

Joint Budget Committee



Supplemental Budget Requests FY 2024-25

Judicial Department

(Courts and Probation and Office of State Public Defender)

JBC Working Document - Subject to Change
Staff Recommendation Does Not Represent Committee Decision

Prepared by:
Alfredo Kemm, JBC Staff
January 22, 2025

Joint Budget Committee Staff
200 E. 14th Avenue, 3rd Floor • Denver • Colorado • 80203
Telephone: (303) 866-2061 • TDD: (303) 866-3472
<https://leg.colorado.gov/agencies/joint-budget-committee>

Contents

Overview of Department	1
Summary of Staff Recommendations – State Public Defender	1
FY 2024-25 Summary – State Public Defender	1
FY 2024-25 Description of Incremental Changes.....	1
Prioritized Supplemental Requests.....	2
SPD S1 IT Security.....	2
Summary of Staff Recommendations – Courts and Probation.....	4
FY 2024-25 Summary – Courts and Probation.....	4
FY 2024-25 Description of Incremental Changes.....	4
Prioritized Supplemental Requests.....	5
S1 Virtual court management system	5
S2 Language interpreters and translators	7
S3 County courthouse infrastructure	9
S9 Underfunded Courthouse Facilities Grant Program	11
S11 S.B. 24-205 fiscal note adjustment	12
S12 Independent agency common policies	14
S13 Offender treatment and services.....	15
S14 Technical corrections	16
Previously Approved Interim Supplementals	17
Virtual court management system	17
Statewide Common Policy Supplementals	17

Overview of Department

The Judicial Department consists of the Supreme Court, the Court of Appeals, the district courts, the Denver probate and juvenile courts, and all county courts except the Denver county court, and supervises juvenile and adult offenders who are sentenced to probation.

For FY 2024-25, the Judicial Department also includes 11 independent agencies including the Office of State Public Defender (OSPD). The OSPD provides legal representation for indigent defendants in criminal and juvenile delinquency cases where there is a possibility of incarceration.

This document includes supplemental adjustments for the Courts and Probation and the Office of State Public Defender.

Summary of Staff Recommendations – State Public Defender

FY 2024-25 Summary – State Public Defender

Judicial Department – State Public Defender: Recommended Changes for FY 2024-25						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2024-25 Appropriation						
HB24-1430 Long Bill	\$178,273,311	\$177,529,947	\$743,364	\$0	\$0	1,183.5
Current FY 2024-25 Appropriation	\$178,273,311	\$177,529,947	\$743,364	\$0	\$0	1,183.5
Recommended Changes						
Current FY 2024-25 Appropriation	\$178,273,311	177,529,947	\$743,364	\$0	\$0	1,183.5
SPD S1 IT security	713,681	713,681	0	0	0	0.0
Recommended FY 2024-25 Appropriation	\$178,986,992	\$178,243,628	\$743,364	\$0	\$0	1,183.5
Recommended Increase/-						
Decrease from 2024-25	\$713,681	\$713,681	\$0	\$0	\$0	0.0
Percentage Change	0.4%	0.4%	0.0%	0.0%	0.0%	0.0%
FY 2024-25 Executive Request						
Staff Rec. Above/-Below Request	\$0	\$0	\$0	\$0	\$0	0.0

FY 2024-25 Description of Incremental Changes

S1 IT Security: The request includes \$713,681 General Fund for improved IT cybersecurity controls. The recommendation is \$713,681 General Fund.

Prioritized Supplemental Requests

SPD S1 IT Security

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Request	\$713,681	\$713,681	\$0	\$0	\$0	0.0
Recommendation	713,681	713,681	0	0	0	0.0
Staff Recommendation Higher/-Lower than Request	\$0	\$0	\$0	\$0	\$0	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.

Request

The State Public Defender (SPD) requests \$713,681 General Fund for FY 2024-25 to improve IT security controls and protect against cybersecurity attacks.

The associated budget amendment requests \$985,554 General Fund for FY 2025-26 and future years for this item.

Recommendation

Staff recommends that the Committee approve the request.

Analysis

The SPD experienced a malware attack that was first identified on February 9, 2024. This supplemental budget request includes recommendations arising from a security audit completed between June and October 2024.

Remediation of audit findings began in November and included replacement of firewalls in December. Additionally, in September the SPD replaced its managed security provider, a contract vendor, citing poor service provision including a lack of response and lack of a general sense of concern and responsibility in the aftermath of the attack.

Although the SPD did not have cyber insurance, the incident has been addressed through the State's Risk Management program. Risk Management provided the SPD with approximately \$900,000 in funding for FY 2023-24 for recovery from the malware attack. Risk Management has provided an additional \$470,000 for FY 2024-25, of which half has been spent, to begin addressing identified IT security deficiencies.

The SPD states that Risk Management and OIT recommend the SPD be covered by cyber insurance. However, the SPD is not currently eligible to be covered by a cyber insurance policy under its current IT security-related infrastructure. The components identified in the security

audit and included in this request would enable eligibility for coverage. [Additionally, as staff understands cyber insurance coverage, the SPD will be covered through Risk Management's policies; therefore costs will be automatically addressed through risk management common policy appropriations.]

The specifics of the malware attack remain generally confidential in order to minimize the release of technical information that could lead to additional future attacks. Generally, the malware attack exploited a flaw in the VPN tool that began approximately a week before encrypted files were first detected on February 9th. The malware attack was specific to an IT system component weakness and was not initiated through a phishing or other staff-originated social attack point.

All computer systems for the entire organization were shut down at midday on February 9th and remained shut down for at least a two-week period. Alternative emails were established for staff a week later. The additional, manual work of staff enabled the restoration of almost all files over several months. Generally, the SPD was able to return to operations within about two to three months, faster than initially estimated.

Funding provided by Risk Management paid for a data forensics contract to immediately assess the attack, damage, and act to initiate system restoration.

The supplemental request remains light on descriptions of the need, however the request does outline specific first-year and out-year costs for components requested. The following table outlines the identified components of the request for the current year and future years.

SPD S1 IT Security Current and Out-year Costs		
Component	FY 2024-25	FY 2025-26/ongoing
Access management, identity threat protection, conditional access controls and security	\$150,600	\$150,600
Managed detection and response, preventative monitoring, and active remediation	180,429	180,429
VPN with zero trust solution with more granular control over remote access	131,730	131,730
Increased email security/protection	76,609	127,523
Annual penetration testing, gap assessments, and security policy review	14,000	74,645
Multi-cloud data protection configuration of data	160,313	320,627
Total	\$713,681	\$985,554

Summary of Staff Recommendations – Courts and Probation

FY 2024-25 Summary – Courts and Probation

Judicial Department: Recommended Changes for FY 2024-25						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2024-25 Appropriation						
HB24-1430 Long Bill	\$758,867,070	\$513,132,994	\$188,563,977	\$52,745,099	\$4,425,000	4,185.7
HB24-1466 Refinance Fed ARPA Funds	0	-200,000,000	200,000,000	0	0	0.0
Other legislation	1,565,748	1,490,795	74,953	0	0	11.4
Current FY 2024-25 Appropriation	\$760,432,818	\$314,623,789	\$388,638,930	\$52,745,099	\$4,425,000	4,197.1
Recommended Changes						
Current FY 2024-25 Appropriation	\$760,432,818	314,623,789	\$388,638,930	\$52,745,099	\$4,425,000	4,197.1
Nonprioritized requests	39,904	39,904	0	0	0	0.0
C&P S1 Virtual court management system	740,938	0	740,938	0	0	0.0
C&P S2 Language interpreters and translators	750,000	0	750,000	0	0	0.0
C&P S3 County courthouse infrastructure	1,432,575	1,432,575	0	0	0	0.0
C&P S9 Underfunded Courthouse Facilities Grant Prog	1,500,000	0	1,500,000	0	0	0.0
C&P S11 S.B. 24-205 fiscal note adjustment	0	0	0	0	0	0.0
C&P S12 Independent agency common policies	-49,000	-49,000	0	0	0	0.0
C&P S13 Offender treatment and services	1,500,000	0	1,500,000	0	0	0.0
C&P S14 Technical corrections	494,328	0	865,868	-371,540	0	0.0
Recommended FY 2024-25 Appropriation	\$766,841,563	\$316,047,268	\$393,995,736	\$52,373,559	\$4,425,000	4,197.1
Recommended Increase/-Decrease from 2024-25	\$6,408,745	\$1,423,479	\$5,356,806	-\$371,540	\$0	0.0
Percentage Change	0.8%	0.5%	1.4%	-0.7%	0.0%	0.0%
FY 2024-25 Executive Request	\$768,318,531	\$317,774,236	\$393,745,736	\$52,373,559	\$4,425,000	4,197.3
Staff Rec. Above/-Below Request	-\$1,476,968	-\$1,726,968	\$250,000	\$0	\$0	-0.2

FY 2024-25 Description of Incremental Changes

S1 Virtual court management system: The request includes \$740,938 cash funds from the Judicial IT Cash Fund. The recommendation is \$740,938 cash funds from the Judicial IT Cash Fund.

S2 Language interpreters and translators: The request includes \$1,514,494 General Fund. The recommendation is \$750,000 General Fund and includes an offsetting adjustment in Trial Court Programs to refinance the General Fund to cash funds from the Judicial Stabilization Cash Fund.

S3 County courthouse infrastructure: The request includes \$1,432,575 General Fund. The recommendation is \$1,432,575 General Fund.

S9 Underfunded Courthouse Facilities Grant Program: The request includes \$2,000,000 cash funds from the Underfunded Courthouse Facilities Cash Fund. The recommendation is \$1,500,000 cash funds from the Underfunded Courthouse Facilities Cash Fund.

S11 S.B. 24-205 fiscal note adjustment: The request includes \$30,412 General Fund and 0.2 FTE. The recommendation is \$0 General Fund and 0.0 FTE.

S12 Independent agency common policies: The request includes a decrease of \$49,000 General Fund. The recommendation is a decrease of \$49,000 General Fund.

S13 Offender treatment and services: The request includes \$1,500,000 cash funds from the Offender Services Cash Fund. The recommendation is \$1,500,000 cash funds from the Offender Services Cash Fund.

S14 Technical corrections: The request includes a net increase of \$494,328 total funds, including an increase of \$865,868 cash funds and a decrease of \$371,540 reappropriated funds. The recommendation is a net increase of \$494,328 total funds, including an increase of \$865,868 cash funds and a decrease of \$371,540 reappropriated funds.

Prioritized Supplemental Requests

S1 Virtual court management system

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Request	\$740,938	\$0	\$740,938	\$0	\$0	0.0
Recommendation	740,938	0	740,938	0	0	0.0
Staff Recommendation Higher/-Lower than Request	\$0	\$0	\$0	\$0	\$0	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.

Request

This prioritized supplemental request replaces the previously approved interim supplemental request from September 2024 for \$200,000 General Fund.

The Courts request \$740,938 cash funds from the Judicial IT Cash Fund for FY 2024-25. This request refinances the original \$200,000 General Fund to initiate the planning and procurement process and includes \$540,938 to begin development of the project. The Courts also request two-year spending authority for this appropriation.

The Courts have submitted an associated budget amendment for second year development costs totaling \$3,035,438 cash funds for FY 2025-26. Third year implementation costs are

estimated to be \$4,296,469 cash funds for FY 2026-27. And ongoing, annual contract, licensing, and operating costs for the system are estimated to be \$4,026,750 cash funds for FY 2027-28 with five-percent increases in years thereafter.

Recommendation

Staff recommends that the Committee approve the requested amount and fund source for this project. Staff recommends two-year spending authority for this amount due to its project development nature.

Analysis

Problem

The Courts state that they hold over 97,000 hearings per month, of which approximately 26.5 percent, around 25,000 proceedings, involve a virtual component to enable remote participation distributed over 475 virtual rooms, for both hybrid and fully virtual courtrooms.

In rapid adoption of virtual hearings during the pandemic, the Courts quickly adapted available meeting platform technology using the Webex virtual meeting solution. While the technology provides for virtual access, the Webex platform does not provide more robust and customized courtroom management features such as user identification and management, controls for managing audio and video in the virtual courtroom, and more rigorous information security controls.

Beginning in mid-2024, the lack of virtual courtroom management tools began being exploited by "disruptors" joining virtual court proceedings to display and speak content that is violent, racist, pornographic, vulgar, and inappropriate. While incidents have happened in the past, the scale and sophistication of the latest incidents are unprecedented. This activity continues totaling approximately 30-50 incidents per day statewide.

Proposed Solution

The Courts seek to adopt a modern virtual court management system that will provide:

- Higher levels of security and controls to allow judges and court staff the ability to manage the virtual courtroom to prevent disruptors from entering and occupying the virtual courtroom;
- A more dynamic, actively managed, and interactive experience for participants and the public;
- Increased ability to manage the efficiency of court proceedings;
- Enhanced use of newer technology developed for the needs of a virtual courtroom;
- Enhanced virtual proceedings tools for creating and ensuring a quality court record;
- Improved quality and control of livestreams;
- A scalable solution; and
- A product developed by a company intended to be continually improved based on evolving court process needs and technology.

Initiative Timeline

Virtual Courtroom Management System Timeline			
Project Area	Work/Tasks	Estim. Duration	Estim. Start
Admin and contract	Scope, RFP solicitation, evaluation, award, contract negotiation and execution	16 weeks	10/1/24
Discovery	Legal/policy/process alignment, Go-live-critical process, validation of rules of engagement	8 weeks	2/1/25
Technical Design	Hosting environment setup and testing, courtroom assessment and use modeling, systems integration planning	8 weeks	4/1/25
Config and Development	Business process alignment, feature selection, config system and integrated systems	8 weeks	6/1/25
Change Mgt	Fit/gap analysis, User acceptance testing, user training	8 weeks	8/1/25
Deployment	Go-live prep, go-live event(s)	6-12 weeks	10/1/25
Support		ongoing	ongoing

Initiative Costs by Year

Virtual Courtroom Management System Costs				
	Sept. 2024	FY 2024-25	FY 2025-26	FY 2026-27
	1331			
Design, initiate	200,000			
Development and implementation		492,938	792,938	446,469
Platform hosting, data processing, storage, transmission			1,607,500	3,215,000
Help desk			400,000	400,000
Host labs			100,000	100,000
Contract services		48,000	135,000	135,000
Total	\$200,000	\$540,938	\$3,035,438	\$4,296,469

S2 Language interpreters and translators

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Request	\$1,514,494	\$1,514,494	\$0	\$0	\$0	0.0
Recommendation	0	0	0	0	0	0.0
Staff Recommendation Higher/-Lower than Request	-\$1,514,494	-\$1,514,494	\$0	\$0	\$0	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: The Department states that this request is the result of data that was not available. As JBC staff understands the request, this is a technical error in calculating the original appropriation.

Request

The Courts request \$1,514,494 General Fund for contract payments for language interpreters and translators.

The associated budget amendment for FY 2025-26 includes \$2,182,763 General Fund and annualizes to \$2,728,453 for future years.

Recommendation

Staff recommends that the Committee approve approximately half of the amount requested. Staff recommends \$750,000 General Fund. Additionally, staff recommends an offsetting adjustment in Trial Court Programs to be paid from the Judicial Stabilization Cash Fund. This adjustment eliminates the General Fund impact of funding this recommendation.

Analysis

The supplemental requests additional funding for contract language services. The current appropriation includes \$8.2 million General Fund for 41.6 FTE for staff language services and also provides funding for contract language services.

In particular, the Courts seek contract support for languages other than Spanish and rare languages. The Courts point to non-discretionary requirements related to federal Civil Rights Act provisions in 42 U.S.C. § 2000d that require the Courts to provide language assistance to the extent necessary.

The Courts identify that language access events have increased from approximately 75,000 per year in FY 2020-21 to 116,762 in FY 2023-24. This is a compound average annual growth rate over four years of 11.7 percent.

The following table outlines recent appropriations and expenditures.

Language Interpreters and Translators GF Approp/Expend 5-year History				
	GF Appropriation	GF Expenditure	Reversion	Rev %
FY 2019-20	\$5,722,165	\$5,722,165	\$0	0.0%
FY 2020-21	6,411,180	6,404,782	6,398	0.1%
FY 2021-22	6,411,187	6,411,187	0	0.0%
FY 2022-23	7,148,052	7,072,341	75,711	1.1%
FY 2023-24	7,660,690	7,629,658	31,032	0.4%
FY 2024-25	8,204,999			
	6-year CAAGR	5-year CAAGR		
	6.2%	5.9%		

The table suggests that the Courts are using all or almost all of the appropriation in each fiscal year. Compound average annual growth rate increase for appropriations and expenditures is running at about six percent over this period.

The following table outlines the scale of the requested increase.

Scale of S2 Request	
Current 1-yr Change	544,309
S2 request	1,514,494
Total requested 1-yr Change	\$2,058,803
1-yr Percentage Change	26.9%
Requested GF Appropriation	9,719,493
	6-year CAAGR

Staff Assessment and Recommendation

The Courts did not submit a methodology or build that shows how the amounts were calculated in the request. Staff assumes those calculations are based on projected increases in language events and based on increased costs for contract services. Nevertheless, staff is unable to confirm the amount requested on the basis of quantitative data and methodology.

Language events data indicate that events increased in the most recent year by 21.6 percent (FY 2023-24). The total requested for this line item reflects a 26.9 percent increase in the General Fund appropriation for FY 2024-25.

Staff is generally convinced that there is some need for additional spending authority for this appropriation based on growth and past use of spending authority for this item. Staff is concerned about the scale of the request.

Although arbitrary, staff recommends an additional appropriation of \$750,000 General Fund, approximately half of what is requested. This reduced amount nevertheless generates a significant 16.9 percent increase in the appropriation.

Further, staff recommends that this amount be offset with the use of the Judicial Stabilization Cash Fund (JSCF). The JSCF is statutorily intended to pay for trial court operations. Therefore, staff recommends an equivalent adjustment for that purpose in the Trial Court Programs line item.

S3 County courthouse infrastructure

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Request	\$1,432,575	\$1,432,575	\$0	\$0	\$0	0.0
Recommendation	1,432,575	1,432,575	0	0	0	0.0
Staff Recommendation Higher/-Lower than Request	\$0	\$0	\$0	\$0	\$0	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.

Request

The Courts request \$1,432,575 General Fund for the State's share of county-initiated courthouse capital construction projects, generally consisting of furniture and IT infrastructure, for seven additional projects that were not included and previously requested in the original FY 2024-25 request.

Recommendation

Staff recommends that the Committee approve the request.

Analysis

Statute specifies that counties have the responsibility to provide and maintain court facilities and the State pays for operations. Statute also provides that the General Assembly may authorize state funds for construction and capital improvement of court facilities. Funding for court operations by tradition and practice includes annual funding for furnishings, audio/visual (A/V) and IT infrastructure, and related architect services as requested by counties and submitted to the Courts pursuant to Section 13-3-104 (1), C.R.S., in the Courthouse Furnishings and Infrastructure Maintenance line item.

The following table outlines the courthouse and probation projects included in the request:

S3 County Courthouse Infrastructure				
District and Project	Arch Svcs	A/V, Network, IT	Furniture	Total
3rd JD, Las Animas Co Courthouse, change in scope	\$0	\$22,500	\$17,000	\$39,500
8th JD, Larimer Co, remodel clerk of court space	1,000	3,000	100,000	104,000
13th JD, Morgan/Logan Co, convert jury room into courtroom	1,000	100,000	32,000	133,000
17th JD, Adams Co, two new magistrate hearing rooms	500	180,000	50,725	231,225
18th JD, Arapahoe Co, phase 2 of courtroom additions	500	110,000	143,000	253,500
21st JD, Mesa Co, change in scope, full buildout of temp courtroom	1,500	127,000	156,000	284,500
23rd JD, Douglas Co, relocate probation to satellite office	2,000	177,000	207,850	386,850
Total	\$6,500	\$719,500	\$706,575	\$1,432,575

Staff Comments

Staff recommends that the Committee approve this request. However, staff has never been comfortable with the structure of this appropriation.

There is an expectation built into this appropriation that this item needs to be funded at any level that is requested by judicial districts based on decisions made by local governments for courthouse and probation office construction projects. There is no planning that allows the State to be aware of anticipated needs for future years. It is only in the current year (supplemental) or budget year (figure setting) that the State is alerted to the needs for this item, at the time that it is requested.

The following table outlines the most recent 10-year history of appropriations for this line item.

County Courthouse Infrastructure Appropriation History	
	GF Appropriation
FY 2015-16	\$2,817,157
FY 2016-17	3,398,828
FY 2017-18	3,448,056
FY 2018-19	1,999,095
FY 2019-20	4,462,149
FY 2020-21	1,794,884
FY 2021-22	2,922,842
FY 2022-23	3,377,086
FY 2023-24	3,038,305
FY 2024-25	1,975,575
10-year Average	\$2,923,398

County Courthouse Infrastructure Appropriation History	
GF Appropriation	
5-year Average	\$2,621,738

Over 10 years, the average is just over \$2.9 million annually. Over the last five years, the average is just over \$2.6 million annually.

Staff's concern with this item is the regular, recurring or base nature of the appropriation that can vary from just under \$2.0 million per year to up to \$4.5 million per year. In most budget years prior to this year, absorbing changes like this is not difficult. However, in a General Fund deficit, and anticipated future years of General Fund limits, this appropriation may need to be structured to eliminate the unknown and variable nature of the appropriation.

S9 Underfunded Courthouse Facilities Grant Program

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Request	\$2,000,000	\$0	\$2,000,000	\$0	\$0	0.0
Recommendation	1,500,000	0	1,500,000	0	0	0.0
Staff Recommendation Higher/-Lower than Request	-\$500,000	\$0	-\$500,000	\$0	\$0	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.

Request

The Courts request \$2.0 million cash funds from the Underfunded Courthouse Facility Cash Fund (UCFCF).

The request includes an associated budget amendment for FY 2025-26 and future years for the same amount.

Recommendation

Staff recommends that the Committee approve \$1.5 million cash funds from the UCFCF for FY 2024-25.

Analysis

The Underfunded Courthouse Facilities Grant Program receives an annual \$3.0 million General Fund appropriation into the UCFCF to fund an equivalent \$3.0 million reappropriated funds appropriation for the grant program.

Specifically, a FY 2022-23 grant award of \$2.1 million to one county subsequently reverted as the county was unable to complete the project due to unforeseen circumstances. The Courts identify a current year need to spend at least \$1.2 million in grant awards from available fund balance.

Reappropriated funds designate an appropriation in the same fiscal year for dollars first appropriated in the same year. Cash funds designate spending from fund balance (revenue collected and unspent from a prior fiscal year). This additional amount would be paid from the available fund balance, thus it would be recorded as cash funds expenditures. Therefore, a cash funds appropriation is necessary to allow the Courts to spend from the fund balance.

The Courts request an ongoing base appropriation of \$2.0 million cash funds that will be addressed at figure setting for FY 2025-26 and future years. Functionally, the Courts are restricted to the \$3.0 million General Fund appropriation for annual revenue for the program. However, additional cash funds spending authority would allow the Courts to pay for approved grants in future fiscal years in cases where projects carry over to another fiscal year or when there is available fund balance due to a project that was not completed.

While cash funds spending authority that simply reverts is not a significant fiscal control issue, excessive "empty" spending authority can have the tendency to unnecessarily and inaccurately "bloat" the budget. On that basis, staff recommends \$1.5 million cash funds for FY 2024-25.

S11 S.B. 24-205 fiscal note adjustment

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Request	\$30,412	\$30,412	\$0	\$0	\$0	0.2
Recommendation	0	0	0	0	0	0.0
Staff Recommendation Higher/-Lower than Request	-\$30,412	-\$30,412	\$0	\$0	\$0	-0.2

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.

Request

The Courts request \$30,412 General Fund and 0.2 FTE for FY 2023-24 for staff associated with requirements included in S.B. 24-205 (Concerning Consumer Protections in Interactions with Artificial Intelligence Systems).

The associated budget amendment for FY 2025-26 includes \$802,913 General Fund and 6.8 FTE and annualizes to \$1,184,881 General Fund and 7.3 FTE in future years.

Recommendation

Staff recommends that the Committee deny the supplemental request.

Analysis

Staff Summary Assessment

While S.B. 24-205 included a safety clause, the provisions in question require actions beginning February 1, 2026. On that basis, even if the provisions of the bill apply to the Courts and Probation, this appropriation is unnecessary for FY 2024-25. Staff will address the budget amendment request for FY 2025-26 at figure setting.

Staff Concerns

The bill requires "deployers" of artificial intelligence systems to: alert the public of the use of artificial intelligence systems that are engaged in "consequential decisions" for consumers that could have adverse impacts on protected classes; to be responsible for mitigating such adverse impacts; and provides for legal liabilities for failure to carry out the requirements of the bill.

The Courts and Probation requested appropriations through the fiscal note process for this bill. A departmental difference was noted in the fiscal note, but the substance of the Courts and Probation position for requesting appropriations related to the requirements of the bill were not addressed in the fiscal note.

The fiscal note noted that the Courts may experience some increase in cases related to the legal remedies in the bill, but any increase in cases would be minimal and could be handled within existing appropriations.

However, the Courts and Probation did not request appropriations for an increase in trial courts activity. Rather, the Probation Services, probationer assessment system appears to fall under the definition of an artificial intelligence system and likely as a "high-risk artificial intelligence system" as defined in the bill. Definitions state:

(2) "ARTIFICIAL INTELLIGENCE SYSTEM" MEANS ANY MACHINE-BASED SYSTEM THAT, FOR ANY EXPLICIT OR IMPLICIT OBJECTIVE, INFERS FROM THE INPUTS THE SYSTEM RECEIVES HOW TO GENERATE OUTPUTS, INCLUDING CONTENT, DECISIONS, PREDICTIONS, OR RECOMMENDATIONS, THAT CAN INFLUENCE PHYSICAL OR VIRTUAL ENVIRONMENTS.

(9) (a) "HIGH-RISK ARTIFICIAL INTELLIGENCE SYSTEM" MEANS ANY ARTIFICIAL INTELLIGENCE SYSTEM THAT, WHEN DEPLOYED, MAKES, OR IS A SUBSTANTIAL FACTOR IN MAKING, A CONSEQUENTIAL DECISION.

This definition does not define artificial intelligence as a "self-learning" system as artificial intelligence is popularly understood. Rather, the bill defines artificial intelligence as "any machine-based system" that infers from inputs how to generate outputs. In staff's opinion, this broad definition of any algorithm-based decision or recommendation system would include any state agency services assignment or eligibility system.

Further, the bill defines "consequential decision" as follows:

(3) "CONSEQUENTIAL DECISION" MEANS A DECISION THAT HAS A MATERIAL LEGAL OR SIMILARLY SIGNIFICANT EFFECT ON THE PROVISION OR DENIAL TO ANY CONSUMER OF, OR THE COST OR TERMS OF:

- (a) EDUCATION ENROLLMENT OR AN EDUCATION OPPORTUNITY;
- (b) EMPLOYMENT OR AN EMPLOYMENT OPPORTUNITY;
- (c) A FINANCIAL OR LENDING SERVICE;
- (d) AN ESSENTIAL GOVERNMENT SERVICE;
- (e) HEALTH-CARE SERVICES;
- (f) HOUSING;
- (g) INSURANCE; OR
- (h) A LEGAL SERVICE.

It would appear that the provision of supervision of probationers could fall under the broad category of "essential government service". It is more difficult to believe that the conditions of Probation supervision and the assignment of risk to a probationer would not be considered a "consequential decision" as envisioned by the bill. And there is no specific exception provided in the bill for the probation assessment system.

Staff is so far more persuaded than not that the Courts and Probation will fall under the requirements of the bill.

At this time, on the basis of the start date for the requirements in the bill, staff is not recommending funding for this item for FY 2024-25. However, staff is inclined to recommend funding to attend to the requirements of this bill for FY 2025-26.

S12 Independent agency common policies

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Request	-\$49,000	-\$49,000	\$0	\$0	\$0	0.0
Recommendation	-49,000	-49,000	0	0	0	0.0
Staff Recommendation Higher/-Lower than Request	\$0	\$0	\$0	\$0	\$0	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 a technical error.

Request

The Courts request a decrease of \$49,000 General Fund for capital outlay appropriated in H.B. 24-1355 (Measures to Reduce the Competency Waitlist) that should be appropriated to the Bridges of Colorado program.

Recommendation

Staff recommends that the Committee approve the request in the Courts budget. JBC staff for the independent agencies will present an equivalent offsetting appropriation for the Bridges of

Colorado adjustment. [JBC staff for independent agencies will prepare a supplemental "add-on" to make a correction to the appropriation in H.B. 24-1355.]

Analysis

This request is to correct the placement of \$49,000 General Fund for capital outlay that should have been appropriated to the Bridges of Colorado program rather than the Courts.

S13 Offender treatment and services

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Request	\$1,500,000	\$0	\$1,500,000	\$0	\$0	0.0
Recommendation	1,500,000	0	1,500,000	0	0	0.0
Staff Recommendation Higher/-Lower than Request	\$0	\$0	\$0	\$0	\$0	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.

Request

The Courts and Probation request a one-time increase of \$1.5 million cash funds from the Offender Services Cash Fund for the Offender Treatment and Services line item in Probation Services.

Recommendation

Staff recommends that the Committee approve the request.

Analysis

The Offender Treatment and Services line item pays for the purchase of treatment and services for offenders on probation, as well as funding transferred to other state agencies to provide treatment for substance abuse and co-occurring disorders for adult and juvenile offenders who are on diversion, on parole, in community corrections, or serving a sentence in a county jail.

The Courts and Probation has experienced an increase in FY 2023-24 and FY 2024-25 expenditures above previous years as a result of increased utilization related to recent legislation and increasing vendor contract rates.

S14 Technical corrections

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Request	\$494,328	\$0	\$865,868	-\$371,540	\$0	0.0
Recommendation	494,328	0	865,868	-371,540	0	0.0
Staff Recommendation Higher/-Lower than Request	\$0	\$0	\$0	\$0	\$0	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 a technical error.

Request

The Courts and Probation request technical corrections to the appropriations for Offender Treatment and Services and Correctional Treatment Cash Fund Expenditures that include a net increase in total funds of \$494,328, including an increase of \$865,568 cash funds from various sources and a decrease of \$371,540 from the Correctional Treatment Cash Fund.

Recommendation

Staff recommends that the Committee approve the request.

Analysis

The requested adjustments reflect a technical true-up related to available funding from the Correctional Treatment Cash Fund and other sources.

The adjustment to Correctional Treatment Cash Fund Expenditures includes an increase of \$755,868 cash funds from the Correctional Treatment Cash Fund.

The adjustment to Offender Treatment and Services includes the following cash funds adjustments: a decrease of \$151,015 cash funds from the Correctional Treatment Cash Fund, an increase of \$201,015 cash funds from the Sex Offender Surcharge Fund, and an increase of \$60,000 cash funds from various sources. And includes the following reappropriated funds adjustments: a decrease of \$432,847 reappropriated funds from the Correctional Treatment Cash Fund and an increase of \$61,307 from a transfer from the Behavioral Health Administration.

Previously Approved Interim Supplementals

Virtual court management system

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Request	\$200,000	\$200,000	\$0	\$0	\$0	0.0
Committee Action	200,000	200,000	0	0	0	0.0
Committee Action Higher/-Lower than Request	\$0	\$0	\$0	\$0	\$0	0.0

This previously approved interim supplemental is replaced by and is addressed above in the Courts and Probation S1 request. This previously approved interim supplemental is no longer required.

Statewide Common Policy Supplementals

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 Requests						
Supplemental	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
C&P NPS1 DPA Risk solvency	\$91,031	\$91,031	\$0	\$0	\$0	0.0
C&P NPS2 DPA Fleet supplemental	-40,483	-40,483	0	0	0	0.0
C&P NPS3 Payments to OIT	\$80,387	\$80,387	0	0	0	0.0
Total	\$130,935	\$130,935	\$0	\$0	\$0	0.0

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 2024-25
Staff Working Document - Does Not Represent Committee Decision

Appendix A: Numbers Pages

	FY 2023-24 Actual	FY 2024-25 Appropriation	FY 2024-25 Requested Change	FY 2024-25 Rec'd Change	FY 2024-25 Total w/Rec'd Change
--	----------------------	-----------------------------	--------------------------------	----------------------------	------------------------------------

Judicial Department
Brian Boatright, Chief Justice

SPD S1 IT Security

(5) Office of State Public Defender

Automation Plan	4,441,512 0.0	3,600,913	713,681	713,681	4,314,594
General Fund	4,441,512	3,600,913	713,681	713,681	4,314,594
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Total for SPD S1 IT Security	4,441,512	3,600,913	713,681	713,681	4,314,594
<i>FTE</i>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
General Fund	4,441,512	3,600,913	713,681	713,681	4,314,594
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

JBC Staff Supplemental Recommendations - FY 2024-25
Staff Working Document - Does Not Represent Committee Decision

	FY 2023-24 Actual	FY 2024-25 Appropriation	FY 2024-25 Requested Change	FY 2024-25 Rec'd Change	FY 2024-25 Total w/Rec'd Change
--	----------------------	-----------------------------	--------------------------------	----------------------------	------------------------------------

C&P S1/BA1 Virtual court management system

(2) Courts Administration

(A) Administration and Technology

Information Technology Infrastructure	<u>17,625,406</u> 0.0	<u>21,216,282</u>	<u>740,938</u>	<u>740,938</u>	<u>21,957,220</u>
General Fund	3,870,411	1,527,220	0	0	1,527,220
Cash Funds	13,754,995	19,689,062	740,938	740,938	20,430,000
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

Total for C&P S1/BA1 Virtual court management system	17,625,406	21,216,282	740,938	740,938	21,957,220
<i>FTE</i>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
General Fund	3,870,411	1,527,220	0	0	1,527,220
Cash Funds	13,754,995	19,689,062	740,938	740,938	20,430,000
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

JBC Staff Supplemental Recommendations - FY 2024-25
Staff Working Document - Does Not Represent Committee Decision

	FY 2023-24 Actual	FY 2024-25 Appropriation	FY 2024-25 Requested Change	FY 2024-25 Rec'd Change	FY 2024-25 Total w/Rec'd Change
C&P S2/BA2 Language interpreters and translators					
(2) Courts Administration					
(C) Centrally Administered Programs					
Language Interpreters and Translators	<u>7,669,339</u>	<u>8,254,999</u>	<u>1,514,494</u>	<u>750,000</u>	<u>9,004,999</u>
FTE	37.0	41.6	0.0	0.0	41.6
General Fund	7,629,658	8,204,999	1,514,494	750,000	8,954,999
Cash Funds	39,681	50,000	0	0	50,000
(3) Trial Courts					
Trial Court Programs	<u>185,960,304</u>	<u>205,663,602</u>	<u>0</u>	<u>0</u>	<u>205,663,602</u>
FTE	1,986.2	2,025.1	0.0	0.0	2,025.1
General Fund	159,782,845	172,528,121	0	(750,000)	171,778,121
Cash Funds	25,111,137	31,826,141	0	750,000	32,576,141
Reappropriated Funds	0	1,309,340	0	0	1,309,340
Federal Funds	1,066,322	0	0	0	0
Total for C&P S2/BA2 Language interpreters and translators	193,629,643	213,918,601	1,514,494	750,000	214,668,601
FTE	<u>2,023.2</u>	<u>2,066.7</u>	<u>0.0</u>	<u>0.0</u>	<u>2,066.7</u>
General Fund	167,412,503	180,733,120	1,514,494	0	180,733,120
Cash Funds	25,150,818	31,876,141	0	750,000	32,626,141
Reappropriated Funds	0	1,309,340	0	0	1,309,340
Federal Funds	1,066,322	0	0	0	0

JBC Staff Supplemental Recommendations - FY 2024-25
Staff Working Document - Does Not Represent Committee Decision

	FY 2023-24 Actual	FY 2024-25 Appropriation	FY 2024-25 Requested Change	FY 2024-25 Rec'd Change	FY 2024-25 Total w/Rec'd Change
C&P S3 County courthouse infrastructure					
(2) Courts Administration					
(C) Centrally Administered Programs					
Courthouse Furnishings and Infrastructure					
Maintenance	<u>1,572,315 0.0</u>	<u>543,000</u>	<u>1,432,575</u>	<u>1,432,575</u>	<u>1,975,575</u>
General Fund	1,572,315	543,000	1,432,575	1,432,575	1,975,575
Total for C&P S3 County courthouse infrastructure	1,572,315	543,000	1,432,575	1,432,575	1,975,575
<i>FTE</i>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
General Fund	1,572,315	543,000	1,432,575	1,432,575	1,975,575

JBC Staff Supplemental Recommendations - FY 2024-25
Staff Working Document - Does Not Represent Committee Decision

	FY 2023-24 Actual	FY 2024-25 Appropriation	FY 2024-25 Requested Change	FY 2024-25 Rec'd Change	FY 2024-25 Total w/Rec'd Change
--	----------------------	-----------------------------	--------------------------------	----------------------------	------------------------------------

C&P S9/BA9 Underfunded Courthouse Facilities Grant Program

(2) Courts Administration

(C) Centrally Administered Programs

Underfunded Courthouse Facilities Grant Program	<u>1,405,919</u>	<u>3,000,000</u>	<u>2,000,000</u>	<u>1,500,000</u>	<u>4,500,000</u>
FTE	0.0	0.0	0.0	0.0	0.0
Cash Funds	0	0	2,000,000	1,500,000	1,500,000
Reappropriated Funds	1,405,919	3,000,000	0	0	3,000,000

Total for C&P S9/BA9 Underfunded Courthouse Facilities Grant Program	1,405,919	3,000,000	2,000,000	1,500,000	4,500,000
<i>FTE</i>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
Cash Funds	0	0	2,000,000	1,500,000	1,500,000
Reappropriated Funds	1,405,919	3,000,000	0	0	3,000,000

JBC Staff Supplemental Recommendations - FY 2024-25
Staff Working Document - Does Not Represent Committee Decision

	FY 2023-24 Actual	FY 2024-25 Appropriation	FY 2024-25 Requested Change	FY 2024-25 Rec'd Change	FY 2024-25 Total w/Rec'd Change
C&P S11/BA11 S.B. 24-205 fiscal note adjustment					
(2) Courts Administration					
(A) Administration and Technology					
General Courts Administration	34,523,114	39,707,315	22,812	0	39,707,315
FTE	335.9	355.6	0.2	0.0	355.6
General Fund	24,692,189	28,933,396	22,812	0	28,933,396
Cash Funds	7,853,701	8,809,221	0	0	8,809,221
Reappropriated Funds	1,977,224	1,964,698	0	0	1,964,698
Federal Funds	0	0	0	0	0
(2) Courts Administration					
(B) Central Appropriations					
Capital Outlay	17,370 0.0	960,562	7,600	0	960,562
General Fund	17,370	953,362	7,600	0	953,362
Cash Funds	0	7,200	0	0	7,200
Total for C&P S11/BA11 S.B. 24-205 fiscal note adjustment					
	34,540,484	40,667,877	30,412	0	40,667,877
FTE	335.9	355.6	0.2	0.0	355.6
General Fund	24,709,559	29,886,758	30,412	0	29,886,758
Cash Funds	7,853,701	8,816,421	0	0	8,816,421
Reappropriated Funds	1,977,224	1,964,698	0	0	1,964,698
Federal Funds	0	0	0	0	0

JBC Staff Supplemental Recommendations - FY 2024-25
Staff Working Document - Does Not Represent Committee Decision

	FY 2023-24 Actual	FY 2024-25 Appropriation	FY 2024-25 Requested Change	FY 2024-25 Rec'd Change	FY 2024-25 Total w/Rec'd Change
C&P S12/BA12 Independent agency common policies					
(2) Courts Administration					
(B) Central Appropriations					
Capital Outlay	17,370 0.0	960,562	-49,000	-49,000	911,562
General Fund	17,370	953,362	(49,000)	(49,000)	904,362
Cash Funds	0	7,200	0	0	7,200
Total for C&P S12/BA12 Independent agency common policies	17,370	960,562	(49,000)	(49,000)	911,562
<i>FTE</i>	0.0	0.0	0.0	0.0	0.0
General Fund	17,370	953,362	(49,000)	(49,000)	904,362
Cash Funds	0	7,200	0	0	7,200

JBC Staff Supplemental Recommendations - FY 2024-25
Staff Working Document - Does Not Represent Committee Decision

	FY 2023-24 Actual	FY 2024-25 Appropriation	FY 2024-25 Requested Change	FY 2024-25 Rec'd Change	FY 2024-25 Total w/Rec'd Change
--	----------------------	-----------------------------	--------------------------------	----------------------------	------------------------------------

C&P S13 Offender treatment and services

(4) Probation and Related Services

Offender Treatment and Services	<u>25,522,597</u>	<u>22,410,873</u>	<u>1,500,000</u>	<u>1,500,000</u>	<u>23,910,873</u>
FTE	0.0	0.0	0.0	0.0	0.0
General Fund	1,276,201	276,201	0	0	276,201
Cash Funds	19,588,424	17,043,853	1,500,000	1,500,000	18,543,853
Reappropriated Funds	4,657,972	5,090,819	0	0	5,090,819

Total for C&P S13 Offender treatment and services	25,522,597	22,410,873	1,500,000	1,500,000	23,910,873
FTE	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
General Fund	1,276,201	276,201	0	0	276,201
Cash Funds	19,588,424	17,043,853	1,500,000	1,500,000	18,543,853
Reappropriated Funds	4,657,972	5,090,819	0	0	5,090,819

JBC Staff Supplemental Recommendations - FY 2024-25
Staff Working Document - Does Not Represent Committee Decision

	FY 2023-24 Actual	FY 2024-25 Appropriation	FY 2024-25 Requested Change	FY 2024-25 Rec'd Change	FY 2024-25 Total w/Rec'd Change
C&P S14/BA14 Technical corrections					
(4) Probation and Related Services					
Offender Treatment and Services	<u>25,522,597</u>	<u>22,410,873</u>	<u>-261,540</u>	<u>-261,540</u>	<u>22,149,333</u>
FTE	0.0	0.0	0.0	0.0	0.0
General Fund	1,276,201	276,201	0	0	276,201
Cash Funds	19,588,424	17,043,853	110,000	110,000	17,153,853
Reappropriated Funds	4,657,972	5,090,819	(371,540)	(371,540)	4,719,279
Correctional Treatment Cash Fund Expenditures	<u>17,553,313</u>	<u>28,219,096</u>	<u>755,868</u>	<u>755,868</u>	<u>28,974,964</u>
FTE	1.0	1.0	0.0	0.0	1.0
Cash Funds	0	0	755,868	755,868	755,868
Reappropriated Funds	17,553,313	28,219,096	0	0	28,219,096
Total for C&P S14/BA14 Technical corrections	43,075,910	50,629,969	494,328	494,328	51,124,297
FTE	<u>1.0</u>	<u>1.0</u>	<u>0.0</u>	<u>0.0</u>	<u>1.0</u>
General Fund	1,276,201	276,201	0	0	276,201
Cash Funds	19,588,424	17,043,853	865,868	865,868	17,909,721
Reappropriated Funds	22,211,285	33,309,915	(371,540)	(371,540)	32,938,375
Totals Excluding Pending Items					
JUDICIAL					
TOTALS for ALL Departmental line items	957,591,027	1,098,610,348	8,377,428	7,082,522	1,105,692,870
FTE	<u>5,310.5</u>	<u>5,632.7</u>	<u>0.2</u>	<u>0.0</u>	<u>5,632.7</u>
General Fund	448,676,155	638,043,921	3,642,162	2,097,256	640,141,177
Cash Funds	455,332,642	391,636,595	5,106,806	5,356,806	396,993,401
Reappropriated Funds	43,090,251	64,504,832	(371,540)	(371,540)	64,133,292
Federal Funds	10,491,979	4,425,000	0	0	4,425,000