.6%
Total	411,683	389,476	362,448	337,812	315,530	295,916	280,114	-32.0%
% Female	10.7%	12.0%	13.4%	14.8%	16.0%	17.2%	18.0%	

Over the next twenty-five years, the number of female veterans in Colorado will grow in both absolute and relative terms. The population of female veterans in the state will increase by 15 percent over the three decades between 2015 and 2045, while over the same timeframe Colorado’s male veteran population will decline by 32 percent.

Projected Trend in Colorado's Veteran Population Through 2045 (thousands)



In January 2013 the ban on women serving in combat roles was fully lifted, and today women are allowed to serve in any military role that men serve. While the military has changed and grown more inclusive of women in recent years, women in the military still face unique challenges during their service time.

According to the United States Department of Veterans Affairs (USDVA), Military sexual trauma (MST) is any sexual assault or sexual harassment that a service member experiences during their military service. While both male and female service members experience MST, females experience MST at a much greater rate than their male counterparts. Research by USDVA found that 1 in 3 women veterans had experienced MST during their service, while male veterans were found to have experienced MST at a rate of 1 in 50.

The USDVA defines MST to include acts such as:

- Being coerced into sexual activities with threats of negative treatment if refusal to cooperate, or with promises of better treatment
- Sexual contact without consent, including while asleep or intoxicated
- Being overpowered or physically forced to have sex

MARCH 11, 2022

- Being touched or grabbed in a sexual way that makes one uncomfortable, including during “hazing experiences”
- Comments about your body or sexual activities you found threatening
- Unwanted sexual advances that you found threatening¹

Service members of all genders, ages, ethnic and racial backgrounds, and all branches of service have experienced MST. MST is a form of trauma, and can have long term negative implications for an individual’s physical, mental, and emotional health. According to the USDVA victims of MST may experience:

- Disturbing memories or nightmares
- Difficulty feeling safe
- Feelings of depression or numbness
- Feeling isolated from other people
- Difficulty with anger, irritability, or other strong emotions
- Issues with sleep
- Self-doubt, self-blame, or decreased self esteem²

A primary role of the state and county veteran service officers is to match veterans with the benefits they have earned while in the military. These benefits include treatment for MSA, which has special eligibility rules that are unique from other benefits that veterans receive. The VA has no length of service, income, or other standard eligibility requirements to receive treatment for MSA. Consequently, some veterans may not be aware that they can receive treatment for MSA because of these broader, unique eligibility requirements that the DMVA has implemented to address the issue.

Currently, there are 88 county veteran service officers (CVSOs) across the state. Each county is required to have at least one CVSO, but some larger counties employ additional officers. Of these 88 officers, 68 (77%) are men, and 20 (23%) are women. A primary function of these veteran service officers is to assist veterans in navigating the VA system and have access to the benefits they have earned and are provided by the VA.

Medical treatment can often be very gender-specific. The options and resources available to a veteran can be difficult to track (i.e. treatment options or items that the VA will provide or pay for versus what they do not cover). One of the primary roles of the State Women Veteran Service officer would be to advocate for women and other marginalized populations by serving as a dedicated liaison to address benefits, health care, and emergent issues for women veterans. Additionally, the state women veteran service officer would play an essential role in improving the training of CSVOs and enhancing their capacity to provide better service to women and other marginalized groups.

The staff recommendation includes a reduction of pots and a pay date shift for the General Fund appropriation. Additionally, staff recommends a midpoint starting salary to maintain consistency with the recommendation for R2, State Veteran Service Officer Compensation Adjustment.

¹ <https://www.mentalhealth.va.gov/msthome/index.asp>

² <https://www.mentalhealth.va.gov/msthome/index.asp>

Women Veteran Service Officer Salary (Soc Services Spec III)		
	Request	Recommendation
Personal Services		
Salary	62,109	59,213
PERA	6,770	6,809
AED	3,105	
SAED	3,105	
Medicare	901	859
STD	99	
Health-Life-Dental	14,086	
Operating Expenses	12,950	12,950
TOTAL:	\$103,125	\$79,831

MEMORANDUM



JOINT BUDGET COMMITTEE

TO Members of the Joint Budget Committee
FROM Jon Catlett, JBC Staff (303-866-4386)
DATE March 11, 2022
SUBJECT Department of Military and Veterans Affairs Tabled Decision Item R4

During figure setting for the Department of Military and Veterans Affairs (DMVA) on Monday, February 14, 2022, the Committee delayed action on the Department's R4 Department Automation and Improvement request. The Committee requested additional information from the Department regarding Kronos and any other information that the Joint Technology Committee released in their recommendation regarding this request. **Staff's recommendation remains approval of the request.** Below is additional information from the Joint Technology Committee and the Department regarding this decision item.

The Joint Technology Committee (JTC) reviewed this request On January 25, 2022. JTC released a recommendation of fully funding the Department's request stating, "The JTC reviewed the FY 2022-23 R-04 operating request, Department Automation and Improvement, from the Department of Military and Veterans Affairs and recommends fully funding the request."

The Department provided the following additional information regarding KRONOS. DMVA is one of few remaining departments that still relies on paper timecards, and a manual leave tracking system. Updating this system to a twenty-first-century model is one of the Department's top priorities. KRONOS Dimensions is the recommended solution from the Office of Information Technology and the Department of Personnel and Administration. There are approximately three state agencies that are not currently on KRONOS, and one is implementing KRONOS now. Additionally, it is unknown when the state-wide human resource system will be implemented and there is uncertainty around whether this system will include a time-keeping module.

This item, as originally presented on February 14th, is shown below.

→ R4 DEPARTMENT AUTOMATION AND IMPROVEMENT

REQUEST: The Department requests \$210,445 General Fund for investment in NEXGEN automation and technology initiatives and associated IT staff time with implementing Kronos Dimensions electronic timekeeping tool, required upgrades to Microsoft 365, and transitioning to an electronic employee performance management tool.

RECOMMENDATION: Staff recommend approval of the request. The request was referred to Joint Technology Committee for evaluation. Subsequently, JTC recommended full approval of the request.

BACKGROUND AND ANALYSIS: The Department of Military and Veterans Affairs currently performs many necessary processes manually on and on paper. This request seeks to address antiquated IT systems which will increase productivity and improve morale within the Department. The pandemic work from home requirements, and subsequent flexible work arrangements being adopted by many state and private organizations, illuminated the limitations of the current paper time-keeping and

MARCH 11, 2022

performance management systems that the Department relies upon. These departmental NEXGEN automation and technology initiatives aim to improve customer service and generate operating efficiencies.

IT Investments and their associated cost in the request are as follows:

Kronos Dimensions - DMVA is still using a manual process (paper) for timekeeping that is labor intensive, slow and inefficient. Moving to an electronic timekeeping tool will improve efficiency, and accuracy

- Kronos Dimensions fixed implementation cost: \$134,820
- Monthly recurring cost: \$1,977 (\$23,724 annually)

Microsoft 365 – in order for the Department to effectively communicate between the Division of the Colorado National Guard and the Department of Defense, they must utilize Microsoft tools.

- One-time: unique secured instance \$17,000
- One-time: consulting costs \$50,000
- Ongoing: \$25,280

Personnel Performance Management System - transitioning to an electronic tool to increase efficiency and reduce the high labor cost of the current manual process. This system is currently in use by several agencies including OIT.

- One-time: real-time billing cost of \$8,625

MEMORANDUM



JOINT BUDGET COMMITTEE

TO Members of the Joint Budget Committee
FROM Amanda Bickel, JBC Staff (303-866-4960)
DATE March 14, 2022
SUBJECT Modifications to Personal Services Appropriations in the Department of Education

In response to staff questions, the Department of Education determined that their internal allocation of the FY 2021-22 General Fund salary survey "pot" provided too great a share of the FY 2021-22 salary survey funding for the Colorado School for the Deaf and the Blind (because its teaching staff receive increases through decision items), while other department divisions did not receive sufficient funds. The Department indicated that they were not over-appropriated for salary survey, because teachers were excluded in determining the total funding; however, the allocation within the Department failed to take this into account. The FY 2021-22 allocations are built into base appropriations for FY 2022-23. **Staff therefore recommends the following net \$0 adjustments to FY 2022-23 General Fund amounts for line items in the Department of Education.**

ADJUSTMENT TO ANNUALIZATION OF FY 2021-22 SALARY SURVEY IN FY 2022-23 APPROPRIATIONS	
DEPARTMENT OF EDUCATION LINE ITEM	GENERAL FUND
Colorado School for the Deaf and the Blind Personal Services	(\$80,885)
General Department and Program Administration	43,118
English Language Learners Technical Assistance	12,581
Information Technology Services	21,638
School Finance Administration	3,548
Total	\$0

MEMORANDUM



JOINT BUDGET COMMITTEE

TO Members of the Joint Budget Committee
FROM Amanda Bickel, JBC Staff (303-866-4960)
DATE March 14, 2022
SUBJECT JBC staff comebacks for the Department of Education

Items in this packet include:

- Staff Initiated Nutrition Program Adjustment (tabled)
- Adjustment for Colorado School for the Deaf and the Blind (new item)
- Footnote on flexibility for early literacy funding (revised item)
- Additional information on Native American resource staff
- Department responses on other JBC member questions: SchoolView, Library Programs

→ SI STATE NUTRITION PROGRAM ADJUSTMENTS - TABLED PENDING ADDITIONAL INFORMATION

JBC QUESTION: The Committee tabled this item pending additional information about how this request might interact with S.B. 22-087 (Healthy Meals for All Public School Students). Senate Bill 21-087 was introduced on January 20 and laid over unamended in the Senate Education Committee on March 2. The bill creates the Healthy School Meals for All program in the Colorado Department of Education to provide reimbursement to school food authorities for offering free meals to all students, and to offer local food purchasing grants and increase employee wages. It also requires that CDE apply to participate in a federal direct certification demonstration project. The bill increases state expenditures and school district revenue on an ongoing basis. The fiscal note reflects start-up costs in FY 2022-23 and FY 2023-24 of \$491,172 General Fund and \$249,641 General Fund, respectively, but would require \$119.0 million General Fund in FY 2024-25, if fully implemented in its current form.

Because the costs for the first two years of S.B. 22-087 relate solely to administration, including beginning program development and applying for a federal demonstration project, rather than the costs of meals, S.B. 22-087 funding would not overlap with the adjustment recommended in the Long Bill for funding the existing school nutrition programs.

Original Write-up:

REQUEST: The Department requested:

- A continuation appropriation of \$2,328,105 total funds (including \$1,477,374 General Fund General Fund and \$850,742 cash funds from the State Education Fund) for the Child Nutrition School Lunch Protection Program for FY 2022-23, with no restoration of \$550,000 General Fund reduced from the program in FY 2021-22.
- A continuation appropriation of \$1,150,000 cash funds from the Start Smart Nutrition Program Fund for the Start Smart Nutrition Program, with no restoration of a previously-provided \$900,000 General Fund deposit into the Fund.

MARCH 14, 2022

RECOMMENDATION: Staff recommends:

- Partially restoring a FY 2021-22 reduction for the School Lunch Protection Program by approving an appropriation that is \$250,000 General Fund above the FY 2021-22 level. This will provide a total appropriation of \$2,578,105, including \$1,727,374 General Fund and \$850,742 cash funds from the State Education Fund. The adjustment for FY 2022-23, like the adjustment for FY 2021-22, is to better align the appropriation with anticipated expenditures. The Department is estimating FY 2022-23 expenditures at \$2,343,689, including reimbursements and up to 2.0 percent in administrative costs. Based on those estimates, the staff recommendation, for \$2,578,105 total funds would leave \$234,416 (10.0 percent) available to accommodate potential growth in expenditures.
- Maintaining funding for the Start Smart Nutrition Program at \$1,150,000 cash funds from the Start Smart Nutrition Program Fund, as requested for FY 2022-23, with no new General Fund contribution to the Smart Start Nutrition Program Fund. There is currently a sufficient fund balance in the Smart Start Nutrition Program Fund to sustain the program in FY 2022-23 at pre-pandemic levels. However, if programs return to pre-pandemic operations in FY 2022-23, staff anticipates that a General Fund deposit into the fund will be required in FY 2023-24, once the current fund balance in the Start Smart Nutrition Program Fund is reduced.

ANALYSIS:

Background - Nutrition Programs: The National School Lunch Program provides low cost or free meals (breakfast, lunch, and after school snacks) to children. Public or non-profit private schools and residential childcare institutions that participate in the program receive federal cash subsidies and donated commodities from the U.S. Department of Agriculture for each meal served. In return, they must serve meals that meet federal nutrition requirements, and they must offer free or reduced price meals to eligible children based on the following eligibility criteria:

- *Free meals:* Families with incomes below 130% of the federal poverty level (e.g., \$34,450 for a family of four in FY 2021-22) are eligible.
- *Reduced price meals:* Families with incomes between 130% and 185% of the federal poverty level (e.g., between \$34,450 and \$49,025 for a family of four in FY 2021-22) are eligible.

Federal per meal reimbursements differ depending on whether the meal was served to a child who is eligible for free, reduced, or "full" price meals. For example, for school breakfasts, most schools currently receive \$1.89 for each free meal served, \$1.59 for each reduced price meal served, and \$0.32 for each full price meal served. Absent other state funding, children receiving a reduced price meal would be charged the difference between the federal reimbursements for free and reduced price meals (e.g., \$0.30 per reduced price breakfast).

Under current law the State reimburses school districts for the difference between the cost of a free meal and a reduced price meal, through the Start Smart Nutrition Program for breakfasts and the Child Nutrition School Lunch Protection Program for lunches, so that students who are eligible for reduced price meals instead receive free meals.

In response to the Coronavirus pandemic, the federal government substantially increased access to federally-funded free meals. For FY 2020-21 and FY 2021-22, schools participating in the Summer

MARCH 14, 2022

Food Service Program (SFSP; through school year 2020-21) or the Seamless Summer Option (school year 2021-22) have been able to provide free meals to all students and be reimbursed at the higher summer food service program rate.¹ This has increased the number of students accessing free meals and has eliminated the need for Colorado to provide additional subsidies to make meals free for students who qualify for reduced price breakfast or lunch. As reflected in the table below, in October 2020 only 17 districts representing 36 schools were participating in the typical National School Lunch Program, and this figure had fallen to 3 districts representing 5 schools in October 2021.

According to Department staff, federal Department of Agricultural staff anticipate that federal nutrition programs will return to pre-pandemic operations for FY 2022-23, barring action by Congress. In light of this, staff is setting the FY 2022-23 budget for nutrition programs as though the State will once again be providing state nutrition subsidies in FY 2022-23, and as though pre-pandemic trends in demand will once-again be relevant.

The following table provides Colorado eligibility and participation data related to the National School Lunch and Breakfast Programs and the Department's current estimate for FY 2022-23. As highlighted in the table, the Department's projections reflect long-term, modest declines in program eligibility, large declines for FY 2020-21 and FY 2021-22 in participation, and a partial rebound in participation in FY 2022-23.

DATA CONCERNING NATIONAL SCHOOL LUNCH PROGRAM IN COLORADO					
	FY 18-19 ACTUAL	FY 19-20 ACTUAL	FY 20-21 ACTUAL	FY 21-22 ESTIMATE*	FY 22-23 ESTIMATE*
Children <i>eligible</i> for free meals	300,044	298,139	295,313	273,699	266,573
<i>Annual % Change</i>	-2.7%	-0.6%	-0.9%	-7.3%	-2.6%
Children <i>eligible</i> for reduced price meals	71,282	73,665	59,578	55,912	53,896
<i>Annual % Change</i>	0.3%	3.3%	-19.0%	-6.7%	-3.6%
Children eligible for free or reduced price meals	371,326	371,804	354,991	329,611	320,469
Percent of children eligible for <u>reduced price</u> meals who <i>participate</i> in <u>lunch</u> program	51.9%	52.9%	6.5%	8.3%	34.4%
Percent of children eligible for <u>reduced price</u> meals who <i>participate</i> in <u>breakfast</u> program	25.1%	25.6%	5.8%	8.3%	18.3%

* Due to the pandemic, the USDA rolled out waivers/flexibilities for school districts to operate under Summer Food Service Program (SFSP) start of pandemic through SY20-21 and Seamless Summer Option (SSO) SY 21-22. These flexibilities allowed schools to serve meals for free to all students at a higher reimbursement rate.

FY 20-21 & FY 21-22 - Eligible counts are actuals from Oct 2020/2021 pupil count PreK-12

Student level participation data is not collected so a proxy measure is used to estimate the percent of children eligible for reduced price meals who participate in lunch/breakfast. This is done by using the reduced price enrollment of schools that participated in National School Lunch Program (NSLP) or School Breakfast Program (SBP) in October 2020 and 2021. Due to the pandemic, most schools were operating under SFSP in FY 20-21 and SSO in FY 21-22 and therefore not included in this calculation. If a participating NSLP site is not in the October Count, reduced price enrollment was taken from their October meal claim.

FY 22-23 - a 5yr average of annual enrollment change % was applied to the estimate

In October 2020, 17 districts representing 36 schools participated in NSLP and 15 districts representing 33 schools participated in SBP.

In October 2021, 3 districts representing 5 schools participated in NSLP and SBP.

¹

[https://www.cde.state.co.us/nutrition/backtoplanning#:~:text=SFAs%20that%20opt%20to%20participate,Service%20Program%20\(SFSP\)%20rate.&text=Meals%20served%20under%20the%20NSLP,lower%20NSLP%20and%20SBP%20rates.](https://www.cde.state.co.us/nutrition/backtoplanning#:~:text=SFAs%20that%20opt%20to%20participate,Service%20Program%20(SFSP)%20rate.&text=Meals%20served%20under%20the%20NSLP,lower%20NSLP%20and%20SBP%20rates.)

MARCH 14, 2022

Child Nutrition School Lunch Protection Program: Pursuant to S.B. 08-123 [Section 22-82.9-101 et seq., C.R.S.], the Child Nutrition School Lunch Protection Program provides state funding to reimburse school districts for each lunch served to a child in pre-kindergarten through twelfth grade who is eligible for a reduced price meal. Using the same data collection system that is used to claim federal meal reimbursements, the Department calculates the amount of state funding each district is eligible to receive through this program based on the number of lunches served to eligible children.

The General Assembly has expanded the program multiple times since its creation in S.B. 08-123 (Child Nutrition School Lunch Protection).

- In FY 2008-09, the program only applied to students in kindergarten through second grade.
- In 2009, S.B. 09-133 (Early Childhood Education Services Free Lunch) expanded the program to include students in state-subsidized early education (pre-kindergarten) programs, thereby including students from pre-K through second grade.
- Starting in FY 2014-15, H.B. 14-1156 (Eligibility Age School Lunch Protection Program) expanded the program to include grades three through five.
- Beginning in FY 2018-19, S.B. 18-013 (Expand Child Nutrition School Lunch Protection Act) further expanded the program to include grades six through eight.
- Finally, starting in FY 2019-20, H.B. 19-1171 (Expand Child Nutrition School Lunch Protection Act) expands the program to include grades nine through twelve. As a result, the program now applies to all grades from pre-K through twelve.

The following table provides data related to districts' school lunch programs and the Child Nutrition School Lunch Protection Program. Expansion of the program over the past several years increased both the cost of the program and the share of reduced-price meals that are eligible for reimbursement through FY 2018-19 prior to the impact of the COVID-19 pandemic. Participation and expenditures decreased in FY 2019-20, presumably as a result of school closures related to COVID-19, and, as described above, federal policy changes associated with the COVID-19 pandemic have allowed schools to access summer nutrition programs during the school year, dramatically decreasing district participation in the standard school lunch program and the costs of the Child Nutrition School Lunch Protection Program. The Department expects federal programs to return to pre-pandemic rules in FY 2022-23 and that current flexibilities and waivers will cease, barring changes in federal law. State cost estimates for FY 2022-23 are therefore based on the pre-pandemic trend, which incorporates a 3.6 percent five year average decrease in decline for eligibility for reduced price lunch, but also assumes that demand for the regular program, and associated state subsidies, will rebound.

DATA CONCERNING DISTRICTS' SCHOOL LUNCH PROGRAMS AND THE CHILD NUTRITION SCHOOL LUNCH PROTECTION PROGRAM					
	FY 18-19** ACTUAL	FY 19-20*** ACTUAL	FY 20-21 ACTUAL	FY 21-22 ESTIMATE	FY 22-23 ESTIMATE
Total number of reduced priced lunches served (all grade levels)	6,078,032	4,872,415	22,896	9,573	5,859,223
Number of above meals for which state reimbursement is available	5,137,719	4,849,843	22,264	9,573	5,859,223
Estimated number of students who benefit from Child Nutrition School Lunch Protection Program subsidy	31,852	39,360	1,963	57	30,705
Child Nutrition School Lunch Protection Program Expenditures (including administration costs of up to 2.0 percent)	\$2,099,631	\$1,992,819	\$22,528	\$3,829	\$2,343,689
<i>Annual percent change</i>	<i>36.3%</i>	<i>(5.7%)</i>	<i>(98.8%)</i>	<i>(83.0%)</i>	<i>61,108.9%</i>

DATA CONCERNING DISTRICTS' SCHOOL LUNCH PROGRAMS AND THE CHILD NUTRITION SCHOOL LUNCH PROTECTION PROGRAM

	FY 18-19** ACTUAL	FY 19-20*** ACTUAL	FY 20-21 ACTUAL	FY 21-22 ESTIMATE	FY 22-23 ESTIMATE
--	----------------------	-----------------------	--------------------	----------------------	----------------------

FY 20-21 and FY 21-22 - Reduced meals were totaled for the entire school year for schools participating in NSLP. However, the majority of schools operated SFSP in FY20-21 and SSO in FY21-22 with the flexibility of serving all meals for free. FY20-21 Admin costs are included in the Child Nutrition School Lunch Protection Program Expenditures. FY21-22 - no admin costs included at this time.

As a reference, in October 2020, 17 districts representing 36 schools participated in NSLP and in October 2021, only 3 districts representing 5 schools participated in NSLP.

As of December 2021, only 4 schools were participating in NSLP. Estimate for FY 21-22 - 57 students x 168 days

FY 22-23 Estimate - based on the assumption that the USDA's flexibilities and waivers will cease in SY 22-23, FY 18-19 data is being used with a - 3.6% 5yr average decrease due to the drop in Reduced-Price eligibility.

* Note: HB 14-1156 Eligibility Age for the School Lunch Protection Program expanded the Program from PK-2nd grade to PK-5th grade.

**Note: SB 18-013 Expanded School Lunch Protection Program from grades PreK- 5th grade to PreK-8th grade.

C.R.S. 22-82.9-105 Program Funding - Appropriation allows the department to expend not more than two percent of the moneys annually appropriated for the program to offset the direct and indirect costs incurred by the department in implementing the program pursuant to the article.

As amended by H.B. 19-1171, the act requires the General Assembly to make an annual appropriation in the Long Bill to “allow school food authorities to provide lunches at no charge for children in state-subsidized early childhood education programs administered by public schools or in kindergarten through twelfth grade, participating in the school lunch program, who would otherwise be required to pay a reduced price for lunch” (see Sec. 22-82.9-105 (1), C.R.S.). Prior to H.B. 19-1171, the statute had specified a necessary range of appropriations for each year. However, H.B. 19-1171 eliminated the specific ranges and simply requires the General Assembly to appropriate funds sufficient to cover the program’s costs.

While the Department is anticipating a rebound in expenditures for FY 2022-23, the staff recommendation would still leave a “buffer” of nearly \$235,000 to accommodate higher-than-expected participation in FY 2022-23.

Start Smart Nutrition Program: Pursuant to S.B. 07-059 [Section 22-82.7-101 et seq., C.R.S.], the Start Smart Nutrition Program provides state funding to reimburse school districts for each breakfast served to a child eligible for a reduced price meal. Using the same data collection system that is used to claim federal meal reimbursements, the Department calculates the amount of state funding each district is eligible to receive through the Start Smart Nutrition Program based on the number of breakfasts served to children eligible for reduce price meals. The cost of the Program is driven by three factors:

- The number of districts and schools that provide a school breakfast program.
- The number of children who are eligible for reduced price meals.
- The number of eligible children who participate in school breakfast programs.

MARCH 14, 2022

Prior to FY 2021-22, the annual appropriation for the program consisted of two line items: (1) the Start Smart Nutrition Program Fund line item appropriated General Fund into the program's cash fund; and (2) the Start Smart Nutrition Program line item appropriated from the cash fund to support the program's expenditures. In years where the General Assembly appropriated General Fund into the cash fund, the second line item included both reappropriated funds (reflecting the money appropriated as General Fund in that year) and cash funds from the fund balance. The FY 2020-21 appropriation included \$900,000 General Fund appropriated into the cash fund and a total of \$1,150,000 appropriated out of the cash fund to support the program.

As described above, changes in federal school nutrition policy have dramatically decreased the program's expenditures in FY 2020-21 and FY 2021-22. As a result of those changes, Start Smart Nutrition Program expenditures have declined from more than \$900,000 in FY 2018-19 to below \$5,000 in actual FY 2020-21 and estimated FY 2021-22.

DATA CONCERNING DISTRICTS' SCHOOL BREAKFAST PROGRAMS AND THE START SMART NUTRITION PROGRAM					
	FY 18-19 ACTUAL	FY 19-20 ACTUAL	FY 20-21 ACTUAL	FY 21-22 ESTIMATE*	FY 22-23 ESTIMATE*
Number of <i>school districts</i> that offer a school breakfast program	169	168	15	3	169
Number of <i>schools</i> that offer a school breakfast program	1,502	1,481	33	5	1,502
Number of reduced price breakfasts served (and reimbursed by State)	2,946,779	2,353,644	9,078	6,453	2,840,695
Estimated number of students who benefit from Start Smart subsidy	17,875	19,523	710	38	17,232
Start Smart expenditures*	\$902,938	\$721,450	\$4,856	\$1,936	\$852,208
<i>Annual percent change</i>	<i>(7.1%)</i>	<i>(20.1%)</i>	<i>(99.3%)</i>	<i>(60.1%)</i>	<i>43,919.0%</i>

As a result of the sharp decline in program use in FY 2020-21 and FY 2021-22, the Department projects that the program's cash fund will end FY 2021-22 with a balance of more than \$1.4 million (see table below). Thus, even if Start Smart expenditures rebound to over \$852,000 in FY 2022-23, as the Department projects, staff expects the cash fund to have more than enough fund balance to support the entire program for FY 2022-23, eliminating the need for any General Fund appropriation. Staff anticipates that a General Fund appropriation will be needed in FY 2023-24, if federal programs return to pre-pandemic operations, as currently anticipated.

START SMART NUTRITION PROGRAM FUND					
	FY 18-19 ACTUAL	FY 19-20 ACTUAL	FY 20-21 ACTUAL	FY 21-22 ESTIMATE	FY 22-23 ESTIMATE
Beginning Fund Balance	\$327,405	\$348,490	\$546,554	\$1,450,371	\$1,454,132
General Fund Appropriation to the Cash Fund	900,000	900,000	900,000	0	0
Interest Earnings	19,063	19,514	14,225	14,225	14,225
Unrealized Gain/Loss	6,826	0	0	0	0
Program Expenditures	<i>(902,938)</i>	<i>(721,450)</i>	<i>(10,464)</i>	<i>(10,464)</i>	<i>(10,464)</i>
Ending Fund Balance	\$348,490	\$546,554	\$1,459,190	\$1,454,132	\$1,457,893
Spending Authority (Annual Appropriation from the Cash Fund)	\$1,300,000	\$1,150,000	\$1,150,000	\$1,150,000	\$1,150,000
Appropriation Exceeds/(Falls Short of) Expenditures	\$397,062	\$428,550	\$1,114,508	\$409,543	\$409,543

MARCH 14, 2022

→ SI ADJUSTMENT FOR THE COLORADO SCHOOL FOR THE DEAF AND THE BLIND
[NEW ITEM - NOTED AS PENDING IN STAFF FIGURE SETTING]

RECOMMENDATION: Staff recommends an additional reduction in the Personal Services line item for the Colorado School for the Deaf and the Blind of \$183,717 General Fund.

BACKGROUND: As noted in the staff figure-setting document, campus enrollment at CSDB has been dramatically affected by the Coronavirus pandemic. For FY 2021-22 figure setting, staff assumed that enrollment would rebound. However, enrollment has remained at a level similar to FY 2020-21. In light of this, staff requested that CSDB identify a temporary reduction for FY 2022-23 that assumed that enrollment partially rebounds, but not fully, until FY 2023-24. Staff anticipated that the net effect of this assumption would be to stage or delay the impact on the state budget of the R8 increase [\$251,435 General Fund approved for the Colorado School for the Deaf and the Blind for FY 2022-23, to annualize to \$145,625 for FY 2023-24.] Staff assumed that any adjustment would be treated as one-time, and that the reduction would then annualize (be restored) in FY 2023-24.

Because staff did not fully appreciate the scale of CSDB's ongoing enrollment decline until too late in the figure setting process, staff has asked CSDB to do some internal analysis on this issue, and staff will return with a recommendation on this adjustment through the comeback process.

PROPOSAL FROM CSDB: CSDB provided the following response to staff's questions:

"CSDB has identified positions that could be temporarily eliminated to create a reduction in the FY2022-23 budget. This past fiscal year, CSDB has not filled several Health Care Technician positions due to the decrease in the number of residents in the dorms. CSDB did this because the per pupil revenue would be decreased this year due to lower enrollment at the school. According to the long bill, CSDB is required to earn \$1,669,300 from Facility School Funding but anticipate only earning about \$1,450,000, so we did not fill some positions because the revenue could not be earned. CSDB also looked at our librarian position. CSDB currently has two librarian positions in the budget. One position is vacant currently. CSDB anticipates that we can cover the librarian needs for the deaf school and the blind school with one position. Based on these assumptions, we feel we can reduce our FY2022-23 budget by the following:

Position	
Title	Budget
HCT I	\$ 34,914
HCT I	\$ 32,923
HCT I	\$ 32,923
HCT II	\$ 35,411
HCT II	\$ 35,411
HCT II	\$ 35,411
Instructional Media-Tech Specialist	\$ 78,016
Total	\$ 285,009

While staff could take the full reduction as General Fund, this might cut the CSDB more than would be appropriate. This is because one portion of the funding in the CSDB personal services line is transferred from the line item for payments to facility schools. CSDB only earns this revenue based on student enrollment. The Committee's action sets the reappropriated funds portion of the personal services line item as though CSDB will have 160 student FTE, even though it is more likely to have 150 student FTE. The staff recommendation is therefore to reduce the CSDB General Fund budget by the amount that exceeds this likely "over-appropriation" of reappropriated funds.

CSDB REDUCTION CALCULATION	
Total Reduction	\$285,009
Over-appropriation of RF	(101,292)
GF Reduction Recommended	\$183,717

➔ **FUNDING FLEXIBILITY IN EARLY LITERACY DIVISION [REVISED ITEM BASED ON COMMITTEE DIRECTION AND ADDITIONAL INFORMATION ABOUT S.B. 22-004]**

RECOMMENDATION: Based on the Committee's discussion during figure setting for the Department of Education, staff recommends that the Committee consider providing funding flexibility for early literacy line items in the following format. Because staff was uncertain how much flexibility the Committee wished to provide, staff has provided two options with varying degrees of flexibility. Staff recommends Option 1. Please note that this wording has not yet been reviewed by the Office of Legislative Legal Services.

Option 1 - recommended (more flexibility):

N Department of Education, Assistance to Public Schools, Grant Programs, Distributions, and Other Assistance, Reading and Literacy, Early Literacy Program Administration and Technical Support; Early Literacy Competitive Grant Program; Early Literacy Program Evidence Based Training Provided to Teachers; Early Literacy Program Per Pupil Intervention Program -- The Department is authorized to transfer up to \$1,500,000 cash funds from the Early Literacy Fund created in Section 22-7-1210 (1), C.R.S., among the line items designated with this

MARCH 14, 2022

footnote, except that the amount for Early Literacy Program Administration and Technical Support may be increased by no more than ten percent based on an assumption that the Department may require an additional 2.0 FTE.

Option 2 (flexibility focused on Grants and Training line items):

N Department of Education, Assistance to Public Schools, Grant Programs, Distributions, and Other Assistance, Reading and Literacy, Early Literacy Competitive Grant Program; and Early Literacy Program Evidence Based Training Provided to Teachers -- The Department is authorized to transfer up to \$1,500,000 cash funds from the Early Literacy Fund created in Section 22-7-1210 (1), C.R.S., from the Early Literacy Program Evidence Based Training Provided to Teachers line item to the Early Literacy Competitive Grant Program line item.

Program Background: Based on concerns about the pace of improvement in literacy outcomes, the General Assembly enacted S.B. 19-199 (READ Act Implementation Measures) to modify the uses of funds under the READ Act both by the Department and by local education providers that receive funds.

Some of the key changes in S.B. 19-199, as subsequently amended, included:

- Requiring that early literacy services provided by local education providers (LEPs) be evidence-based;
- Requiring that each early grade teacher successfully completes evidence-based training in teaching reading, provided by the LEP, CDE, or an institution of higher education. If requested by the LEP, CDE must provide training at no cost. LEPs must submit evidence to CDE that teachers have successfully completed training. H.B. 21-1129 extended the deadline for completing this training to the beginning of the FY 2022-23 school year.
- Requiring that per-pupil funding allocations to LEP be used strictly for specified early literacy activities, rather than allowing these funds to be more broadly embedded in school district spending plans.
- Requiring multi-year professional evaluation of the program, with the first report completed by July 1, 2021.

Along with the statutory changes, the bill changed the structure of funding under the READ Act for FY 2019-20 to reflect the new requirements for schools as well as the Department's new responsibilities. Continuing the adjustments made for FY 2019-20, and FY 2020-21, the FY 2021-22 appropriation included cash funds appropriations similar to the FY 2022-23 request. Most of these are from the Early Literacy Fund, which is supported with an annual statutory \$34.0 million transfer from the State Education Fund. Other funding sources include \$5,378,678 from the Marijuana Tax Cash Fund and \$2,997,072 from the State Education Fund. A total \$5.0 million was transferred from the Early Literacy Fund as part of budget balancing between FY 2020-21 and FY 2021-22, but no other transfers are currently scheduled.

The FY 2022-23 request includes the following amounts:

- \$1,764,694 from the Early Literacy Fund and 8.8 FTE for the Department's administration of the Early Literacy Program and the provision of technical assistance to local education providers under the bill.

MARCH 14, 2022

- \$7,500,000 (including \$5,378,678 from the Marijuana Tax Cash Fund and \$2,121,322 from the Early Literacy Fund) for the Early Literacy Competitive Grant Program.
- \$2,702,557 from the Early Literacy Fund to support evidence based training provided to teachers by the Department. As adjusted by S.B. 19-199, current law requires the Department to provide such training free of charge to teachers in districts that request the training.
- \$750,000 from the Early Literacy Fund to support an independent evaluation of the program and student outcomes under the program.
- \$500,000 from the Early Literacy Fund and 0.5 FTE to support a public information campaign on the importance of reading.
- \$26,261,551 from the Early Literacy Fund for per pupil intervention funding.

Program Impact: Department staff express confidence that the new READ program is making a significant difference. They note that the changes that require particular school district activities, such as training and spending per-pupil allocation dollars on early literacy activities, are leading school districts to change their early literacy programs and practices. WestEd's independent evaluation of the per-pupil funding program found that schools receiving the funding reported increased time directed toward reading instruction and more data-driven approaches. However, consistent with earlier evaluations, they also reported that the per-pupil funding was often mixed with other funding streams, making its impact less clear.² Key formal evaluations of how the various new reading programs are affecting student performance are still pending. Because school districts are using a multitude of different tools to assess student progress, the Department must develop a "concordance" to compare performance. This is expected to take until the end of the summer.

FY 2019-20 and FY 2020-21 Reversions: In both FY 2019-20 and FY 2020-21, the Department received appropriations of \$2,702,557 from the Early Literacy Fund for Early Literacy Program Evidence Based Training Provided to Teachers. In both years, it dramatically underspent the appropriations, with spending in FY 2019-20 at \$18,965 and spending in FY 2020-21 at \$611,091. The Department indicates that these lower expenditures are related to the program going on-line, and that it expects FY 2021-22 expenditures to be somewhat higher, as it will use some of the funds toward 3.5 FTE who are supported in the line item and who are needed to help with the extensive tracking required of which teachers have met training requirements. Nonetheless, **it seems likely that there will again be significant reversions from this line item in FY 2021-22 and going forward of \$1.0 to \$1.5 million.**

In addition to the large reversions in the Early Literacy Program Evidence Based Training Provided to Teachers line item for FY 2020-21, the Department also had reversions in the Early Literacy Program Administration and Technical Support line item, the Early Literacy Competitive Grant Program line item, and the Early Literacy Assessment Tool Program line item. Since most amounts are from the Early Literacy Fund, amounts that are reverted are available for expenditure in the following year. FY 2020-21 was a sufficiently unusual year that staff is not certain that the pattern of reversions in other line items will continue.

Interaction with S.B. 22-004 (Senators Rankin and Bridges; Rep. McCluskie): This bill requires that elementary school administrators and certain librarians be trained in scientifically and evidence-based reading

² <https://www.cde.state.co.us/coloradoliteracy/perpupiljbcsummaryreport>

MARCH 14, 2022

instruction. The fiscal note dated February 2, 2022 indicates that the Department will require appropriations of \$251,139 cash funds and 0.8 FTE in FY 2022-23 and \$96,537 cash funds and 0.5 FTE in FY 2023-24. The fiscal note indicates that the funding is from the Early Literacy Cash Fund. However, this fund derives from transfers from the State Education Fund of \$34.0 million per year plus interest estimated at \$178,470. Continuing annual appropriations requested from this source total \$34.5 million and thus exceed the annual revenue. **With the flexibility incorporated in the staff recommendation (Option 1), staff believes that the additional costs associated with S.B. 22-004 could be accommodated based on a flexible Long Bill appropriation. Alternatively, sponsors would need to include provisions in the bill that increase the transfer from the State Education Fund (or the General Fund) to the Early Literacy Cash Fund.**

ⓘ SERVICES AND STAFF RELATED TO NATIVE AMERICAN STUDENTS

COMMITTEE ACTION: During figure setting for the Department of Education, the Committee approved a the following request and recommendation:

"Staff Support for Commission in Indian Affairs - 0.7 FTE (Senior Consultant)

The Department states that the additional funding will support current staff supporting the Colorado Commission on Indian Affairs, as the Department does not have adequate support in the position. The position would be the primary liaison between CDE and Native American schools across the state.

In response to Committee questions raised during the budget hearing, the Department noted that it did not have a position dedicated to the needs of Native American students. In the past, it has diverted resources directed to English Language Learners for this purpose. It recently devoted one-time vacancy savings to support this work on a part-time basis but submitted the request to make the position permanent. In response to staff questions, the Department reported that the current position is being funded slightly above the range mid-point.

- **Staff recommends the request for 0.7 FTE senior consultant at the salary level requested.** The amount is between the minimum and mid-point of the Department's range for senior consultants (\$64,596 for full-time before benefits and \$51,073 as a part-time position). Staff concurs that a liaison to Native American schools should be a part of the Department's infrastructure."

ADDITIONAL BACKGROUND REQUESTED BY COMMITTEE: The Department provided the following additional information in response to JBC questions about the scope of responsibilities for the position and whether a full 1.0 FTE might be appropriate.

"Each federally recognized tribe in Colorado has a tribal school. The Ute Mountain Ute opened its first school in the 2021-22 school year. The Kwiyyagat Community Academy is a K-1 school with plans to expand a grade level each subsequent school year and is run by the Ute Mountain Ute tribe. The Southern Ute Indian Montessori Academy, a K-5 Montessori school located in Ignacio, Colorado is run by the Southern Ute Indian tribe.

Specifically, 210 students from the Southern Ute tribe attend school in Ignacio No. 11Jt school district and 313 students from the Ute Mountain Ute Tribe attend school in Montezuma-Cortez Re-1 school district.

The table below presents the state-wide number of American Indian or Alaska Native students enrolled in Colorado school districts.

SCHOOL YEAR	ALL STUDENTS IDENTIFIED AS AMERICAN INDIAN OR ALASKA NATIVE (AIAN) IN COLORADO SCHOOL DISTRICTS	NUMBER OF DISTRICTS WITH AMERICAN INDIAN OR ALASKA NATIVE (AIAN) ENROLLED STUDENTS
2018-19	58,476	171
2019-20	57,170	175
2020-21	54,413	172
2021-22	53,526	172

The Department has recommended 0.6 FTE to support this work. However, a full FTE would be useful to be able to better support districts serving American Indian and Alaska Native tribal students as well as carrying out the CDE’s obligations related to federal Title VI grants, and Tribal consultation with recognized tribes in coordination with the Colorado Commission of Indian Affairs (CCIA). There are currently 12 Title VI grantees with 4 other districts in process of writing their application to obtain a Title VI grant. CDE does not retain funding to administer the Title VI grants but has statutory obligations, including:

- Review of application before LEA submit to United States Department of Education
- Support LEAs with Title VI enrollment requirements
- Support LEAs with Title VI application requirements

As previously mentioned, CDE’s Office of Culturally and Linguistically Diverse Education (CLDE) has devoted a point of contact who works directly with Colorado tribes and Colorado school districts within 50 miles of Tribal governments as a liaison to establish and maintain a positive working relationship, in support of the academic performance of Native American students. In addition, she carries out the CDE’s obligations related to federal Title VI grants, and Tribal consultation with recognized tribes in coordination with the Colorado Commission of Indian Affairs (CCIA). The supports have exceeded the de minimis staffing allocation the Department has been devoting. CDE does not retain any funding specific for these required activities but recently devoted one-time savings to support this work on a part-time basis."

UTILIZATION OF SCHOOLVIEW

In response to Committee questions about SchoolView usage, the Department provided the following information.

"SchoolView continues to be a regularly accessed resource. Over the last three years, SchoolView has had an average of 132,255 page views.

MARCH 14, 2022

Data Center, which is part of Schoolview, had averaged 16,625 page views over the last three years, down slightly from before the pandemic. Some of the data points included in Data Center, were not available during the pandemic (2020 state assessment results, for example).

The Performance Frameworks also had fewer page views during the pandemic, with an average of 45,864 page views a year. Due to the pandemic, the legislature has paused the performance frameworks, so no new data has been posted."

ROLE OF LIBRARY PROGRAMS

The Committee requested additional information about the role of Library Programs, including its involvement in training librarians and regulation of public libraries. The Department responded as follows.

"Jurisdiction and authority over libraries in the state can be found in Article 90 of Section 24. This section gives the state librarian the power "to develop and promulgate service standards for school, public, and institutional libraries." However, nothing in statute requires public libraries to comply with the standards or gives the state librarian any enforcement mechanism.

The State Library does not have any regulatory role in the training of librarians. The State Library does provide guidance and continuing education to the library community either in person or virtually. The State Library's consultants provide continuing education programs either directly, through "CSL in Session", at the Colorado Association of Libraries annual conference in the fall, or at the Colorado Library Consortium's winter workshops.

The State Library does not have any kind of regulatory role over public libraries. We are a local control state."

MEMORANDUM



JOINT BUDGET COMMITTEE

TO Members of the Joint Budget Committee
FROM Justin Brakke, JBC Staff (303-866-4958)
DATE March 11, 2022
SUBJECT JBC staff comebacks for the Department of Corrections (DOC)

This packet includes the following items: Selection of a population forecast, R1/BA2 Prison Caseload, and R2/BA3 Medical caseload, and a department-initiated request to offset the impacts of salary increases in other departments.

→ SELECTION OF A POPULATION FORECAST

The Committee tabled the selection of a prison population forecast, which informs both prison and medical caseload adjustments. The Committee tabled these items because the factors and assumptions underlying the Division of Criminal Justice (DCJ) prison population forecast were not available at the time of the original figure setting presentation on February 17. The DOC based its caseload requests on the DCJ forecast, which expects a significantly larger prison population than the Legislative Council Staff (LCS) forecast. The difference between the two forecasts for FY 2022-23 far exceeds historical norms.

SUMMARY COMPARISON

Both forecasts expect an increase in new admissions over the forecast period, but they differ with respect to the size of the increase. The LCS forecast appears to assume that policy changes will have a bigger impact than assumed in the DCJ forecast, but both forecasts acknowledge the difficulty of discerning their impact because implementation occurred just before the onset of the coronavirus pandemic.

FACTORS UNDERLYING LCS FORECAST

The LCS forecast says, “Rising felony case filings for certain crimes are expected to drive population increases from present low levels. However, policy changes affecting drug and escape sentences have reduced admissions on account of those offenses, and those trends are expected to persist.” Those policy changes include S.B. 19-143 (Parole Changes), H.B. 20-1019 (Prison Population Reduction and Management), and H.B. 19-1263 (Offense Level for Controlled Substance Possession). The LCS forecast says of each bill:

- **S.B. 19-143:** The bill tightened criteria for revocation to prison for a technical parole violation. This contributed to “accelerating releases of low- and medium-risk parole-eligible inmates” while also contributing to a reduction in technical parole violations.
- **H.B. 20-1019:** The bill reclassified some types of absences or attempted absences from non-prison supervision, such as supervised parole or a direct sentence to community corrections, from a felony to a misdemeanor depending on the prior conviction. The forecast assumes that there will be fewer prison admissions as a result of the bill.
- **H.B. 19-1263:** The bill reclassified several existing drug felonies as drug misdemeanors, reduces the fine penalties and jail terms for drug misdemeanors, and made several other changes to

sentencing for drug offenses. The forecast assumes reduced felony filings for drug offenses, thereby reducing admissions to the DOC. However, this impact is expected to be minimal because offenders previously convicted for low-level drug felonies often did not receive prison sentence prior to implementation of the bill.

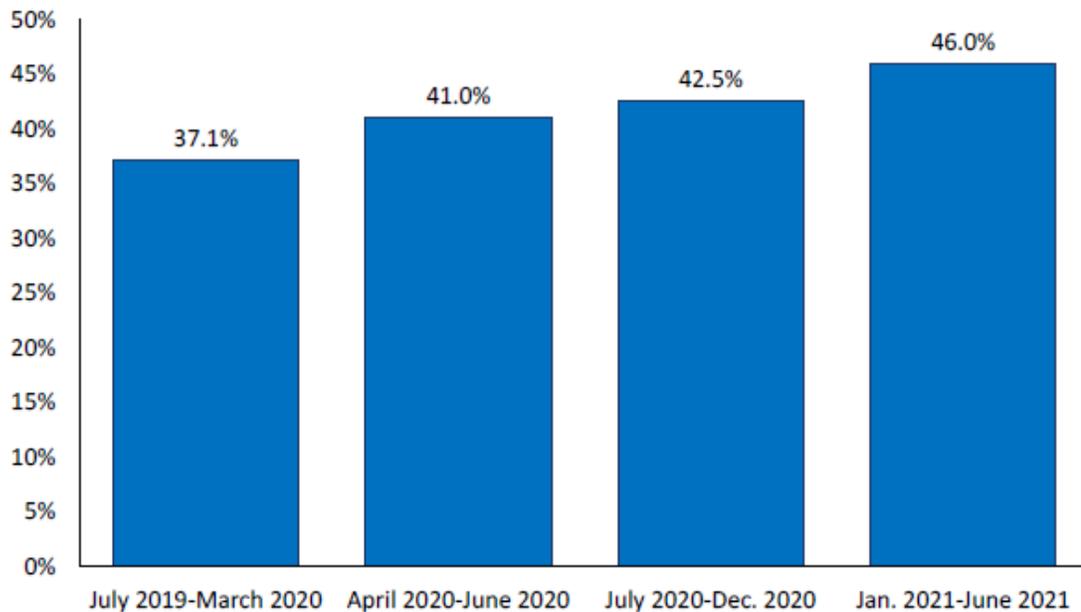
RISKS TO LCS FORECAST

The LCS forecast says, “The most significant risk to the forecast is the possibility of additional interventions in court and prison operations in response to pandemic-related public health risks.” The forecast also notes, “It is difficult to differentiate between the lasting effects of permanent policy changes and the temporary effects of the pandemic on the trajectory of the prison population. For example, key provisions of both House Bill 19-1263, concerning drug offenses, and House Bill 20-1019, concerning prison population management, first applied in March 2020, when the state locked down and the Governor issued executive orders related to the management of the correctional system during the disaster emergency.”

FACTORS UNDERLYING DCJ FORECAST

The DCJ forecast also expects an increase in new commitments to prison, but notes that “larger proportions of new admissions are currently made up of those committed for violent crimes.”

Figure 8. Proportion of DOC admissions due to violent crimes



Data source: Data provided by the Colorado Department of Corrections Office of Planning and Analysis

This population serves an average of 4.7 years in prison, as compared to the 1.6 year average for nonviolent offenders, thereby providing “additional upward pressure on the [prison] population in upcoming years.”

The DCJ forecast also noted a large population of parolees on absconder status. That population numbered 1,368 at the time of the forecast in November 2021, almost twice pre-pandemic norms of about 700. The DCJ forecast assumes that these individuals will have their parole revoked and will stay longer in prison than may have occurred in the past. It is not clear exactly how many individuals this assumption applies to.

Regarding policy changes, the DCJ forecast says of each bill:

- **S.B. 19-143:** “The expected reduction in parole revocations in the months immediately following enactment of SB 19-143 was not observed. After this bill was signed into law at the end of May 2019, the ratio of parole returns due to technical violations actually increased. A slight decline was observed in January through March of 2020, which may have been a delayed impact of this legislation.” The forecast also notes that it is difficult to differentiate the impacts of the pandemic from the impacts of the bill.
- **H.B. 20-1019:** The DCJ forecast does not expect a significant reduction in the prison population stemming from the bill due to the following factors:
 - Few individuals in these community corrections programs are on parole. However, those who are unsuccessfully discharged for failing to return will likely receive a technical revocation and returned to prison.
 - Transition inmates will be regressed back to prison if they abscond from community corrections, which will also delay their eventual parole approval.
 - Those on diversion status will have a suspended prison sentence invoked if they walk away from community corrections.
 - Many of those admitted to the DOC with an escape charge prior to the bill have additional charges, whether they be charges related to property crimes (44.0 percent), drug crimes (31.3 percent), or violent crimes (11.4 percent).
- **H.B. 19-1263:** “While HB 19-1263 reduced a number of level 4 drug felonies to misdemeanors, defendants convicted of these felonies were often not sentenced to incarceration. For those that were, their length of stay in DOC was very short, averaging four to five months.”

JBC STAFF RECOMMENDATION

JBC staff originally recommended splitting the difference between the two forecasts and making caseload adjustments accordingly. Staff stands by that recommendation. From a budgetary perspective, it is more advantageous to initially overestimate the expected prison population and reduce appropriations later, as opposed to underestimating the population and increasing appropriations during supplementals.

In the past, relatively modest differences between the two forecasts meant modest differences in caseload-related appropriations. That is not the case in this instance. The forecasts’ rely heavily on past data to make future projections and the past two years have made a difficult forecasting task more difficult by throwing data off of historical trends. It is particularly challenging to assess the impact of policy changes that occurred just prior to the onset of the pandemic. Staff therefore recommends choosing the middle ground between the two forecasts as an initial budgetary assumption that recognizes the possibility of larger-than-usual errors in the forecasts. Both the Department and OSPB expressed that they are comfortable with staff’s recommendation.

ORIGINAL DECISION ITEM

Each year, Legislative Council Staff (LCS) and Division of Criminal Justice Staff (DCJ) issue population projections for the adult inmate population and the adult parole population. LCS issues a 30-month forecast in December of each year. DCJ issues 5-year forecasts twice per year. The DCJ forecast usually serves as the basis for the updated requests that the DOC submits each January, as was the case for R1/BA2 Prison Caseload for FY 2022-23.

The JBC can adopt either forecast, which will affect Long Bill appropriations for:

- External capacity (private prisons)
- Inmate pharmaceuticals
- External medical services

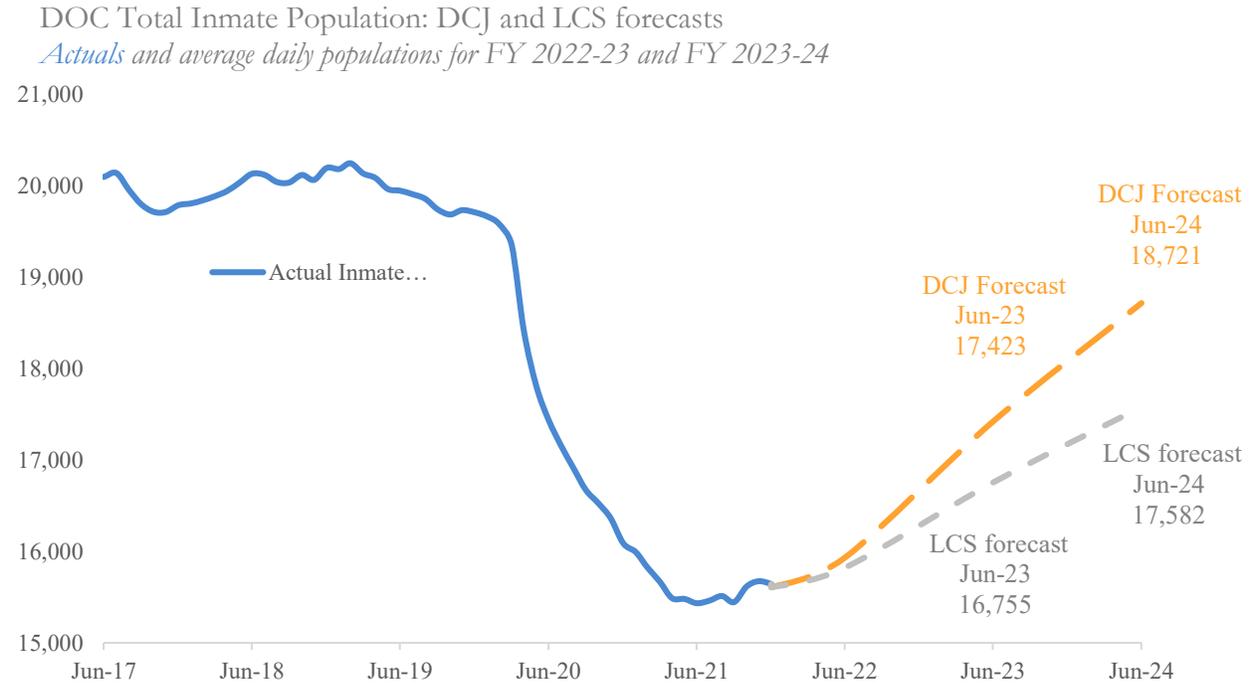
STAFF RECOMMENDATION: JBC staff traditionally recommends the more conservative of the two forecasts, i.e. the forecast that results in larger appropriations. This reduces the likelihood that the Department will request an increase in supplemental funding because the inmate population turns out to be larger than predicted.

However, JBC staff recommends that the Committee does not select either forecast for FY 2022-23 and instead splits the difference between the two. The difference between the two forecasts is unusually large: DCJ’s fiscal average daily population (ADP) projection for FY 2022-23 is 668 inmates higher than LCS’s projection, with the difference increasing to 1,139 inmates in FY 2023-24.

The total General Fund impact of each option for prison and medical caseload is:

- **JBC staff recommendation.....\$6,480,687**
- **DCJ forecast.....\$11,678,382**
- **LCS forecast.....\$1,282,991**

ANALYSIS: The chart on the following page compares the December 2021 DCJ and LCS inmate and parole forecasts.



Comparison of the forecasts and JBC staff’s recommendation

The following table shows the estimated male prison caseload according to the two forecasts and JBC staff’s recommendation to split the difference. The DOC and JBC staff both agree that no changes are necessary with regards to the female prison population.

FY 2022-23 MALE PRISON CASELOAD IMPACT			
	JBC STAFF	DCJ	LCS
Current capacity	11,965	11,965	11,965
Vacancy rate	2.5%	2.5%	2.5%
Vacant beds	(299)	(299)	(299)
State male bed capacity	11,666	11,666	11,666
Expected male prison population	14,210	14,395	14,024
Private bed need (Population less state male capacity)	2,544	2,729	2,358
Currently funded (FY 21-22 appropriation/\$63.32/365)	2,447	2,447	2,447
Subtotal private prison bed change	97	282	(89)
Private prison beds supported by restored \$2.4 million cash funds appropriation in FY 22-23	(104)	(104)	(104)
Private prison beds to offset controlled maintenance projects	34	34	34
Total private prison bed change	27	212	(159)
Private prison per-diem rate	\$63.32	\$63.32	\$63.32
Days	365	365	365
Total General Fund Impact	\$612,463	\$4,899,702	(\$3,674,776)

The next two tables shows the impact of each forecast and JBC staff's recommendation on the medical caseload.

FY 2022-23 EXTERNAL MEDICAL SERVICES CASELOAD IMPACT			
	JBC STAFF	DCJ	LCS
FY 21-22 External medical services appropriation	\$40,327,480	\$40,327,480	\$40,327,480
Base services			
FY 22-23 Projected population	15,460	15,738	15,181
FY 22-23 Projected monthly rate	\$228.51	\$228.51	\$228.51
Subtotal projected base funding	\$42,392,402	\$43,155,485	\$41,629,319
Administrative charges			
\$11.93 per inmate up to 14,000 inmates	\$2,004,240	\$2,004,240	\$2,004,240
\$6.60 per inmate above 14,000	115,610	137,650	93,570
Subtotal administrative charges	\$2,119,850	\$2,141,890	\$2,097,810
Contracted security services	\$385,000	\$385,000	\$385,000
Total projected need	\$44,897,252	\$45,682,374	\$44,112,129
Change from current levels	\$4,569,772	\$5,354,894	\$3,784,649

FY 2022-23 PURCHASE OF PHARMACEUTICALS CASELOAD IMPACT			
	JBC STAFF	DCJ	LCS
FY 21-22 Purchase of Pharmaceuticals appropriation	\$16,149,292	\$16,149,292	\$16,149,292
FY 22-23 Projected population	12,916	13,009	12,823
FY 22-23 Projected monthly rate	\$112.57	\$112.57	\$112.57
Total projected need	\$17,447,744	\$17,573,078	\$17,322,410
Change from current levels	\$1,298,452	\$1,423,786	\$1,173,118

→ R1/BA2 PRISON CASELOAD

DEPARTMENT REQUEST: The Department requests an increase of \$7,299,702 total funds, including \$4,899,702 General Fund and \$2,400,000 cash funds. Staff calculated the request to account for FY 2021-22 supplemental actions, which included a decrease in appropriations for private prison beds, an increase in the private prison per-diem rate, and a \$2,400,000 reduction to the cash funds appropriation. **If the Committee selects the DCJ forecast, it should approve the Department's request.**

STAFF RECOMMENDATION: Staff recommends an increase of \$612,463 General Fund for the *Payments to Private Prisons* line item FY 2022-23. This supports an increase in 96 private prison beds. There is no change for the female prison population. There is no annualization impact for FY 2023-24. The difference between the request and the recommendation stems from JBC staff's recommendation for Selection of a Population Forecast. **If the Committee selects JBC staff's recommendation for the population forecast, it should approve the staff's recommendation for this request.**

Given the information presented in the Selection of Population Forecast decision item, staff felt an analysis section for this decision item would be redundant. The recommendation just reflects the mathematical impact of the selected forecast.

→ R2/BA3 MEDICAL CASELOAD

REQUEST: The Department requests an increase of \$6,778,680 General Fund, comprised of an increase of \$1,423,786 for *Purchases of Pharmaceuticals* and an increase of \$5,354,894 for *External Medical Services*. Staff updated the Department’s request to reflect the impact of FY 2021-22 supplemental changes. **If the Committee selects the DCJ forecast, it should approve the Department’s request.**

RECOMMENDATION: Staff recommends an increase of \$5,868,224 General Fund, comprised of an increase of an increase of \$1,298,452 for *Purchases of Pharmaceuticals* and an increase of \$4,569,772 for *External Medical Services*. The difference between the request and the recommendation stems from JBC staff’s recommendation for Selection of a Population Forecast. **If the Committee selects JBC staff’s recommendation for the population forecast, it should approve the staff’s recommendation for this request.**

ANALYSIS:

This medical caseload adjustment affects two line items: External Medical Services and Purchase of Pharmaceuticals. The following table summarizes the populations that qualify for care under each appropriation. These lines are typically adjusted annually to account for changes in the prison population and changes in the costs for medical drugs and services.

Population	Used to compute appropriation for	Offenders in DOC facilities (including YOS*)	Offenders in private prisons	Offenders in community corrections, jails, on parole, ISP-I*
Pharmaceutical population	<i>Purchase of Pharmaceuticals</i>	Yes	No	No
External medical services population	<i>External medical services</i>	Yes	Yes	No

*YOS is the Youthful Offender System. ISP-I is Intensive Supervision-Inmate status under which inmates are placed in the community and intensively supervised.

LINE BY LINE IMPACT OF REQUEST AND COST DRIVERS

EXTERNAL MEDICAL SERVICES

Medical care to inmates can be divided into two categories: internal care provided within DOC facilities, and external care provided outside of DOC facilities by contracted health care providers that offer specialty services, outpatient tests and procedures, more extensive emergency services, and inpatient hospital care. Inmates who receive external services must be accompanied by corrections officers, or by contractors who provide security.

The Department contracts with Correctional Health Partners (CHP) to manage external health care services for inmates. CHP reviews requests for external services, making sure that all suitable internal care options have been utilized before an inmate is sent out for external care. CHP also establishes a

network of external specialty and institutional providers who treat DOC inmates. CHP verifies the resulting bills but the DOC makes the payments.

To determine its caseload adjustments for external medical services, the DOC and CHP extrapolate trends in monthly per offender costs (POPM). The Department then multiplies projected per offender costs by the projected population.

Using the DCJ November 2021 forecast, the Department assumed a prison population of 15,738. This is 1,215 inmates *higher* than what is currently funded for FY 2021-22 (after supplementals). The projected POPM rate for *External Medical Services* increases to \$228.51 from the \$217.63 used to set appropriations for FY 2021-22, an increase of \$10.88 (5.0 percent).

CHP also charges an administrative POPM rate. This rate is \$11.93 up to 14,000 inmates and falls to \$6.60 for every inmate over 14,000. Assuming a population of 15,738 produces an administrative fee of \$2,141,890.

Lastly, there is a flat \$385,000 fee for contracted security services. The Department estimates this fee based on prior actual expenses. The table below summarizes these changes, which result in an increase of \$6,203,070 from current levels.

REQUESTED CHANGES TO EXTERNAL MEDICAL SERVICES	
FY 21-22 External medical services appropriation	\$40,327,480
Base services	
FY 22-23 Projected population	15,738
FY 22-23 Projected POPM	228.51
Subtotal projected base funding	43,155,485
Administrative charges	
\$11.93 per inmate up to 14,000 inmates	2,004,240
\$6.60 per inmate above 14,000 (1,738)	137,650
Subtotal administrative charges	\$2,141,890
Contracted security services	385,000
Total projected need	45,682,374
Change from current levels	5,354,894

The calculations for JBC staff's recommendation follow these calculations closely; the only difference is a different projected prison population.

FACTORS DRIVING CHANGE IN THE EXTERNAL MEDICAL SERVICES POPM RATE

Per the request, the number of appointments are back up to pre-pandemic levels despite a lower prison population. This is driving an increase in the number of medical claims. JBC staff asked what is driving the increased number of claims and the Department provided this response:

“The biggest single factor for the increased number of claims is the high number of appointments now occurring to make up for the deferral of non-emergency appointments during the height of the pandemic. This is underscored by the fact that the number of appointments currently is on a par with the number of external appointments prior to March 2020. For comparison, the end of December 2021 incarcerated population was 14,322; this population stood at 17,600 on February 29, 2020.”

PURCHASE OF PHARMACEUTICALS

The Purchase of Pharmaceuticals line item includes all pharmaceutical expenses for inmates in DOC facilities, including the Youthful Offender System. Inmates that are housed in private prisons, jails, and other non-DOC facilities are not included in the pharmaceutical population. The POPM is derived from actual incurred expenses and projected expenses based on the cost of the Department’s pharmaceutical formulary and pharmaceuticals prescribed by providers for inmates.

These pharmaceutical expenses have also increased Using the DCJ November 2021 forecast, the Department assumed a pharmaceutical population of 11,955, which is eight inmates higher than the population currently assumed for the FY 2021-22. This means that the requested increase in funding for pharmaceuticals stems from a higher POPM rate. The newly-projected POPM rate for pharmaceuticals increased to \$112.57 from the \$100.68 used to set appropriations for FY 2021-22, an increase of \$11.89 (11.8 percent).¹ The table below shows the calculations for the requested increase.

RECOMMENDED CHANGES TO PURCHASE OF PHARMACEUTICALS	
FY 21-22 Purchase of Pharmaceuticals appropriation	\$16,149,292
FY 22-23 Projected population	13,009
FY 22-23 Projected POPM	112.57
Total projected need	17,573,078
Change from current levels	1,423,786

The calculations for JBC staff’s recommendation follow these calculations closely; the only difference is a different projected prison population.

FACTORS DRIVING CHANGE IN THE PHARMACEUTICAL POPM RATE

The Department says there are several factors driving increased use of pharmaceuticals. First, there has been an increase in diagnoses, including multiple diagnoses for individuals. This stems from the increase in outpatient appointments and “the discovery of previously unknown health conditions while undergoing treatment for COVID.”

There has also been an increase in certain medications for a variety of medical conditions. For example, Humira treats Chron’s disease and rheumatoid arthritis and Biktarvy treats Human Immunodeficiency Virus (HIV-1). These two drugs accounted for 31.8 percent of all drug spending in the first quarters of FY 2021-22, as compared to 25.7 percent in FY 2020-21. Other specialty medications can cost anywhere from thousands to tens of thousands of dollars per month. The Department noted

¹ One-time costs related to COVID-19 were excluded from the \$183.74 external care POPM used to set FY 2021-22 appropriations.

Remicade (Chron’s disease, ulcerative colitis), Revlimid (multiple myeloma), and Axitnib (renal cell carcinoma).²

Lastly, the Department noted that some increased costs stem from S.B. 19-008 (Substance Use Disorder Treatment in the Criminal Justice System). The bill initially appropriated \$492,750 General Fund to the DOC with \$111,142 going to the Purchase of Pharmaceuticals line item. The Department’s responses to JBC staff’s questions suggests that this population is increasing along with costs for treatment drugs. Specifically, patients are typically offered Suboxone at a cost between \$240 per month to “the more likely figure of \$474-\$948 per month.” During the FY 2021-22 supplemental process, the Committee asked what was driving the wide range for Suboxone costs. The Department provided this answer:

There are two main drivers for drug costs. The first driver is the availability of the generic rather than the brand name drug; DOC is now getting access to the generic version of Suboxone so this will help tilt costs to the lower end of this range. The second driver is the required dosage. Suboxone is typically prescribed for either 8mg, 16mg, or 24mg per day. Since there is a price difference among the dosages, this also contributes to the varying costs.

➔ DEPARTMENT-INITIATED OFFSET INCREASED SALARIES OTHER AGENCIES

DEPARTMENT REQUEST: This is not a formal decision item. However, the Department approached JBC staff with a request to increase appropriations by a total of \$115,680 General Fund. Of this amount, \$52,647 would go to line items affected by the JBC’s decision to approve a 3.0 percent across-the-board salary increase and \$63,033 would offset a targeted salary increase for communications officers in the Department of Public Safety (DPS R8 Increased Salary Base for DPS Comm. Officers).

Offset salary survey increase other agencies				
DOC Appropriation	FY 21-22 DOC GF	Portion that is Personal Services	3% Across-the-board	Other Agency (RF)
2B - Maintenance Pueblo Campus	\$2,161,317	\$1,244,845	\$37,345	DHS - Office of Administrative Solutions
2H - YOS Maintenance & Food Service	1,196,640	270,959	8,129	DHS - Offices of Admin. Solutions and Beh. Health
2I - Offender ID Program	346,936	239,082	7,172	DOR - Division of Motor Vehicles
Total salary survey increase			\$52,647	

The \$63,033 for DPS would be included in the DOC’s Dispatch Services line item.

STAFF RECOMMENDATION: Staff recommends approval of the request, but notes that this is the last time staff will bring this type of issue to the Committee’s attention. Impacts of decision items originating in other departments should be reflected in the DOC’s budget as a non-prioritized decision

² Main uses indicated, but these medications may also be used for other ailments as well.

item. Staff and the Department have discussed implementing a similar dynamic with salary survey adjustments. If the Governor proposes a 3.0 percent across-the-board increase, the secondary impacts of that increase should be evident in budget documents. The Department indicated that it is willing to work with OSPB and JBC staff to address this issue.

Second, staff recommends a technical adjustment to a similar, previously approved non-prioritized decision item related to a Department of Human Services request (R1 Food Service and Housekeeping Coordinated Compensation Request). Staff included the full impact of that decision item (\$48,419) in DOC's Youthful Offender Services Maintenance & Food Service line. That amount should be split between the Food Service Pueblo Campus line item (\$36,314) and the Maintenance & Food Service line item (\$12,105).

MAINTENANCE PUEBLO CAMPUS

This appropriation pays for maintenance services that the Department of Human Services (DHS) provides to DOC buildings and facilities that are located on the CMHIP campus in Pueblo, including the Youthful Offender System, La Vista Correctional Facility, San Carlos Correctional Facility, and the Parole Board's administrative office.

YOS MAINTENANCE AND FOOD SERVICE

This line item is used to purchase services such as maintenance from the Colorado Mental Health Institute at Pueblo and food for YOS offenders.

OFFENDER ID PROGRAM

The offender identification program helps eligible offenders obtain government-issued identity documents prior to release from a prison in order to eliminate potential barriers to obtaining employment, housing, and support services. The program operates on-site DMV offices at the Denver Reception & Diagnostic Center and the Colorado Territorial Correctional Facility. The Department of Revenue (DOR) employees who operate this program work inside prisons several days per week and the DOR's Division of Motor Vehicles receives a reappropriation in order to pay for DOR's work.

DISPATCH SERVICES

This line item provides funding for dispatch services provided by the Colorado State Patrol. When DOC transports offenders, they remain in contact with the Colorado State Patrol (CSP); CSP monitors progress in order to provide assistance, if needed. Community Parole Officers use dispatch services to provide radio cover during field contacts with parolees, communicating with CSP prior to contact and clearing after contact is made. Parole officers also use dispatch services to provide radio cover during transports of parolees, as well as for warrant entries and checks. In addition, CSP dispatch is used as a primary radio link to other law enforcement in areas where DOC lacks the radio frequencies that would allow direct access.

MEMORANDUM



JOINT BUDGET COMMITTEE

TO Members of the Joint Budget Committee
 FROM Mitch Burmeister, JBC Staff (303-866-3147)
 DATE March 10, 2022
 SUBJECT JBC staff Comeback for the Department of Regulatory Agencies – BA1

Action on the following item was delayed during staff's figure setting presentation for the Department of Regulatory Agencies on February 25, 2022. The following write-up is unchanged from that presentation.

→ BA1 FEE RELIEF FOR LICENSED NURSES AND MENTAL HEALTH PROFESSIONALS

REQUEST: THE DEPARTMENT REQUEST an increase of \$14,070,140 General Fund for FY 2022-23 to subsidize license renewal fees for nursing and mental health professionals. This amount would be spread over two years because of the cyclical nature of license renewal.

RECOMMENDATION: Staff recommends denial of the request. Fees are collected to support specific programs or activities, and using General Fund to subsidize those activities is not an appropriate use of tax dollars.

ANALYSIS:

GOVERNOR'S REQUEST

Governor Polis has proposed a \$1.27 billion one-time State investment into various different sectors to “strengthen Colorado’s recovery, create healthy and thriving communities, and support businesses and workers across our state.” The six areas that would receive support are air quality, Unemployment Insurance Trust Fund relief, workforce development and support, budget stabilization factor, public safety, and fee relief.

It is the final sector – fee relief – that this request is concerned with. The Governor’s proposal allocates \$103.9 million for fee relief for individuals and businesses. The Division of Professions and Occupations provides consumer protection through its regulation of more than 500,000 licenses in over 50 professions, occupations, and businesses. This request is asking for a General Fund subsidy for the Division of Professions and Occupation Cash Fund (fund) to reduce fees for some nurses and mental health professionals to \$0 for FY 2022-23 and FY 2023-24.

GENERAL FUND SUBSIDY IMPACT

The reason that this funding would stretch over two fiscal years is because nurses and mental health professionals renew licenses on a two-year basis, so to waive all targeted fees, the Division would use roughly half of the subsidy in FY 2022-23 and the other half in FY 2023-24. The following table outlines which fees would be waived in which fiscal years, and how much General Fund would be used in each year.

GENERAL FUND SUBSIDIZED FEES				
OCCUPATION	FY 2022-23 LICENSE VOLUME	FY 2023-24 LICENSE VOLUME	AMOUNT OF SUBSIDY	COST PER LICENSE RENEWAL
Licensed Practical Nurse	8,000	0	\$544,000	\$68.00

GENERAL FUND SUBSIDIZED FEES				
OCCUPATION	FY 2022-23	FY 2023-24	AMOUNT	COST PER
	LICENSE VOLUME	LICENSE VOLUME	OF SUBSIDY	LICENSE RENEWAL
Registered Nurse	38,000	37,000	7,125,000	95.00
Nurse Aide	42,700	0	2,989,000	70.00
Counselor Professional (two-year)	0	6,900	1,038,450	150.50
Counselor Provisional Professional (two-year)	0	100	9850	98.50
Marriage & Family Therapist (two-year)	0	1,100	176,550	160.50
Marriage & Family Provisional (two-year)	0	10	805	80.50
Psychologist (two-year)	0	3,100	854,050	275.50
Provisional Psychologist (two-year)	0	10	835	83.50
Psychotherapists Registered (two-year)	0	3,100	571,950	184.50
Social Worker	0	6,600	749,100	113.50
Social Worker (Provisional)	0	100	10,550	105.50
Total	88,700	58,020	\$14,070,140	
Subsidy per Year	\$7,143,000	\$6,927,140		

The total amount of the proposed subsidy would equal slightly less than half of the fund's single year revenue. While the fund has in the past few years seen revenue hover around \$30.0 million, the actual amount of revenue received is based on the levels at which the Department sets the fees. These levels are set with a goal of maintaining a fund balance in compliance with the 16.5 percent reserve requirement, and change often, though not dramatically.

The impact of a General Fund subsidy would simply be the replacement of these fee dollars with General Fund dollars for two years. When the funding is exhausted at the end of FY 2023-24, the normal renewal fees will be charged to these professions again. The Department believes, and staff agrees that there should not be any issues with fund balance or dramatic swings in fee levels as a result of this subsidy.

Another fiscal impact to consider regarding this subsidy is its impact on TABOR. Overall, this would have a positive impact on TABOR. In other words, because the Division would be taking in \$14.1 million less in revenue, it would allow that much more to be taken in elsewhere in the State.

While staff does not see an issue with fund balance or fee impacts, staff has concerns about the appropriateness of this request. The main reason for this is that the professions chosen seem to be arbitrary. There are other healthcare professions that have been left off of this list, and it seems to staff that no group of healthcare workers have been any more or less impacted over the last two years.

Another issue with this request is that there are potentially very different impacts of waiving fees for these professions. Some of the professions are very high paying with low fees, while others pay less but have higher fees. Staff sees this as a built-in inequity when thinking about how to address fee relief for healthcare workers.

MEMORANDUM



JOINT BUDGET COMMITTEE

TO Members of the Joint Budget Committee
FROM Mitch Burmeister, JBC Staff (303-866-3147)
DATE March 14, 2022
SUBJECT JBC staff Comeback for the Department of Regulatory Agencies – BA2

In staff's figure setting presentation for the Department of Regulatory Agencies on February 25, 2022, staff recommended and the Committee approved an increase of \$142,612 cash funds to support 2.0 FTE that would support the Division's role within the Behavioral Health Administration of bringing private insurance carriers into alignment with the State's behavioral health parity structure.

This request was made in conjunction with requests from the Departments of Human Services and Health Care Policy and Financing. In light of the Committee's actions on these requests, **staff is now recommending that the Committee reverse its decision on BA2 – Behavioral Health Administration.** House Bill 22-1278 (Behavioral Health Administration) incorporates the Division's request, and if passed as it is currently written, would be duplicative with the goals of the request.

While the approved funding is cash funds, those funds are from the Division of Insurance Cash Fund, which earns revenue through insurance premium taxes that would otherwise be paid into the General Fund. So by reversing this decision, the Committee would unencumber \$142,612 cash funds that would otherwise be credited to the General Fund.

MEMORANDUM

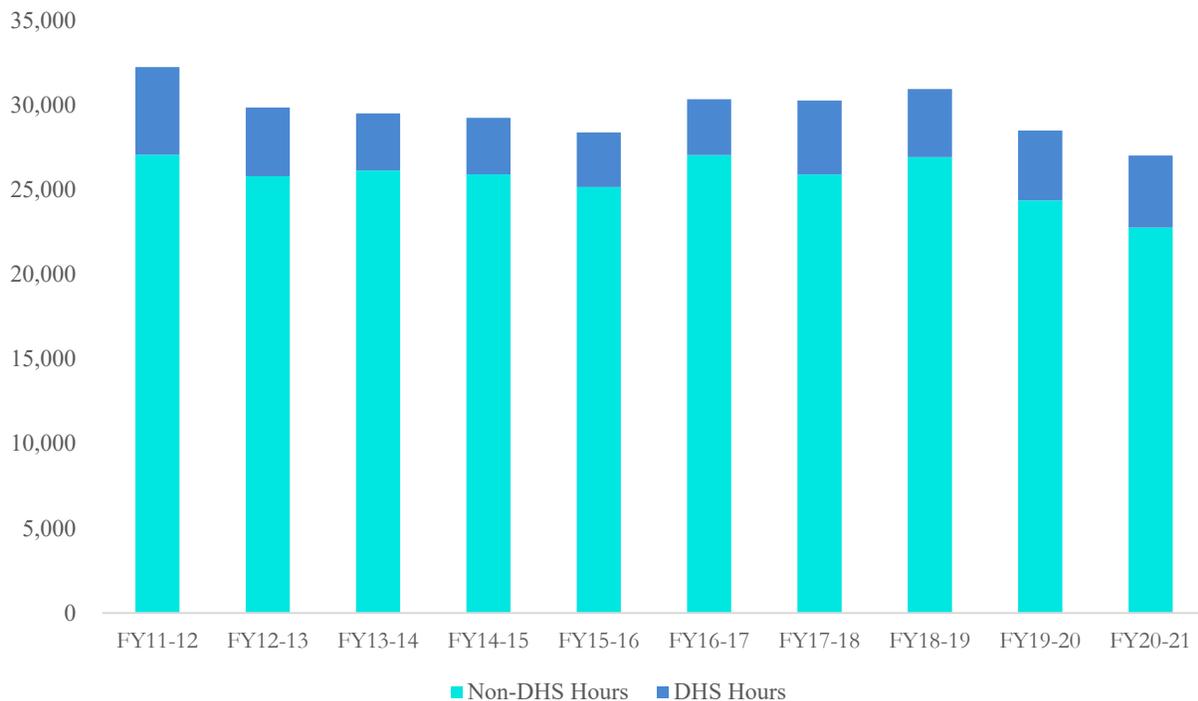


JOINT BUDGET COMMITTEE

TO Members of the Joint Budget Committee
FROM Tom Dermody, JBC Staff (303-866-4963)
DATE March 7, 2022
SUBJECT Dept. of Human Services Tabled Decision Item – R10 SNAP Fair Hearings

During Figure Setting for the Department of Human Services on February 23, 2022, the Committee delayed decision on the R10 (SNAP Fair Hearings) request. The Committee asked staff to provide some additional contextual information regarding historic Administrative Law Judge Services utilization. Over the last decade for which there is utilization data, the State has averaged a total of 29,618 hours bills for Administrative Law Judge Services. In that same period, the Department of Human Services has averaged a total of 3,922 hours billed across all programs, or 13.2 percent of the statewide total.

Administrative Law Judge Services utilization in hours, DHS utilization callout



Below is staff's Figure Setting analysis of the decision item. Staff's recommendation is unchanged.

➔ R10 SNAP FAIR HEARINGS COMPLIANCE

REQUEST: The Department requests an increase of \$358,451 total funds, including \$179,226 General Fund, and 2.4 FTE in FY 2022-23 to bring the Supplemental Nutrition Assistance Program (SNAP) fair hearing process within the Department. The request annualizes to \$356,137 total funds, including \$178,069 General Fund, and 2.5 FTE in FY 2023-24 and ongoing.

RECOMMENDATION: Staff **recommends an appropriation of \$247,661 total funds**, including \$123,831 General Fund, and 2.4 FTE in FY 2022-23. The recommendation annualizes to \$273,517 total funds, including \$136,759 General Fund, and 2.5 FTE in FY 2023-24 and ongoing.

R10 RECOMMENDED APPROPRIATION AND ANNUALIZATION						
COST COMPONENT	FY 2022-23			FY 2023-24		
	TOTAL FUNDS	GENERAL FUNDS	FEDERAL FUNDS	TOTAL FUNDS	GENERAL FUNDS	FEDERAL FUNDS
Personal services	\$225,686	\$112,843	\$112,843	\$225,686	\$112,843	\$112,843
Operating expenses	21,975	10,988	10,988	3,510	1,755	1,755
Centrally appropriated costs	0	0	0	44,321	22,161	22,161
Total	\$247,661	\$123,831	\$123,831	\$273,517	\$136,759	\$136,759

ANALYSIS: Supplemental Nutrition Assistance Program Fair Hearings is a federally-prescribed process for individuals to dispute a decision regarding their SNAP cases, including but not limited to closures and benefit calculations. Colorado’s Fair Hearings practice currently involves both the Departments of Personnel (DPA) and Human Services in a two-step process to render decisions to client disputes. First, DPA’s Office of Administrative Courts (OAC) schedules hearings onto its dockets and renders an initial decision on the case. Following the OAC’s initial decision, the case is transferred to the DHS’s Office of Appeals (OOA) to review the case and render a final decision. Federal rules do not require a bifurcated two-step process across two separate entities. Only four states (California, Colorado, Georgia, and Kentucky) operate Fair Hearings between two different agencies. Among these states, Georgia is the only state that has maintained compliance with federal requirements. Between 2008 and 2015, Colorado paid more than \$15 million in federal sanctions to FNS for various areas of SNAP noncompliance that had escalated to a fine.

Colorado has been on a corrective action plan with the U.S. Department of Agriculture, Food and Nutrition Services (FNS) for failing to hear the appeals within the federally required timeframe since 2013. Federal rules require a final decision to be rendered in 60 days. In an effort to address the ongoing Fair Hearings compliance issues, DHS and DPA participated in LEAN events in October 2018 designed to improve performance. Colorado realized some improvements following this LEAN process and has pursued several additional strategies to improve SNAP Fair Hearings timeliness, including regular meetings with DPA partners, process improvement events, and statute change. For example, S.B. 19-245 (Time Requirements For Food Stamp Appeals) changed statute to allow OAC to close the exception period after a ‘5+3 day’ period (i.e. five days to file plus three days for mail) if a notice of intent to file an exception has not been received. In instances where a party submits such notification, a ‘15+3’ day exception period applies, as previously, from the date that the initial

determination is mailed to the client. This change eased the artificial time constraint of applying the exceptions period to all cases, despite only a minority of cases filing an exception

FAIR HEARINGS DAYS TO DECISION		
FISCAL YEAR	DAYS TO DECISION	DAYS OVER COMPLIANCE
2015-16 ¹	145*	85
2016-17 ¹	102*	42
2017-18	116	56
2018-19	95.8	36
2019-20	91.9	32

¹ Original data is not available. These figures are estimates, derived from correspondence with FNS.

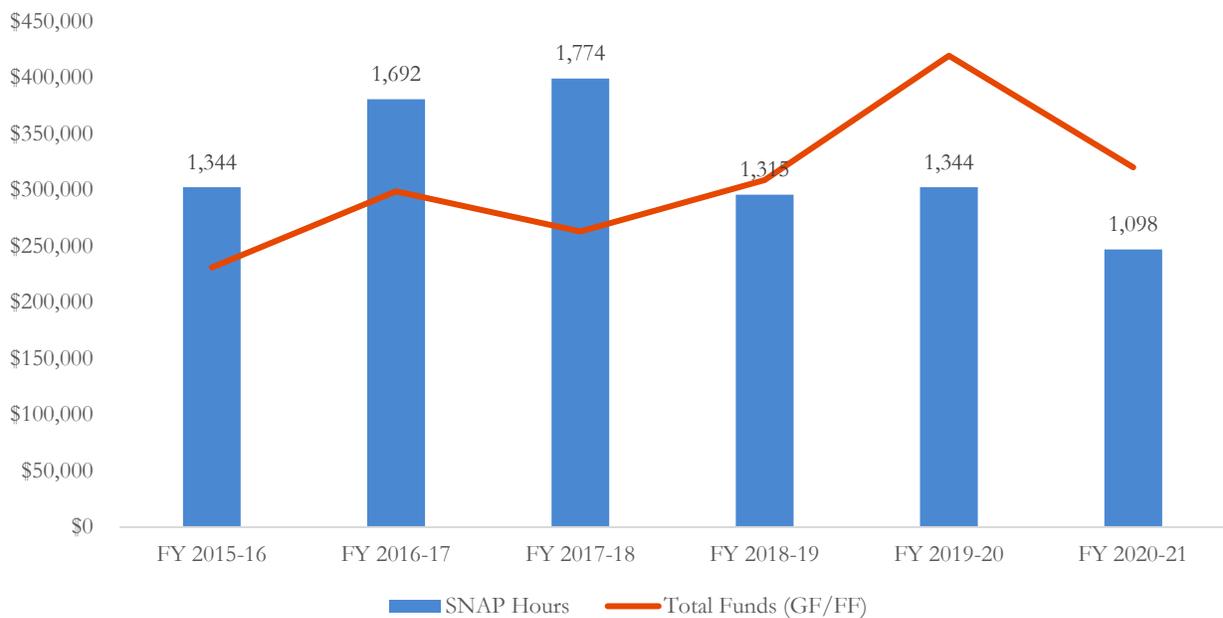
The number of days to a decision has decreased significantly since the effort to improve Fair Hearings timeliness began in 2018. However, compliance with the federal standard has not been achieved. In FY 2019-20, it took the State an average of 91.1 days to render all final decisions, which is 53.3 percent longer than federally required. Data for the period of time during the pandemic is not included because federal program waivers have resulted in a significant decrease in the volume of Fair Hearings cases. The Department expects the number of cases to increase substantially in 2022 because of the expiration of the federal waivers.

The Department anticipates that moving to a single agency structure for SNAP Fair Hearing processes will resolve the endemic compliance issues and eliminate delays caused by remanded cases. This would be achieved through prioritization of cases, scheduling, and timely decisions for clients. The proposed process is endorsed by federal rules. The Department asserts that its Office of Appeals has a proven track record of issuing Final Agency decisions that are grounded in the law, considering only the evidence admitted at hearing and the applicable law. Furthermore, OOA’s Administrative Law Judges will not be involved in the final agency reviews, and the Department’s Adjudicators will have no role in writing the Initial Decisions.

COMMON POLICY CONSIDERATIONS

The Department currently pays for Administrative Law Judge (ALJ) services related to SNAP Fair Hearings through the ALJ common policy. In FY 2020-21, the last year for which staff has actual ALJ usage data, SNAP Fair Hearings accounted for 4.1 percent of all ALJ hours billed by the Office of Administrative Courts, or roughly 0.5 FTE worth of hours (1,098 billed hours). SNAP Fair Hearings are a relatively small number of hours compared to the program as a whole. In terms of the Department of Human Services ALJ usage, SNAP Fair Hearings account for approximately 33.0 percent of all ALJ services billed by the OAC. As the chart below shows, the number of ALJ hours spend on SNAP Fair Hearings were showing a decreasing trend in the fiscal years just prior to the pandemic.

SNAP Administrative Law Judge Hours and Billing



JBC Staff is not recommending an adjustment to the Department’s Administrative Law Judge Services line item to balance the recommended increase in appropriations for bringing SNAP Fair Hearings in-house. This is for several reasons. First, from the common policy perspective, adjusting the departmental allocations will only shift the program costs, not reduce them. The ALJ common policy is calculated using a fixed program cost, which is then allocated proportionally to the various departments of state that utilize these services. Reducing the Department of Human Services appropriation for Administrative Law Judge Services would necessitate recalculating that departmental allocation. Rather than saving money, this would result in shifting the cost of the ALJ common policy to other departments. Second, reducing the Department of Human Services Administrative Law Judge Services line item without adjusting the common policy allocations would underfund the OAC’s program. Third, assuming the Committee approves staff’s recommendation, JBC Staff will work with the Department of Personnel to ensure the reduction in ALJ services is accounted for during the FY 2023-24 figure setting cycle. Any over funding of the ALJ common policy in FY 2022-23 will be balanced in FY 2023-24 with a fund balance adjustment that will reduce the billed rate for all departments using ALJ services.

MIDRANGE SALARY REQUEST FOR DHS ADMINISTRATIVE LAW JUDGES

The Department requests funding the 2.0 FTE for Administrative Law Judges II at the salary range median (\$9,270 per month; \$111,240 per year). JBC Staff recommends appropriating funding for these two FTE at the salary range minimum, in line with Committee policy on new FTE. In FY 2020-21, the last year for which we have actual data, the Office of Administrative Courts spent \$1,518,537 on 14.1 Administrative Law Judge II FTE. This equates to \$107,698 per ALJ II FTE, below the range median. Appropriating the range median to the Department of Human Services would create compression pay issues and internal competition between state agencies. Needless to say, a piecemeal approach to addressing potential compensation is not recommended.

STAKEHOLDER CONCERNS

Since the November 1 submission of this request, stakeholder groups have engaged with staff to express concerns about this request. The concerns are not with the underlying impetus of the request, but rather the scope of the proposed solution. Concerns with the amount of resources requested, as well as the capacity of the Department to meet the full needs of SNAP clients seeking engagement with the administrative hearing process, were raised with JBC Staff. These concerns are well taken and provide broader contextual information to the request submitted by the Department. The concerns highlight the holistic nature of the program's needs, from translation services to outreach and communication to staff training. However, legislation is required to implement the solutions suggested by stakeholders because they would require substantive programmatic changes.

The Department's request is a targeted solution meant to address a specific program deficiency, which falls within the Department's existing statutory authority. Approval of staff's recommendation would not preclude the pursuit of the more holistic programmatic changes advocated for by stakeholder, but would allow the Department to pursue a course of action to remedy an acute and immediate programmatic deficiency. The years of non-compliance with the federally required timetable for Fair Hearings decisions is an immediate concern, one that will hopefully be addressed by this request. Staff does not recommend the Committee sponsor legislation to address stakeholder concerns at this time; however, future legislation could be a consideration for the Committee.

MEMORANDUM



JOINT BUDGET COMMITTEE

TO Members of the Joint Budget Committee
FROM Tom Dermody, JBC Staff (303-866-4963)
DATE March 14, 2022
SUBJECT Dept. of Personnel – BA2 DHR Stimulus Staffing

During Figure Setting for the Department of Personnel on February 10, 2022, the Committee approved staff's recommendation to change the funding source for the BA2 (DHR Stimulus Staffing) request from General Fund to cash funds from the Revenue Loss Restoration Cash Fund, created in Section 24-75-227 (2)(a), C.R.S. In providing this recommendation, staff incorrectly applied the General Fund payday shift to the FY 2022-23 recommended appropriation. Below is the corrected revised staff recommendation.

Staff **recommends \$293,501 cash funds and 4.0 FTE** for FY 2022-23.

BA2 DHR Stimulus Staffing Revised Recommendation				
	Total Funds	General Fund	Cash Funds	FTE
Figure setting (Staff memo dated 2/10)	\$269,451	\$0	\$269,451	4.0
Revised recommendation	293,501	0	293,501	4.0
Difference	\$24,050	\$0	\$24,050	0.0

MEMORANDUM



JOINT BUDGET COMMITTEE

TO Members of the Joint Budget Committee
 FROM Tom Dermody, JBC Staff (303-866-4963)
 DATE March 9, 2022
 SUBJECT Dept. of Personnel – R3 CSEAP Resources

During Figure Setting for the Department of Personnel on February 9, 2022, the Committee delayed decision on the Department’s R3 (CSEAP Resources) request. The Committee asked for additional data regarding the program, specifically update dated data on CSEAP wait times, updated data on service utilization, and by-agency usage.

UPDATED CSEAP SERVICES PROVIDED DATA AND BY-AGENCY USAGE OF COUNSELING SERVICES

The Department was able to provide full year data for FY 2020-21 and partial year data for FY 2021-22 (July 1, 2021 through January 31, 2022).

CSEAP SERVICES PROVIDED PER FISCAL YEAR									
SERVICE TYPE	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22 YTD ¹	6-YEAR CHANGE (EXCLUDES FY 2021-22 DATA)	
Mental Health Counseling Requests/Intakes	1,648	1,860	2,072	2,305	2,195	1,870	1,094	222	13.5%
Mental Health Counseling New Cases Served	1,481	1,646	1,766	1,851	1,698	1,495	947	14	0.9%
Professional Coaching	22	53	66	104	103	105	57	83	377.3%
Critical Incident Response	6	12	21	30	18	15	11	9	150.0%
Leader/Other Consultation ²	n/a	161	205	226	231	230	96	69	42.9%
Presentations: Webinar ²	n/a	9	28	44	98	186	110	177	1966.7%
Presentations: On-Site	35	113	98	109	72	7	0	-28	-80.0%
Workplace Mediation	41	36	43	34	23	18	6	-23	-56.1%
Work Group Facilitation	11	16	6	12	6	9	3	-2	-18.2%
Psych Fitness for Duty	15	20	19	14	11	4	5	-11	-73.3%
Total	3,259	3,926	4,324	4,729	4,455	3,939	2,329	680	20.9%

¹ YTD for FY 2021-22 includes July 1, 2021 through January 31, 2022.

² The increase in these services is only measured over five years.

The following table shows the usage of CSEAP Counseling services by agency. The itemizes the top 11 agency who’s employees utilize CSEAP. The remaining agencies are aggregated into the “Remaining agencies” row. There are 45 distinct agencies combined in this row, which includes the remaining departments and institutions of higher education.

CSEAP COUNSELING SERVICES UTILIZATION, BY AGENCY							
AGENCY	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22 YTD
Corrections	261	225	237	223	164	125	76
Human Services	199	215	195	250	195	183	109
Judicial	123	172	166	150	131	111	76
Labor & Employment	60	96	95	74	80	83	40
Natural Resources	42	49	50	75	47	55	39
Public Health & Environment	68	71	100	108	104	83	49
Revenue	48	43	68	61	61	45	29
Transportation	96	94	86	94	108	92	58
Public Safety	47	58	54	62	55	69	31
CU - Anschutz	55	89	79	114	124	71	56

CSEAP COUNSELING SERVICES UTILIZATION, BY AGENCY							
AGENCY	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22 YTD
CU - Denver	46	41	63	63	42	40	38
Remaining agencies	436	493	573	582	585	538	346
Total	1,481	1,646	1,766	1,856	1,696	1,495	947

CSEAP WAIT TIMES

CSEAP wait times are based upon a simple sample of client records found in the program’s electronic medical record system. Wait time is calculated by determining the number of days between intake date and the date of the first counseling session. The wait times listed are averages based upon a simple sampling of intakes initiated during the months of April and August in each listed year. The sample for 2022 YTD is selected from the population of any client seeking services between January 1, 2022 and January 31, 2022. Wait times are impacted by counselor availability, requesting party availability, and requesting party preference regarding counselor. Anecdotally, it is estimated that most requesting parties accept the first available appointment of the offered counselor or their preferred counselor.

CSEAP WAIT TIMES PER CALENDAR YEAR	
CY 2016	8.4 days
CY 2017	6.3 days
CY 2018	7.5 days
CY 2019	10 days
CY 2020	12.5 days
CY 2021	19.4 days
CY 2022 YTD	14.5 days

Below, for reference, is staff’s write-up from the February 9th Figure Setting. Staff’s recommendation remains unchanged.

→ R3 CSEAP RESOURCES

REQUEST: The Department requests an increase of \$311,690 total funds, including \$107,815 cash funds and \$203,875 reappropriated funds, and 2.5 FTE for FY 2022-23 to address increased workload for the Colorado State Employee Assistance Program (CSEAP), to fund a 24/7 crisis support services, and statewide workplace threat assessment training. The request annualizes to \$290,690 total funds and 2.5 FTE in FY 2023-24 and ongoing.

RECOMMENDATION: JBC staff recommends \$224,994 total funds, including \$77,258 cash funds and \$147,736 reappropriated funds, and 2.5 FTE for FY 2022-23. The recommendation annualized to \$263,362 total funds in FY 2023-24.

R3 JBC STAFF RECOMMENDATION AND ANNUALIZATION		
	FY 2022-23	FY 2023-24
FTE	2.5	2.5
Personal services	\$165,019	\$180,715
Operating expenses	21,975	3,375
Centrally appropriated costs	0	41,272
Full-day crisis support	18,000	18,000
Threat assessment training	20,000	20,000
Total	\$224,994	\$263,362
	<i>Cash Funds</i>	<i>77,258</i>
		<i>90,433</i>

R3 JBC STAFF RECOMMENDATION AND ANNUALIZATION		
	FY 2022-23	FY 2023-24
<i>Reappropriated Funds</i>	147,736	172,929

DISCUSSION: The Colorado State Employee Assistance Program is the employee assistance provider for State employees and agencies. The program was created over 30 years ago to address workplace and personal issues before impacting safety, productivity, working relationships, healthcare costs, and absenteeism, thus preventing negative impacts on the efficiency and effectiveness of State employees and managers. The CSEAP team of licensed professionals offers many services including mental health counseling, crisis and critical incident response, professional coaching, mediation, team facilitation, consultation to managers, universal policy support, and training on various topics as supported by statute (Section 24-50-604 (1)(k)(I), C.R.S.). Program offerings have been designed to meet intended needs set forth in statute. Preventative services for both State agencies and State employees include mental health counseling, professional coaching, leader consultations, and critical incident response.

CSEAP has offices located in Denver, Colorado Springs, Grand Junction, and Pueblo and has provided telehealth services and remote training via video or phone statewide. The program is currently funded with reappropriated funds through the Risk Management common policy allocations to State agencies for the Liability Program.

The appropriated staffing levels of CSEAP has remained static at 11.0 FTE while the program has experienced annual increases in counseling services provided to employees from FY 2015-16 and FY 2019-20. The number of new mental health counseling cases increased by 217 in that time period, while the total amount of services increased by 36.7 percent. The demand for CSEAP services has generally increased, though there are three service categories which have seen decreases over the 5-year period detailed in the table below. As demand for these services continues to grow, CSEAP staff are challenged to provide their services to all employees who seek them in a timely manner.

CSEAP SERVICES PROVIDED PER FISCAL YEAR						
	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	5-YEAR CHANGE
Mental Health Counseling - Requests/Intakes	1,648	1,860	2,072	2,305	2,195	547 33.2%
Mental Health Counseling - New Cases Served	1,481	1,646	1,766	1,851	1,698	217 14.7%
Professional Coaching	22	53	66	104	103	81 368.2%
Critical Incident response	6	12	21	30	18	12 200.0%
Leader Consultation ¹	n/a	161	205	226	231	70 43.5%
Presentations: Webinar ¹	n/a	9	28	44	98	89 988.9%
Presentations: On-site	35	113	98	109	72	37 105.7%
Workplace Mediation	41	36	43	34	23	(18) -43.9%
Work Group Facilitation	11	16	6	12	6	(5) -45.5%
Psych Fitness for Duty	15	20	19	14	11	(4) -26.7%
Total	3,259	3,926	4,324	4,729	4,455	1,196 36.7%

¹ The increase in these services is only measured over four years.

The growing demand for services and the static staffing level of CSEAP has resulted in longer wait times for CSEAP's mental health counseling services. Wait times have increased considerably between 2016 and 2021, with current wait times of nearly three weeks. For employees who have restrictions

associated with their work schedule (i.e. require an early morning or late afternoon CSEAP appointment) or desire to remain with their current counselor, the wait for an appointment is currently up to five weeks. While CSEAP positions in rural areas of the State have proven helpful serving State employees pre-pandemic, rural staff now work remotely via telehealth regardless of the employee's worksite or residential location. The program anticipates, based upon expressed employee demand, that many will desire a return to on-site and in-person appointments. Providers in Denver, Grand Junction and Colorado Springs are working at least partially on-site.

CSEAP WAIT TIMES PER CALENDAR YEAR	
YEAR	WAIT TIMES (DAYS)
2016	8.4
2017	6.3
2018	7.5
2019	10.0
2020	12.5
2021 YTD	20.0

As the State employee mental health and consultation experts, CSEAP has also engaged in providing health coaching (focused on emotional, behavioral, and addiction-related employee needs) to employees - a program that anticipates growth in years to come. The struggle to provide CSEAP's wide variety of services leaves little capacity for staff to perform outreach and education to State agencies regarding CSEAP services or to State employees regarding their employee assistance program benefits. This outreach work is currently absorbed in various CSEAP positions, which creates limited capacity for consistent education and information distribution to all State workplaces and employees. While this outreach is necessary in order to promote the availability of the program, the absorption of this outreach work reduces counseling and coaching time that would otherwise be available. CSEAP presentations and other outreach activities typically require at least one hour of presentation time and at least one hour of preparation and documentation time. Given these estimates, CSEAP staff spent an estimated 340 hours on these activities in FY 2019-20.

To help address the workload concerns of CSEAP, the Department requests 2.0 Social Worker/Counselor IV FTE and 0.5 Project Coordinator FTE. The Social Worker/Counselor IVs will provide the direct services offered by CSEAP. The Project Coordinator will absorb much of the outreach work, providing presentations, develop accessible media highlighting wellbeing and CSEAP service availability, develop and distribute communications on mental health and workplace effectiveness topics, manage website content and social media messaging, and coordinate CSEAP presence at various State employee events.

REQUEST FOR MIDRANGE SALARY APPROPRIATION

The Department requests the range second quartile for the 2.0 Social Worker/Counselor IV FTE. The Department reports that the market median annual salary for similar positions is \$83,324. As reported in the FY 2022-23 Annual Compensation Report, the base pay for state employees is 6.5 percent below the market median. However, the Report also asserts that the state's total compensation package is only 2.8 percent below the market median. Furthermore, the Report indicates that the Healthcare Services occupational group is within the highly competitive range when compared to the market.

Setting the salary range for the requested Social Worker/Counselor IV FTE at the range minimum ensures that these FTE do not create a compression pay issue within CSEAP and unnecessary competition between departments. The FY 2020-21 statewide turnover rate for a Social Worker/Counselor IV was 19.0 percent, as reported by DPA in Multi-Department RFI # 1. However, CSEAP did not experience any turnover in FY 2020-21. The lack of recent turnover at CSEAP suggests that the work environment is less stressful and more attractive than similar positions in other Departments. A brief review of open Social Worker/Counselor positions across the state show 12 openings at varying levels for this classification; these opening are at the Departments of Corrections and Human Services.

Staff has serious concern about the precedent set by a piecemeal approach to address compensation within a classification. Approving the request for a non-standard initial salary in one department will likely result in additional piecemeal requests from other departments, which may lead to competition amongst the various departments seeking to hire similar positions. Applying the Joint Budget Committee's standard of practice when appropriating funds for new FTE ensure a level playing field within the Executive Branch. With these points in mind, staff recommends the range minimum for the appropriations related to FTE.

FULL-DAY CRISIS SUPPORT

The Department requests \$18,000 total funds to contract with a third party to provide full-day crisis support. State employees regularly seek on-demand support for urgent needs including immediate support related to the death of a colleague or coworker, a critical incident impacting the workplace, personal trauma, or community events that create individual and/or shared trauma. While CSEAP offers one hour of urgent (walk-in or phone-in) availability per day, this limited dedicated crisis time does not typically meet the needs of the requesting employee, manager, or leader. Currently, employees needing urgent support are scheduled as quickly as possible, but are more often referred to community agencies, their health insurance provider, or are scheduled for a CSEAP appointment weeks following the request. Full-day crisis support coverage would allow for immediate urgent response to the 20 to 30 critical incident requests received annually by CSEAP.

Staff recommends approval of this portion of the request.

THREAT ASSESSMENT TRAINING

The Department requests \$20,000 total funds to provide annual treat assessment trainings for state agencies. CSEAP serves as a consultant to agency leaders considering next steps in response to workplace violence, threats of workplace violence, and domestic violence impacting the work environment. Per the state *Universal Policy for Workplace Violence Including Domestic Violence Affecting the Workplace*¹, agencies are required to engage threat assessment teams (TAT) to respond to and manage threats impacting their employees or worksites. While limited training has been available, upon request, in response to the original issuance of the policy, there has been disparate and inconsistent availability of training to all agencies. In addition, there has been no on-going TAT training to ensure continuity of operations and threat response within agencies. While CSEAP staff can offer subject matter

¹ The *Universal Policy for Workplace Violence Including Domestic Violence Affecting the Workplace* can be found here: <https://dhr.colorado.gov/state-hr-professionals/universal-policies>.

expertise on psychological fitness for duty processes and processes related to response to workplace violence, it is best practice to offer consistent training to all agencies covered by the Universal Policy to ensure adherence to the policy and help mitigate risk to organizations. Funds granted annually for threat assessment training will ensure consistent training to threat assessment team members and agency leaders, continuity of operations associated with threat assessment, and a preventive agency stance that can effectively reduce agency risk.

Staff recommends approval of this portion of the request.

POST-PANDEMIC PSYCHOLOGICAL LANDSCAPE

The Department and CSEAP provided the following discussion as evidence in support of their request.

National data^{2,3} on workplace-associated stress suggests the prevalence of mental health concerns for the typical working adult. This generalized stress associated with work, combined with the pandemic, has forced a 'whole person' view of employees by their employers (American Psychological Association, 2021) thus prompting increased attention to employee mental health concerns. Lyra Health (2020) reports that 65% of surveyed employees nationwide experience on-the-job mental health impacts while 45% report feeling "completely burned out" in the wake of the pandemic and social justice concerns. Research on previous collective trauma (e.g. events of 9/11) indicate that the pandemic mental health impact will not ameliorate quickly; those studied following the events of 9/11 continued to experience persistent mental health impact one decade or more after the event. As demonstrated via the impacts of previous epidemics (Pan American Health Organization, 2009), it is anticipated that mental health concerns will become the 'second pandemic' as states recover from COVID-19.

For Colorado state employees, depression was the third highest billed condition in 2018 and the second highest billed condition in 2019, while anxiety was the ninth highest billed condition in the same calendar years. The cost to the State as an employer was between \$10,300 and \$11,500 per claim annually for these conditions in the stated calendar years. During the FY 2020-21 benefits cycle, the State experienced depression as "the most prevalent chronic condition" in the insured employee population, with anxiety and other symptoms of mental health conditions appearing as a top-reported conditions. In addition, the State of Colorado, as an employer, has consistently experienced antidepressant medication as the highest medication claim year after year. It bears mentioning that both intended and off-label use of antidepressant medication is associated with anxiety, depression, and behavioral concerns. In addition, Kaiser Permanente (a primary health insurance provider for State employees) reports a 31.0 percent increase in State employee mental health appointment attendance between February 2017 and February 2020. It is notable that State employees anecdotally report attending CSEAP appointments prior to or after defaulting to health insurance referrals or health plan providers due to the strain of meeting copays.

² Centers for Disease Control and Prevention. *Mental Health in the Workplace: Mental Health Disorders and Stress Affecting Working-Age Americans*. July 2018. <https://www.cdc.gov/workplacehealthpromotion/tools-resources/workplace-health/mental-health/index.html>.

³ National Public Radio, Robert Wood Johnson Foundation, and Harvard T.H. Chan School of Public Health. *The Workplace and Health*. July 2016. <https://news.harvard.edu/wp-content/uploads/2016/07/npr-rwjf-harvard-workplace-and-health-poll-report.pdf>.

Health insurance claims information, including growth in use of mental health care, demonstrates the prevalence of mental health and behavioral concerns among State employees. As such, CSEAP anticipates continued increase in requests for services due not only to global, personal, and workplace impacts of collective trauma but also to the consistently noted increase in mental health diagnosis and symptoms reported by State employees in the years leading up to the COVID-19 pandemic. In addition, employers are necessarily improving their response to employee self-reported stress and mental health concerns by encouraging use of CSEAP and educating employees on CSEAP services. Finally, while national data indicates employee utilization of EAP at 5.5 percent, CSEAP consistently experiences roughly 7.0 percent employee utilization for mental health counseling services alone.

ALTERNATIVE TO STAFF RECOMMENDATION

This request is associated with Article 8.2.B of the Partnership Agreement, which states that the Executive Branch and COWINS will:

“mutually seek funding in the amount of no less than \$300,000 per fiscal year to expand the CSEAP program by 3 CSEAP resources to increase focus on multicultural and/or culturally-competent counseling services, mediation to resolve interpersonal employee conflicts, professional coaching to address problematic workplace behaviors, and training programs that encourage an inclusive workplace.”

If the Committee desires, appropriating \$300,000 total funds and 3.0 FTE to CSEAP would meet the negotiated requirements of the COWINS Partnership Agreement. If the Committee chooses this option, staff will work with the Department to determine the fund splits.

MEMORANDUM



JOINT BUDGET COMMITTEE

TO Members of the Joint Budget Committee
FROM Emily Hansen, JBC Staff (303-866-4961)
DATE March 11, 2022
SUBJECT Staff comebacks for the Department of Public Safety, Division of Homeland Security and Emergency Management

The Committee delayed action on two decision items during the initial staff figure setting presentation for the Department of Public Safety on March 2, 2022. This memo provides additional information on those requests, as well as informational responses not related to decision items.

→ R6 STATE EMERGENCY OPERATIONS CENTER

REQUEST: The request includes an increase of \$623,786 total funds and 8.0 FTE in FY 2022-23 and \$574,786 General Fund and 8.0 FTE in FY 2023-24 and ongoing for the State Emergency Operations Center. The request includes an increase of \$945,085 General Fund and a decrease of \$333,771 federal funds to offset the loss of federal grants expiring in June 2022.

RECOMMENDATION: **Staff recommends approval of the request.**

ANALYSIS: During the initial staff briefing, the Committee questioned how the request relates to additional emergency response staffing in an executive order for the Marshall Fire. Executive Order D 2022-004, signed on January 26, 2022, was the first executive order related to the Marshall Fire following a verbal order on December 30, 2021. The executive order declared a state of disaster emergency due to the fire and straight-line winds, enabling State and Federal agencies to coordinate response, hazard mitigation, and recovery efforts. The order includes the following directives:

- Memorialize the verbal order of December 30, 2021.
- Activate the State Emergency Operations Plan, directing all State departments and agencies to take whatever actions may be required and requested by the Director of the Office of Emergency Management, including the provision of appropriate staff and equipment.
- Authorize the utilization of National Guard assets.
- Authorize the Department of Public Safety to coordinate applications to the federal government for funds available for reimbursement.
- Transfer \$40,431,226 from the State Emergency Reserve Cash Fund to the Disaster Emergency Fund (DEF).

Of the amount transferred to the DEF, \$40.0 million is encumbered for fire suppression, response, consequence management, and recovery efforts related to the Marshall Fire. The remaining \$431,266 is allocated to the Office of the Governor for a term-limited Senior Advisor to the Chief of Staff on Wildfire Recovery and Resiliency and a term-limited Deputy Coordinator for Wildfire Recovery for FY 2022-23 and FY 2023-24 to coordinate with the State's Marshall Fire Recovery Task Force and local recovery efforts.

The original executive order was set to expire 30 days from December 30, 2021, with the exception of the funding provision which was to remain available for 36 months from the date of the executive

MARCH 11, 2021

order. Subsequent executive orders (D 2022-005 and D 2022-012) have extended the original order, which is currently set to expire 30 days from February 25, with no changes to the original funding expiration of 36 months. The most recent executive order, D 2022-012 also released the National Guard and \$10.0 million from the DEF back to the State Emergency Reserve.

The Department states that the positions added in the Governor's office by the executive order are term limited and specific to Marshall Fire response within the Governor's office. The positions are separate from the Department's request, which add permanent staffing needs within SEOC that are separate from and pre-exist the Marshall Fire.

BACKGROUND

The State Emergency Operations Center (SEOC) is the Governor's central coordination center during a disaster, and has been supported by a federal grant set to expire June 2022. In addition to refinancing federal funds with General Fund, the request provides additional capacity for the SEOC to respond to the increasing number and magnitude of natural disasters in the state.

The SEOC has the primary responsibility for resource mobilization for State-declared disasters, as well as incidents that exceed the capacity of local jurisdictions. The SEOC follows both federal and State procurement statutes to procure, mobilize, track, and demobilize resources during an incident. The SEOC also manages the Emergency Management Assistance Compact for the State. The Compact is a mutual aid agreement between 54 states and territories. The SEOC is responsible for requesting and sending resources to other states, and maintaining necessary documentation and payment for both.

The Department states that the SEOC cannot consistently meet state and federal procurement requirements at its current FTE level and insufficient staffing led to over 100 statutory violations in FY 2020-21. Operations and logistics work is currently being outsourced to contract staff at a higher cost to fulfill the demands presented to the SEOC by the increasing severity and duration of the state's fire season. Additionally, two existing positions are supported 50.0 percent by a federal grant set to expire June 2022. The grant is provided through FEMA's Chemical Stockpile Emergency Preparedness Program (CSEPP), and stipulates that funding be used to prepare for, respond to, and recovery from chemical emergencies.

The requested FTE include one purchasing agent with detailed knowledge of procurement codes, four emergency specialists, and support staff such as an accountant, a human resources specialist, and communications specialists. The request states that a human resources specialist is specifically necessary to evaluate personal service contracts and ensure services provided by outside contractors are not displacing state employees.

→ R11 ENTIRE STATE CYBERSECURITY APPROACH

REQUEST: The request includes an increase of \$391,574 General Fund and 3.0 FTE in FY 2022-23 and \$370,574 ongoing to create a Whole of State Cybersecurity Program under DHSEM at the recommendation of the Homeland Security and All-Hazards Senior Advisory Committee.

RECOMMENDATION: Staff recommends approval of the request. The Committee referred this decision item to the Joint Technology Committee (JTC), pursuant to Joint Rule 45(b). The JTC recommended approval of the request in a letter to the JBC on Friday, March 4.

ANALYSIS: The Homeland Security and All-Hazards Senior Advisory Committee (HSAC) designated a subcommittee on cybersecurity recognizing a need to assist the state in preventing, mitigating, and responding to hazard events. The Cybersecurity Subcommittee recommended implementing a "Whole of State" cybersecurity approach to promote training, knowledge-sharing, and delivery of security services. This recommendation included creating and implementing a Cybersecurity Technical Assistance Group within the Colorado Information Analysis Center (CIAC) to assist local jurisdictions and state agencies in cybersecurity planning.

JOINT TECHNOLOGY COMMITTEE

The JTC heard testimony from several stakeholders for an overview of cybersecurity in the state on February 24, 2022. Presentations included local governments, the National Cybersecurity Center, the Secretary of State, the Governor's Office of Information Technology (OIT), and CIAC. Many presenters highlighted a need for a centralized office to coordinate response and share information about known threats. CIAC indicated that the budget request would fulfill this need and would be the first step in assessing the state's greater cybersecurity needs in coordination with OIT and HSAC.

When hearing the budget request, the JTC raised concerns that the specific positions outlined in the request may not be sufficient and align with the original intent of the Whole of State approach. The JTC delayed action on the request and asked the Department to provide additional detail on the specific responsibilities of the requested positions in the context of the Whole of State Cybersecurity approach. The Department's memo to the JTC is attached, and the outlined responsibilities are below:

- Develop and maintain a framework and resources for incident response.
 - Develop and support the development and implementation of mutual aid agreements among local jurisdictions for incident response.
 - Help develop and review incident response plans at the local level.
 - Develop (a) cyber incident response team(s), which include elements of the Colorado National Guard and OIT.
 - Host regional workshops that enable jurisdictions and their respective agencies to develop and implement updated and integrated incident response plans.
 - Host and conduct ongoing exercises to assist jurisdictions practice incident responses, especially in coordination with state and local emergency management teams.
- Establish a Cyber Liaison Officers program across the state (mirroring the existing Threat Liaison Officer program) to advance information sharing throughout communities around cyber threats.
- Further develop and support infrastructure for statewide threat information sharing; coordinate with federal and regional partners to support enhanced information sharing.
 - Host and maintain the Colorado Threat Information Sharing (CTIS) Platform
 - Threat Intel Sharing Platform with trusted circles (OIT, National Guard, and the Secretary of State's office along with the MS-ISAC and other states.
 - Include the ability for local jurisdictions to share questions and concerns around cybersecurity program development in connection with CTIS.

MARCH 11, 2021

The JTC recommended approval of the request as outlined by the additional information provided by the Department, as indicated by the following comment provided in their letter to the JBC:

"The JTC recommends fully funding the Department of Public Safety's R-11 operating budget request for 3.0 FTE to create a Cybersecurity Technical Assistance Group. After multiple discussions with the department, the committee recommends funding these positions with the responsibilities as outlined in a memorandum from Director Kevin Klein on March 1, 2022, which is provided as Attachment A."

UNIVERSITY OF COLORADO AT COLORADO SPRINGS CYBERSECURITY PROGRAM

The cybersecurity program at the University of Colorado at Colorado Springs (UCCS) provides a robust academic resource for the state on cybersecurity issues. The program awarded over 200 security degrees last year, and has obtained federal grants for cybersecurity research. The center has also partnered with public, private, and military entities to establish employment opportunities for students, conduct collaborative research, and distribute research findings. The program has also established cybersecurity camps for K-12 students across the state to foster an interest in cybersecurity issues and increase awareness of educational opportunities.

The Department states that while the UCCS program and CIAC can and do support each other, the two entities have different missions. UCCS is an academic program, which shares research with state partners and trains cybersecurity professionals. In contrast, CIAC is an applied security program, with the ability to respond to cybersecurity incidents involving Colorado's critical infrastructure.

OFFICE OF INFORMATION SECURITY

The Office of Information Security (OIS) under the Office of Information Technology (OIT) in the Governor's Office provides the development, delivery, and maintenance of information security programs for state agencies. OIS provides security awareness trainings for state employees and vendor partners, as well as incident response training. However, these resources and the scope of work managed by OIS are limited to state agencies. OIS does provide a list of free resources for local and private agencies, but does not actively support agencies outside of the state government.

In contrast, the requested program will provide technical assistance to local agencies and select private critical infrastructure providers. During the presentation to the JTC, multiple representatives of local and state partners noted two primary concerns that will be addressed by the request. Primarily, the request will provide a centralized point of contact for incident response and to share information about known threats to mitigate threats across the state. Additionally, even well-resourced agencies are often limited to a single staff member with limited training to develop and monitor cybersecurity policies. The requested FTE aims to directly address these concerns and provide active, on the ground assistance to local agencies.

The Department states that CIAC is well suited to support the needed connections between local governments, select private partners, and federal agencies such as the Department of Homeland Security, FBI, and the Multi-State Information Sharing and Analysis Center (MS-ISAC). Further, the Department has the incident response protocol and security clearance to facilitate emergency response with these federal partners.

→ R1 RIGHT-SIZING CBI REQUEST FOR INFORMATION

During the initial staff briefing, the Committee requested adding a Request for Information (RFI) for the Department to provide information on the status of the implementation of the Department's first request, R1 Right-sizing CBI. The request implements a phased approach for hiring over three years that totals \$6.8 million General Fund and 47.0 FTE in FY 2022-23, increasing to \$12.0 million General Fund and 83.0 FTE in FY 2023-24, and \$15.4 million General Fund and 107.0 FTE in FY 2024-25 and ongoing.

Staff has drafted the following RFI for the Committee's consideration:

Department of Public Safety, Colorado Bureau of Investigations – It is requested that the Department of Public Safety submit a report to the Joint Budget Committee by November 1, 2022, detailing progress related to the implementation of the Department's FY 2022-23 budget request, R1 Right-sizing CBI. The report should include, but is not limited to, discussion of the following:

- The number and type of positions filled;
- The number and type of positions yet to be filled;
- Changes in the Division's implementation plan based on initial hiring;
- Feedback the Division has received or solicited from local law enforcement agencies about the implementation and hiring process; and,
- Measurable changes in the Division's capacity or caseload to the extent available, such as the number of cases managed by the Division, number of requests from local agencies, laboratory turnaround times, average agent travel time, or mandatory overtime.

① SCHOOL ACCESS FOR EMERGENCY RESPONSE (SAFER) GRANT

During the initial staff figure setting presentation, the Committee requested additional information about the funding and sunset date of the School Access for Emergency Response (SAFER) grant program.

The grant program was enacted by S.B. 18-158 (School Access to Interoperable Communication Technology) and provides schools with funding for interoperable communication hardware, software, equipment maintenance, and training to allow for seamless communications between schools and first responders. The program is administered by the Division of Homeland Security and Emergency Management and supported by the SAFER grant program cash fund.¹

Pursuant to Section 24-33.5-2107, C.R.S., the SAFER grant program cash fund receives a transfer of \$5.0 million from the State Public School Fund each year on July 1 from 2018 to 2023. The program repeals on July 1, 2024. Any funds remaining in the cash fund at the time of repeal revert to the General Fund. The cash fund report is provided in the table below.

¹ Section 24-33.5-2104, C.R.S.

SAFER CASH FUND REPORT						
	FY 2018-19 ACTUAL	FY 2019-20 ACTUAL	FY 2020-21 ACTUAL	FY 2021-22 APPROPRIATED	FY 2022-23 REQUESTED	FY 2023-24 PROJECTED
Year Beginning Balance	\$0	\$34,200	\$52,047	\$85,612	\$68,829	\$68,829
Transfers	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
Interest	34,200	18,055	18,095	18,075	18,075	18,075
Total Revenue	\$5,034,200	\$5,018,055	\$5,018,095	\$5,018,075	\$5,018,075	\$5,018,075
Expenses	5,000,000	5,000,209	4,984,530	4,992,369	4,992,369	4,992,369
Net Cash Flow	\$34,200	\$17,846	\$33,565	\$25,706	\$25,706	\$25,706

INFORMATIONAL DEPARTMENT RESPONSES

During the initial staff figure setting presentation, the Committee requested additional information on a few items not related to decision making. Department responses are provided below.

R4 SCHOOL SAFETY RESOURCE CENTER REFINANCE

The Committee requested additional information on the number of schools that may be served by the requested \$266,619 increase requested for the School Safety Resource Center (SSRC), as well as the fee structure of the program and an update on the SSRC's progress in implementing improved evaluation methods and evidence based practices.

NUMBER OF SCHOOLS SERVED

The requested and approved increase of \$299,619 will provide funding for a two-day Safe School Summit in both the Denver metro area and Grand Junction. The SSRC also intends to conduct eight symposia in metro Denver and other locations across the state.

The Department indicates that up to 180 schools could send staff to a summit in Grand Junction, based on the assumption that there are 45 districts on the Western Slope with an average of four schools per district. The Denver area summits would be held in various locations along the Front Range and may include one-day workshops as far as Ft. Collins and Pueblo. The SSRC also intends to provide training in the northeast and southeast areas of the state, seemingly expanding access to hundreds of school staff across the state.

SCHOOL SAFETY RESOURCE CENTER FEES

The SSRC began charging a nominal fee to cover the cost of renting a venue, paying national speakers, and providing meals to those in attendance at statewide trainings in 2010. The Department indicates that the cost of attendance has never exceeded \$50/person for school staff, but does assume that even nominal fees have prevented many small and rural schools from attending workshops when considering the additional expenses of hiring substitute teachers, travel for staff, and possible overnight accommodations. The Department anticipates that the requested increase will expand access to the SSRC in more rural regions of the state and allow school staff the opportunity to attend trainings without fees.

PROGRAM EVALUATION AND EVIDENCE BASED PRACTICE

The SSRC, in collaboration with the Division of Homeland Security and Emergency Management and the Center for the Study and Prevention of Violence (CSPV) at the University of Colorado, Boulder, applied for and was awarded a \$999,987 grant from the National Institute of Justice. The Department indicates that CSPV research staff are conducting an evaluation of the Colorado Threat Assessment and Management Protocol. Research staff are creating pre-post measures to study the feasibility of the training, the cultural responsiveness, knowledge gained by the participants, training satisfaction and confidence gained. The Department states that CSPV has requested a no-cost extension on the grant due to the high workload of the analysis. The original grant period was October 2019 through September 2022, but is now extended to September 2023.

In addition, the SSRC continues to provide annual legislative reports to provide data to policy makers, including the number of workshops provided by topic, participants, resources distributed or downloaded, Twitter followers, and workflow as measured by the number of contacts and schools or agencies provided with direct services. Following the 2019 State Auditor report, the SSRC now also differentiates between contacts and consultations in the report. In 2021, the SSRC provides a workload measured by a record 6,639 contacts with 409 consultations through the second week of December.

R10 COMMUNICATIONS EQUIPMENT

The Committee requested additional information on the amount of time required to equip all state patrol troopers with wireless handheld devices, as well as if there are encryption costs associated with the Department's request for an increase of \$1.7 million for phased communications equipment replacements.

WIRELESS HANDHELD DEVICES

The Department anticipates that it will take two years to equip all State Patrol troopers and Port of Entry officers with wireless handhelds under the request. The wireless handheld devices will provide troopers with access to MyColorado identification apps, as well as wireless report filing.

ENCRYPTION

The Department anticipates that the request will enhance the ability to listen to encrypted radio channels from other agencies for the State Patrol, but will not change CSP policies regarding encryption.

R7 DFPC TRAINING & PERSONNEL SUPPORT

The original request noted an increase in demand for administrative services in the Division of Fire Prevention and Control because firefighting certification requests have increased 500.0 percent since 2016. The Committee asked the Department to provide additional information on what factors may be driving this increase.

The Department indicates that the 500.0 percent increase is driven by an increase in the testing and training opportunities DFPC has made available in the last five years. Additionally, DFPC has increased the number and various types of certifications offered.

ATTACHMENT A: DSHEM JTC R11 MEMO

To: Members of the Joint Technology Committee

Date: 3/1/2022

From: Kevin Klein

Re: DHSEM Cybersecurity Responsibilities

Thank you for the opportunity to share our vision of enhanced cybersecurity. I also want to thank you for helping us better articulate the roles and responsibilities of the FTE that are in the Department's budget request.

Participants in the Whole of State Cybersecurity presentation to the JTC met following the February 24 presentation to better define the state's roles and responsibilities in the Whole of State approach. The following are the functions that we discussed to better articulate what we expect those roles and responsibilities to be:

- Develop and maintain a framework and resources for incident response.
 - Develop and support the development and implementation of mutual aid agreements among local jurisdictions for incident response.
 - Help develop and review incident response plans at the local level.
 - Develop (a) cyber incident response team(s), which include elements of the Colorado National Guard and OIT.
 - Host regional workshops that enable jurisdictions and their respective agencies to develop and implement updated and integrated incident response plans.
 - Host and conduct ongoing exercises to assist jurisdictions practice incident responses, especially in coordination with state and local emergency management teams.
- Establish a Cyber Liaison Officers program across the state (mirroring the existing Threat Liaison Officer program) to advance information sharing throughout communities around cyber threats.
- Further develop and support infrastructure for statewide threat information sharing; coordinate with federal and regional partners to support enhanced information sharing.
 - Host and maintain the Colorado Threat Information Sharing (CTIS) Platform.
 - Threat Intel Sharing Platform with trusted circles (OIT, National Guard, and the Secretary of State's office along with the MS-ISAC and other states.
 - Include the ability for local jurisdictions to share questions and concerns around cybersecurity program development in connection with CTIS.

MEMORANDUM



JOINT BUDGET COMMITTEE

TO Members of the Joint Budget Committee
 FROM Eric Kurtz, JBC Staff (303-866-4952)
 DATE March 11, 2022
 SUBJECT Staff Comebacks - Department of Human Services, Office of Early Childhood

→ FTE CORRECTION

Staff recommends reducing the FTE associated with the funding in S4 Early Childhood Fed Stimulus from 42.0 FTE to 22.0 FTE. The original JBC staff recommendation indicated that there were 42.0 FTE associated with the request, many of which were continuing positions that were funded in prior years. This is still an accurate description of the entire spending plan that spans FY 22-23 through FY 24-25, but for FY 22-23 the Department already has funding and FTE in the budget base for 20.0 of those positions. So, the incremental adjustment for FY 22-23 is an increase of 22.0 FTE and the other 20.0 FTE would impact FY 23-24 when current authorizations expire and the current FTE annualize out of the budget. The table below summarizes the spending plan with the associated FTE broken out by fiscal year.

Revised Fiscal Impact by Line Item						
	FY 22-23	FTE	FY 23-24	FTE	FY 24-25	FTE
Child Care Licensing & Administration	\$3,712,113	18.0	\$7,013,935	34.0	\$1,385,941	8.5
CCCAP	0	0.0	16,386,638	0.0	4,096,660	0.0
CCCAP Intrastate Redistribution	25,970,215	0.0	29,124,172	0.0	3,872,008	0.0
Child Care Grants for Quality and Availability	26,477,773	2.0	36,191,041	5.0	1,783,187	1.3
Early Care and Education Recruitment and Retention	601,834	1.0	6,738,754	1.0	0	0.3
Continuation of Child Care Quality Initiatives	3,015,120	1.0	4,244,423	1.0	832,134	0.3
Early Childhood Mental Health Services	160,000	0.0	2,648,107	1.0	0	0.3
Total	\$59,937,055	22.0	\$102,347,069	42.0	\$11,969,930	10.7

→ ANNUALIZATION OF S.B. 21-137

In the figure setting document the JBC staff showed the annualization of S.B. 21-137 in the Early Childhood Mental Health Services line item incorrectly. The table below compares how the adjustment was shown in the figure setting document to the recommended corrected annualization. The source of cash funds is the Behavioral and Mental Health Cash Fund from money received from the federal Coronavirus State Fiscal Recovery Fund.

S.B. 21-137 Annualization		
	Figure Setting	Corrected
Total Funds	(\$313,000)	(\$313,000)
General Fund	186,000	186,000
Cash Funds	(1,000,000)	(500,000)
Federal Funds	500,000	0

MEMORANDUM



JOINT BUDGET COMMITTEE

TO Members of the Joint Budget Committee
FROM Abby Magnus, JBC Staff
DATE March 9, 2022
SUBJECT Dept. of State Tabled Items – R1 and R3

During figure setting for the Department of State on February 14, 2022, the Committee delayed action on R1 Security Services for the Department of State at request of the Department, and tabled R3 Money-in-politics system pending prioritization recommendations from the Joint Technology Committee. Below are JBC Staff's analyses and recommendations for R1 and R3.

→ R1 – SECURITY SERVICES FOR THE DEPARTMENT OF STATE

REQUEST: The Department is requesting an ongoing annual General Fund appropriation \$184,800 to address election-related security concerns regarding both the Department and Secretary of State.

- \$120,000 would be paid to a vendor to track threats to the office and Department personnel across major social media platforms; and
- \$64,800 would be used to engage professional personal security services to accompany the Secretary and other staff as needed for key public events.

UPDATED RECOMMENDATION: **Staff does not recommend approving this request as is and has two potential recommendations for the Committee.**

- 1 Denial of the request, as introduced legislation (S.B. 22-133) appears to address the Department's concerns through a broad approach to access to security for all elected state officials.
- 2 If the Committee wants to ensure the Department and Secretary could access private security given CSP resources are unavailable, as allowed in S.B. 22-133, staff would recommend approving \$32,400 in ongoing Department of State Cash Fund spending authority.

UPDATED DISCUSSION:

BACKGROUND

Department of State personnel and the Secretary of State have increasingly and repeatedly been the subject of violent threats, public posting of private information, and online harassment. There has also been a significant increase in the distribution of election misinformation since the 2020 General Election, which the Department of Homeland Security has warned is leading to increase online activity regarding threats to elected officials. The Department sees these as threats to individual staff as well as their ability to ensure secure and safe elections. Given that this increase in threats occurred around the 2020 General Election, the Department has significant concerns about seeing increased threats leading up to the November 2022 General Election.

Colorado State Patrol (CSP) and the Department have been in regular conversations about the Department's security concerns. The focus of CSP and the Colorado Information Analysis Center (CIAC) is identifying threats to State personnel and property and determining whether they meet a

standard for actionability. The Department has a need for a more immediate approach to information on threats as they are looking more broadly at potential threats to election workers and systems.

SENATE BILL 22-133 PROVIDE SECURITY FOR CERTAIN ELECTED OFFICIALS

Senate Bill 22-133 has been referred to Senate Appropriations, and the comments below reflect the changes made in the amendment that passed in the Senate State, Veterans, & Military Affairs Committee on March 8, 2022. It is a bi-partisan bill sponsored by Senators Winter and Priola and Representative Esgar. This bill expands the provision of protection and security services by CSP and clarifies that CSP is required to respond to all complaints relating to criminal activity against or security threats or risks to a member of the General Assembly or to a statewide constitutional officer. The bill specifies CSP will:

- Provide the same protection and security services to the Secretary of State, Attorney General, and State Treasurer when they are present in the state capitol complex as it provides to members of the General Assembly; and
- Provide protection to each statewide constitutional officer if such protection is requested.

The fiscal note on this bill increases FTE by 4.0 for the Department of Public Safety, however staff expects to see this number double with the recent amendment. A number of these FTE would be state troopers, and at least one would be a CIAC analyst to conduct threat detection, identification, and assessments for the Secretary of State, Attorney General, and the State Treasurer using a threat assessment platform. The current fiscal impact of the bill is \$561,055 General Fund, however staff expect to see this number increase with the recent amendment to the bill.

PHYSICAL SECURITY

Senate Bill 22-133 would provide the Secretary up to 80 hours per week of protection from CSP. The Department states they would still need increased spending authority of \$32,400 in order to have the flexibility to engage private security in the event that CSP resources are unavailable. S.B. 22-133 currently does not prohibit statewide constitutional officers from obtaining additional protection, and this must be done in coordination with CSP.

THREAT MONITORING

With the significant increase in threats against the Secretary and the Department in 2020, the Department initially allocated staff to the task of threat monitoring, and most recently began contracting with a vendor to monitor mainstream social media. The funding for this was approved in a FY 2021-22 supplemental request. Department staff have been able to identify a number of credible threats that they brought to the attention of CSP. The Department believes that the threat monitoring they are doing exceeds the scope of S.B. 22-133 as it includes threats to elections systems and election officials, including an expansive list of staff within the Department. They continue to assert that information on threats is only being shared by them to CIAC and not the other way.

CIAC states they have two analysts in the infrastructure protection unit and one cyber analyst whose duties include reviewing threats to election infrastructure as well as two analysts whose duties include assessing threats to the Secretary of State and election workers. In speaking with CSP, JBC staff understands that CIAC does not see the concerns of the Department of State as a capacity issue for CIAC, but rather an issue of authority and role. The CIAC actively reviews content on a variety of platforms including but not limited to Facebook, Twitter, Parler, Gab, Reddit, and other various open

sources using directed and automated searches for a variety of threats including threats to the Secretary of State and other elected officials. CIAC does not report forwarding any specific threats to other law enforcement agencies, but they have worked with the Attorney General's Office to help determine if a potential threat is criminal or protected speech. While CSP acknowledged the work that the Department of State has done to identify threats, they state that CIAC has not found or received any threats that were not eventually identified as First Amendment protected speech and did not rise to the level of needing to provide a security detail.

STAFF RECOMMENDATION

While JBC staff can understand the perspective of the Department in the desire to ensure the safety of the Secretary and election officials in Colorado, CIAC is the system that houses this information and expertise in the State. CSP and CIAC are responsible for the security of all State elected officials, and JBC staff believes that if there are changes in this process of threat monitoring, these need to be comprehensive across elected officials and offices rather than it being the responsibility of individual offices to ensure their own safety. In response to questions from the JBC, CIAC has confirmed they do have staff that specifically analyze threats to election infrastructure and election workers in the state, and S.B. 22-133 would add an additional FTE to conduct threat detection, identification, and assessments for the Secretary of State, Attorney General, and State Treasurer. Given this information, staff is not recommending approval of this request.

→ R3 – MONEY-IN-POLITICS SYSTEM

REQUEST: The Department is requesting a \$1.5 million General Fund appropriation for development of a combined campaign finance and lobbyist disclosure system. The Joint Technology Committee (JTC) has made recommendations to the JBC on the prioritization of this request.

UPDATED RECOMMENDATION: **Staff recommendation is to follow recommendations by JBC Staff for IT Capital and appropriate this request in the information technology section of the budget rather than in the operating budget for the Department.**

UPDATED DISCUSSION

JBC Staff had previously recommended \$1.61 million General Fund for this request, with the caveat that the Committee would need to sponsor legislation for the Department to be able to access General Fund for this purpose.

In the figure setting discussion for IT Projects on March 8, 2022, JBC staff recommended that the Committee fund this JTC-prioritized project as an information technology project rather than an operating item. While the Committee has not yet voted on IT Capital Projects, they did appear to be in favor of this recommendation. Given this, staff is not recommending this request as part of the Department's operating budget.

Funding and Timeline Relevant to Department of State R1

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	
Personal Security Monthly Event Use Estimates	3	5	6	3	3	3	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	
Supplemental (\$50,800)	█																		
Byrne Jag Funding (\$100,000)					█														
FY 2022-23 Request (\$32,400)							█												
Threat Monitoring Monthly Costs (Thousands)	\$10	\$10	\$10	\$10	\$10	\$10	\$13	\$13	\$13	\$13	\$13	\$13	\$13	\$13	\$13	\$13	\$13	\$13	
Supplemental (\$70,000)	█																		
Byrne Jag Funding (\$60,000)							█												
FY 2022-23 Request (\$120,000)										█									
Estimated FY 2022-23 Need (\$156,000)																			