

# JOINT BUDGET COMMITTEE



## SUPPLEMENTAL BUDGET REQUESTS FY 2021-22

### OFFICE OF THE GOVERNOR

JBC WORKING DOCUMENT - SUBJECT TO CHANGE  
STAFF RECOMMENDATION DOES NOT REPRESENT COMMITTEE DECISION

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# OFFICE OF THE GOVERNOR

## DEPARTMENT OVERVIEW

This Joint Budget Committee staff supplemental recommendations document includes the following offices and agencies within the Office of the Governor:

- The **Office of the Governor (division)** oversees operation of the executive branch of state government including coordination, direction, and planning of agency operations. The Office represents the state, and serves as a liaison with local and federal governments. The Office houses the Colorado Energy Office, which appears as a subdivision. Finally, the division performs administrative functions of a traditional executive director's office for all programs in its budget with the exception of the Office of Information Technology.
- The **Office of the Lieutenant Governor** directly oversees the Colorado Commission of Indian Affairs and the Commission on Community Service. The Lieutenant Governor temporarily takes the Governor's place if the Governor is out of Colorado or is unable to perform his/her duties.
- The **Office of State Planning and Budgeting (OSPB)** develops executive branch budget requests, reviews and analyzes departmental expenditures, and prepares quarterly revenue and economic estimates for the state. Additionally, the Office develops, manages, and tracks the evidence based policy methodology that aims to determine the monetary value of state policies and programs.
- The **Office of Economic Development and International Trade (OEDIT)** assists in strengthening Colorado's prospects for long-term economic growth by providing broad-based support to businesses. The Office's support services include business funding and incentives, promotion of creative industries, international trade assistance, tourism promotion, minority business assistance, key industry promotion (including advanced industries, aerospace, and health and wellness), and film, television, and media industry development.
- The **Governor's Office of Information Technology (OIT)** is responsible for the operation and delivery of all information and communications technology services across state executive branch agencies. The Office is tasked with providing information technology services, as well as promoting Colorado as the ideal location for information technology companies and technology-based workers. It houses the Colorado Broadband Office, which coordinates the state's broadband with other agencies and other governmental entities.

## SUMMARY: FY 2021-22 APPROPRIATION AND RECOMMENDATION

GOVERNOR - LIEUTENANT GOVERNOR - STATE PLANNING AND BUDGETING: RECOMMENDED CHANGES FOR FY 2021-22						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2021-22 APPROPRIATION</b>						
SB 21-205 (Long Bill)	\$365,384,731	\$57,569,143	\$16,648,484	\$284,399,642	\$6,767,462	1,177.7
Other legislation	80,491,128	6,658,851	68,202,504	5,629,773	0	11.5
<b>CURRENT FY 2021-22 APPROPRIATION:</b>	<b>\$445,875,859</b>	<b>\$64,227,994</b>	<b>\$84,850,988</b>	<b>\$290,029,415</b>	<b>\$6,767,462</b>	<b>1,189.2</b>
<b>RECOMMENDED CHANGES</b>						
Current FY 2021-22 Appropriation	\$445,875,859	64,227,994	\$84,850,988	\$290,029,415	\$6,767,462	1,189.2
(GOV) S1 Office of Boards and Commissions staff	52,818	52,818	0	0	0	0.6
(GOV) S2 Dept of Early Childhood administration costs <sup>1</sup>	552,345	552,345	0	0	0	3.0
(OEDIT) S1 Stimulus bills rollforward	0	0	0	0	0	0.0
(OIT) S1 HB 21-1289 rollforward	0	0	0	0	0	0.0
SNP1 DPA annual fleet supplemental <sup>1</sup>	5,042	(17,054)	0	22,096	0	0.0
<b>RECOMMENDED FY 2021-22 APPROPRIATION:</b>	<b>\$446,486,064</b>	<b>\$64,816,103</b>	<b>\$84,850,988</b>	<b>\$290,051,511</b>	<b>\$6,767,462</b>	<b>1,192.8</b>
<b>RECOMMENDED INCREASE/(DECREASE)</b>	<b>\$610,205</b>	<b>\$588,109</b>	<b>\$0</b>	<b>\$22,096</b>	<b>\$0</b>	<b>3.6</b>
Percentage Change	0.1%	0.9%	0.0%	0.0%	0.0%	0.3%
<b>FY 2021-22 EXECUTIVE REQUEST</b>						
Request Above/(Below) Recommendation	\$86,998	\$86,998	\$0	\$0	\$0	1.4

<sup>1</sup> The recommendation for these items are pending Committee action on decision items appearing in other agencies supplemental staff documents. Thus neither appears in the numbers pages in this document.

### REQUEST/RECOMMENDATION DESCRIPTIONS

**(GOV) S1 OFFICE OF BOARDS AND COMMISSIONS STAFF:** The Office of the Governor requests two additional full-time employees (FTE) for the Governor's Office of Boards and Commissions to manage the growing appointment workload and to meet the equity, diversity, and inclusion (EDI) requirements passed in HB21-1212. The Office will need an additional \$139,816 of General Fund to the Administration of Governor's and Residence long bill line in FY 2021-22. The recommendation is to approve 0.6 FTE and \$52,818 General Fund to prorate the request for a partial first year.

**(GOV) S2 DEPT OF EARLY CHILDHOOD ADMINISTRATION COSTS:** The request includes an increase of \$552,345 General Fund and 3.0 FTE for the startup administrative costs of the Department of Early Childhood. The recommendation for this item will be presented along with recommendations for the Office of Early Childhood on January 18<sup>th</sup>.

**(OEDIT) S1 STIMULUS BILLS ROLLFORWARD:** The Office of Economic Development and International Trade (OEDIT) requests to extend spending authority as follows: for the technical assistance component (Section 1) of S.B. 21-001 from June 30, 2022 to December 31, 2023; for the entirety of H.B. 21-1263 from December 31, 2022 to June 30, 2024 ; and for the closing of applications for S.B. 21-241 from December 31, 2022 to October 31, 2023. Each of these programs is discussed

in more detail on the pages that follow. The Recommendation is to introduce special legislation to change the statutory deadlines as requested by the Office.

**(OIT) S1 HB 21-1289 ROLLFORWARD:** The request includes a roll forward spending authority through June 30, 2023 of \$70 million in ARPA FY 2021-22 funds appropriated to the Digital Inclusion Grant Fund and Broadband Stimulus Account in the Broadband Administrative Fund under House Bill 21-1289. The additional time will allow internet service provider grantees and rural health clinic grantees the time to fully expend the dollars awarded, as the impact on the supply chain from the global pandemic has delayed progress.

**SNP1 DPA ANNUAL FLEET SUPPLEMENTAL:** The request includes an increase of \$5,042 total funds including a decrease of \$17,054 General Fund to reflect to Department's share of the change request submitted by the Department of Personnel for management of the state vehicle fleet.

## PRIORITIZED SUPPLEMENTAL REQUESTS

### (GOV) S1 OFFICE OF BOARDS AND COMMISSIONS STAFF

	REQUEST	RECOMMENDATION
<b>TOTAL</b>	<b>\$139,816</b>	<b>\$52,818</b>
FTE	2.0	0.6
General Fund	139,816	52,818
Cash Funds	0	0
Federal Funds	0	0

**Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria? YES**

[An emergency or act of God; a technical error in calculating the original appropriation; data that was not available when the original appropriation was made; or an unforeseen contingency.]

**Explanation:** JBC staff and the Department agree that this request is the result of data that was not available when the original appropriation was made.

**DEPARTMENT REQUEST:** The Office of the Governor requests two additional full-time employees (FTE) for the Governor's Office of Boards and Commissions to manage the growing appointment workload and to meet the equity, diversity, and inclusion (EDI) requirements passed in HB21-1212. The Office will need an additional \$139,816 of General Fund to the Administration of Governor's and Residence long bill line in FY 2021-22. An ongoing request for these FTE in FY 2022-23 and forward was submitted in the November 1 Budget Package (See: R-01 (GOV) Staffing Adjustments for Governor's Office).

**STAFF RECOMMENDATION:** Staff recommends that the Committee approve the requested appropriation, however, because the appropriation represents only the amount needed to fund a partial year starting in April, JBC staff recommends a total appropriation of \$52,818 General Fund and 0.6 FTE. This will annualize into 2.0 FTE, which the Committee will vote on funding during figure setting for FY 2022-23.

#### STAFF ANALYSIS:

The Governor's Office of Boards and Commissions is responsible for recommending individuals for appointments to the Governor for service on over 230 Boards and Commissions. The Office manages the entire process for more than 2,000 appointees, and continually communicates with state agencies, Governor's Office staff members, legislators, and other stakeholders about applicants, recommendations, appointments, and more. The Governor's Office of Boards and Commission currently has 2.5 FTE and has maintained this level of staffing for over 20 years despite the growing and expanding appointment workload. Since the start of the Polis Administration, on average every year 10 new boards were created with about 80 new appointees. In the 2021 legislative session, over 130 appointments were created.

In addition to the newly created appointments to fill, H.B. 21-1212 requires that along with meeting the board's specified membership requirements, appointees are to reflect the geographic and demographic diversity of the entire state, including members from both rural and urban parts of the

state, members of diverse political, racial, disability, and cultural groups and of diverse sexual orientations and genders.

Supported by 2.5 FTE, the Governor's Office of Boards and Commissions is one of the smallest departments within the Governor's Office. The Office conducted a time-use analysis during several months of the 2020-21 fiscal year and determined it averaged 8.04 hours per appointment. This time-use measure was based on the requirements for board appointments made prior to passage of H.B. 21-1212, the inclusion of which is now estimated to add an additional 30 minutes to the work needed per appointment.

The fiscal note published for H.B. 21-1212 states that the additional workload could be accomplished within existing resources. The Governor's Office justification for submitting this request as a supplemental is because the increased workload of newly created boards in addition to those requirements in H.B. 21-1212 have led Boards and Commissions to learn since passage of those bills that it does need additional staff.

To comply with new statutory requirements in H.B. 21-1212, the Governor's Office of Boards & Commissions conducts regular geographic and demographic diversity analysis of appointments, and has increased efforts to publicize open board positions and outreach to potentially underrepresented communities. The office works hard to engage with these communities through speaking engagements, regular newsletters, and updating the website with vacancies and openings. These additional FTE will further important outreach across the state. The office estimates these additional efforts will add thirty minutes, on average, to each board appointment. Furthermore, to modernize the application process the office worked with the Office of Information Technology to create a new application portal on the State's website to better collect materials and demographic data from applicants.

Due to the size of the Office, one can conclude that it was struggling to provide a meaningful analysis to what the impact of passage of all the bills would be when the result was the creation of 130 new appointees. Staff would also have been directed to only discuss the change in workload required by one specific bill. The cumulative effect of all the bills, which impacted 22 boards or commissions in 2021, would thus need to be addressed through the annual budget process.

JBC staff recommends that the Committee approve the Department request but to prorate the costs and FTE to reflect only one-quarter year appropriation. Therefore, the recommendation is to **increase the appropriation to the Governor's Office and Residence line item by 0.6 FTE and 52,818 General Fund**. This amount is comprised of \$30,832 for personal services, \$13,210 operating and capital outlay, and \$8,776 for centrally appropriated costs.

(OEDIT) S1 STIMULUS BILLS ROLLFORWARD

	REQUEST	RECOMMENDATION
<b>TOTAL</b>	<b>\$0</b>	<b>\$0</b>
FTE	0.0	0.0
General Fund	0	0
Cash Funds	0	0

Federal Funds

0

0

**Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria? YES**

[An emergency or act of God; a technical error in calculating the original appropriation; data that was not available when the original appropriation was made; or an unforeseen contingency.]

**Explanation:** JBC staff and the Department agree that this request is the result of an unforeseen contingency, namely new waves of COVID-19 that have delayed implementation.

**DEPARTMENT REQUEST:** The Office of Economic Development and International Trade (OEDIT) seeks to extend spending authority and the statutory deadlines in Special Bills passed during the 2021 legislative session. It seeks to extend deadlines as such: for the technical assistance component (Section 1) of S.B. 21-001 from June 30, 2022 to December 31, 2023; for the entirety of H.B. 21-1263 from December 31, 2022 to June 30, 2024 ; and for the closing of applications for S.B. 21-241 from December 31, 2022 to October 31, 2023. Each of these programs is discussed in more detail on the pages that follow.

BILL	BILL TOPIC	CURRENT STATUTORY DEADLINE	REQUESTED STATUTORY DEADLINE	GENERAL FUND AMOUNT
S.B. 21-001	Relief for Disproportionately impacted businesses	30-Jun-22	31-Dec-23	\$4,000,000
S.B. 21-241	Small Business Accelerated Growth Program	31-Dec-22	31-Oct-23	\$1,650,000
H.B. 21-1263	Meeting and Events Incentive Program	31-Dec-22	30-Jun-24	\$10,000,000

**STAFF RECOMMENDATION:** Staff recommends that the Committee sponsor legislation to change the implementation deadlines in statute and adjust the funding as requested. JBC staff requests permission to work with the Office of Legislative Legal Services staff to combine these into one bill if it can be done with a narrow bill title, and with other bills in other agencies, if appropriate.

**STAFF ANALYSIS:** Circumstances that were not foreseen at the time of the passing of three OEDIT bills during the 2021 legislative session have hindered OEDIT's ability to fully expend the funding as quickly as originally anticipated. Specific issues for each of these bills are outlined below.

*S.B. 21-001: COVID-19 RELIEF PROGRAMS FOR SMALL BUSINESSES*

Because of litigation that has since been resolved, the launch of the Disproportionately Impacted Business Program was significantly delayed. In particular, while OEDIT will still be able to disperse the grants within the allowed timeline, the technical assistance component involves a longer programmatic process. Without the extension, OEDIT projects that approximately one-quarter (\$1,000,000) of the appropriation could be left unspent.

Under current statute, OEDIT would have only until the end of FY 2021-22 (June 30, 2022) to expend the appropriated funds. In order to allow the full expenditure of the technical assistance component of these funds, OEDIT requests an extension through December 31, 2023.

*S.B. 21-241: SMALL BUSINESS ACCELERATED GROWTH PROGRAM*

As OEDIT's Business Prosperity Division has built out the program, it has realized that current constraints on each phase of the timeline for the distribution of grants and technical assistance are not divided appropriately. While the division does not need the overall timeline to be extended, it requires additional time for the identification and acceptance of applicants.



Under current statute, OEDIT has until December 31, 2022 to close applications to eligible small businesses for grants and technical assistance. Further, once applicants are selected, OEDIT has until December 31, 2023 for the completion of technical assistance and the expenditure of the grants. OEDIT's Business Prosperity and Rural Support division requires additional time to close applications and select the business partners it will work with; however, once these applicants are selected, it will take significantly less time to dispense grants and provide technical assistance than originally accounted for. Accordingly, OEDIT requests that the application period be extended through October 31, 2023 (from December 31, 2022) but that the final deadline to dispense grants and technical assistance remain the same (December 31, 2023).

*H.B. 21-1263: MEETINGS AND EVENTS INCENTIVE*

Because of impacts to business travel from COVID-19 variants that have persisted longer than originally anticipated, the rebate component of the Meeting & Events Incentive Program has seen fewer applicants than originally anticipated. Indeed, since the launch of the program, OEDIT has seen a strong negative correlation between the number of applications and cases of COVID-19 (i.e., when case numbers are high, applications are low).

Under current statute, OEDIT would have only until December 31, 2022 to fully expend these funds. In order to allow the full expenditure of these funds, OEDIT requests an extension through the end of FY 2023-24 (June 30, 2024).

JBC staff recommends approving the Office’s request by introducing special legislation to make the requested changes.

(OIT) S1 HB 21-1289 ROLLFORWARD

	REQUEST	RECOMMENDATION
<b>TOTAL</b>	<b>\$0</b>	<b>\$0</b>
FTE	0.0	0.0
General Fund	0	0
Cash Funds	0	0
Federal Funds	0	0

**Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria? YES**

[An emergency or act of God; a technical error in calculating the original appropriation; data that was not available when the original appropriation was made; or an unforeseen contingency.]

**Explanation:** JBC staff and the Department agree that this request is the result of new data, namely that information technology infrastructure has been impacted by delays in the global supply chain.

**DEPARTMENT REQUEST:** The Governor’s Office of Information Technology requests roll forward spending authority through June 30, 2023 of up to \$70,000,000 in ARPA FY 2021-22 funds appropriated to the Digital Inclusion Grant Fund and Broadband Stimulus Account in the Broadband Administrative Fund under House Bill 21-1289. The additional time allows internet service Provider grantees and rural health clinic grantees the time to fully expend the dollars awarded, as the impact on supply chain from the global pandemic have delayed progress.

**STAFF RECOMMENDATION:** Staff recommends that the Committee approve the Department request. The global supply chains has been impacted by the chip shortage and caused cascading delays in the delivery of products from computers to vehicles. As long the Office complies with the timelines required by ARPA, JBC staff finds it reasonable to extend the appropriations of such funds to account for these unforeseen delays.

**STAFF ANALYSIS:** House Bill 21-1289 appropriated \$35,000,000 cash funds that originated as federal funds to OIT’s Digital Inclusion Grant Fund. Of this amount, \$20,000,000 was designated for broadband infrastructure grants to the Tribal Nations, Southern Ute Indian, and Ute Mountain Ute Indian Tribes and the remaining \$15,000,000 was designated for grants for Telehealth services. An additional \$35,000,000 was appropriated to the Broadband Stimulus Account in the Broadband Administrative Fund created in Section 24-37.5-119 (4), C.R.S. This appropriation is for last mile infrastructure grants to internet providers through the Broadband Deployment Board. The appropriation was made in FY 2020-21 and allowed for roll forward into FY 2021-22 within the appropriations clause.

Due to a global supply chain issue resulting in up to eighteen months of delay in telecom equipment, grantees will not be able to spend their awards by June 2022. Money in the Broadband Stimulus Account and the Colorado Digital Inclusion Grant Fund is subject to annual appropriation by the General Assembly. The Broadband Stimulus account is repealed September 1, 2023 pursuant to Section 40-15-209.5 (4)(c)(II), C.R.S. OIT is requesting approval of roll-forward and spending authority through June 30, 2023.

Since this request does not involve statutory deadlines or transfers, JBC staff recommends approving the Office request and including it in the Office’s supplemental bill as an “add on”. Not approving the request has the potential of leaving federal fund on the table.

## STATEWIDE COMMON POLICY SUPPLEMENTAL REQUESTS

These requests are not prioritized and are not analyzed in this packet. The JBC will act on these items later when it makes decisions regarding common policies.

DEPARTMENT'S PORTION OF STATEWIDE SUPPLEMENTAL REQUEST	TOTAL	GENERAL FUND	CASH FUNDS	REAPPROP. FUNDS	FEDERAL FUNDS	FTE
SNP1 DPA annual fleet supplemental	\$5,042	(\$17,054)	\$0	\$22,096	\$0	0.0
<b>DEPARTMENT'S TOTAL STATEWIDE SUPPLEMENTAL REQUESTS</b>	<b>\$5,042</b>	<b>(\$17,054)</b>	<b>\$0</b>	<b>\$22,096</b>	<b>\$0</b>	<b>0.0</b>

**STAFF RECOMMENDATION:** The staff recommendation for these requests is pending Committee action on common policy supplementals. Staff asks permission to include the corresponding appropriations in the Department's supplemental bill when the Committee acts on common policy supplementals. If staff believes there is reason to deviate from the common policy, staff will appear before the Committee at a later date to present the relevant analysis.

*JBC Staff Supplemental Recommendations - FY 2021-22*  
*Staff Working Document - Does Not Represent Committee Decision*

**Appendix A: Numbers Pages**

	FY 2020-21 Actual	FY 2021-22 Appropriation	FY 2021-22 Requested Change	FY 2021-22 Rec'd Change	FY 2021-22 Total w/Rec'd Change
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**(GOV) S1 Office of Boards and Commissions staff**

**(1) OFFICE OF THE GOVERNOR**

**(A) Governor's Office**

Administration of Governor's Office and Residence	<u>4,265,630</u>	<u>4,493,576</u>	<u>139,816</u>	<u>52,818</u>	<u>4,546,394</u>
FTE	35.8	37.7	2.0	0.6	38.3
General Fund	3,615,720	3,841,280	139,816	52,818	3,894,098
Cash Funds	208,906	211,292	0	0	211,292
Reappropriated Funds	441,004	441,004	0	0	441,004

<b>Total for (GOV) S1 Office of Boards and Commissions staff</b>	4,265,630	4,493,576	139,816	52,818	4,546,394
<i>FTE</i>	<u>35.8</u>	<u>37.7</u>	<u>2.0</u>	<u>0.6</u>	<u>38.3</u>
General Fund	3,615,720	3,841,280	139,816	52,818	3,894,098
Cash Funds	208,906	211,292	0	0	211,292
Reappropriated Funds	441,004	441,004	0	0	441,004

<b>Totals Excluding Pending Items</b>					
<b>GOVERNOR</b>					
<b>TOTALS for ALL Departmental line items</b>	541,045,307	445,875,859	139,816	52,818	445,928,677
<i>FTE</i>	<u>1,178.9</u>	<u>1,189.2</u>	<u>2.0</u>	<u>0.6</u>	<u>1,189.8</u>
General Fund	110,912,694	64,227,994	139,816	52,818	64,280,812
Cash Funds	95,219,996	84,850,988	0	0	84,850,988
Reappropriated Funds	328,338,800	290,029,415	0	0	290,029,415
Federal Funds	6,573,817	6,767,462	0	0	6,767,462