

Joint Budget Committee

Budget Briefing Highlights Fiscal Year 2025-26



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MEMORANDUM

TO: Members of the General Assembly
FROM: Joint Budget Committee
SUBJECT: FY 2025-26 Budget Briefing Summary
DATE: December 30, 2024

For the past two months, Joint Budget Committee (JBC) staff have been briefing the JBC on each executive and judicial department's budget request for FY 2025-26. The staff briefing is a written and oral presentation aimed at stimulating discussion about each department's operations and budget, issues of efficiency and effectiveness, and the budget-related policy issues. During the briefing, JBC members identify issues they want to discuss during a formal hearing with each department's executive director. This hearing allows the department to discuss its budget and policy priorities with the Committee. We thank all of you who joined us for these staff briefings and department hearings.

This report summarizes departments' operating budget requests for FY 2025-26, as well as the Governor's requests for capital projects. Individual sections for each department provide:

- an overview of the department's responsibilities;
- the department's FY 2025-26 operating budget request compared to FY 2024-25 appropriations, including a brief description of each requested incremental funding change; and
- a summary of issue briefs presented by JBC staff.

For more detailed information, you can access individual staff briefing documents online: <https://leg.colorado.gov/content/budget>.

We have also included a JBC staff assignment list at the end of this report. JBC staff are available to help you with any questions you might have about department budgets and operations. We hope this budget briefing summary will help you become familiar with the FY 2025-26 budget requests and major issues that impact the State budget. We look forward to working with you over the next few months to craft the State budget for FY 2025-26.

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Overview of FY 2025-26 Budget Requests

Submission of Budget Requests

On Friday November 1, the Governor submitted his FY 2025-26 budget request. The Governor’s annual request is a comprehensive plan that consists of several elements:

- Amounts requested by Executive Branch agencies for ongoing operations, to be appropriated through the annual general appropriations act (the “Long Bill”);
- Placeholders (assumptions) for amounts that will be appropriated for ongoing operations of the Legislative Branch, the Judicial Branch, and those Executive Branch agencies that operate under another elected official (i.e., the Departments of Law, State, and Treasury);
- Amounts the Governor is requesting to fund state facilities and infrastructure;
- Amounts that will be distributed or transferred pursuant to existing constitutional or statutory requirements; and
- Placeholders for amounts that the Governor is proposing be appropriated or transferred through separate legislation.

The Governor typically bases the budget request on the most recent revenue forecast prepared by the Office of State Planning and Budgeting (OSPB). The Governor’s FY 2025-26 request is based on the OSPB September 2024 forecast and balances to the General Fund assumed to be available for FY 2025-26 under that forecast.

The Judicial Branch agencies, the Attorney General, the Secretary of State, and the State Treasurer all submit their own budget requests for the ongoing operations of their respective agencies. These agencies’ requests are not reviewed by OSPB, and the requests generally differ from the placeholder assumptions included in the Governor’s budget request.

Department Requests for Ongoing Operations

Baseline: Existing FY 2024-25 Operating Appropriations

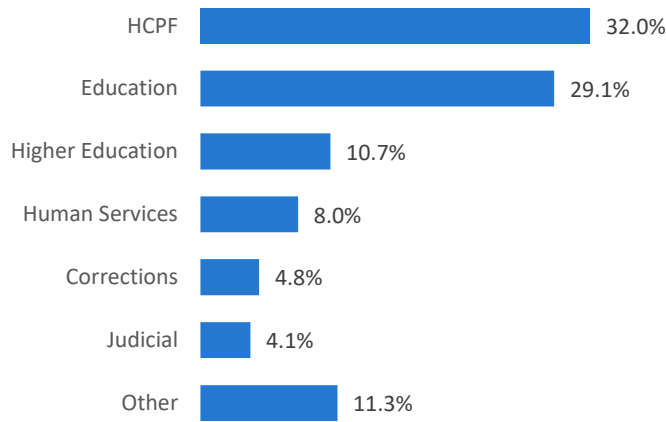
The existing FY 2024-25 operating budget (excluding capital) includes a total of \$15.6 billion in General Fund appropriations, an increase of \$1.4 billion (10.0 percent) above the final \$14.2 billion appropriation for FY 2023-24. However, it is important to note that both the FY 2023-24 and FY 2024-25 appropriations are misleadingly low as a result of legislation refinancing General Fund appropriations with federal stimulus funds (H.B. 24-1466).¹ Total appropriations from all fund sources increased by \$2.2 billion (5.4 percent) from FY 2023-24 to FY 2024-25.

As illustrated in the following graphic, nearly 90.0 percent of current General Fund appropriations are concentrated in six of the 23 departments (sometimes referred to as the “Big Six”). In a change from prior

¹ House Bill 24-1466 reduced General Fund appropriations by \$1.0 billion in FY 2023-24 and \$0.6 billion for FY 2024-25 through appropriations reductions in the Departments of Corrections and Human Services and the Judicial Department.

years, the Department of Health Care Policy and Financing (HCPF) has eclipsed the Department of Education as the largest recipient of current General Fund appropriations.

Six departments account for nearly 90.0 percent of FY 2024-25 **General Fund** appropriations. HCPF and Education account for more than 60.0 percent.

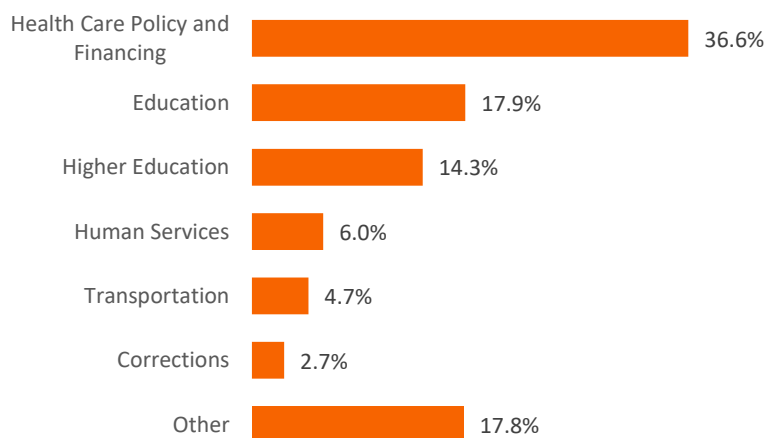


Based on current FY 2024-25 appropriation.

Including other fund sources (primarily cash funds and federal funds) changes the distribution.

- Health Care Policy and Financing accounts for 36.6 percent of total statewide appropriations, and Education falls to 17.9 percent. However, it is important to note that local tax revenues provide significant support for education funding statewide, which is not reflected in the state budget.
- The Department of Transportation moves up to fifth in total appropriations at 4.7 percent, because of the large amount of cash and federal funds in that department. Corrections and Judicial, which have relatively little funding other than General Fund, both slip lower. The Judicial Branch falls to seventh and is captured in the “Other” category in the following figure.

Health Care Policy and Financing represents nearly 37 percent of **total state appropriations** in FY 2024-25.



Based on the current FY 2024-25 appropriation.

The General Assembly appropriates most of the annual funding for state government appropriations through the Long Bill (e.g., H.B. 24-1430) and the annual Legislative Branch appropriation bill (e.g., H.B. 24-1347). These two bills provide funding for the ongoing operations of all departments *based on current law*. Separate

bills that make statutory changes account for the remaining appropriations. In most years, these other bills add a relatively small amount of funding to the budget. For example, net appropriations in those separate bills represent 1.3 percent of the *total* operating appropriation in FY 2024-25.

Mid-year Changes to FY 2024-25 Operating Appropriations

The Governor’s budget request includes a placeholder for a net increase of \$87.0 million in General Fund appropriations for FY 2024-25. The placeholder reflects the Governor’s Office estimate of the January 2025 supplemental requests from the Executive Branch. The Committee approved three interim supplemental requests for a total of \$1.2 million General Fund in September 2024, including:

- \$895,000 for the development of a billing system for the Office of Alternate Defense Counsel in the Judicial Branch.
- \$200,000 for a virtual court management system for Courts and Probation within the Judicial Branch.
- \$138,828 associated with senior primary residence property tax reductions.

The Governor’s placeholder for supplemental adjustments includes the \$0.1 million associated with the Department of Local Affairs but does not account for the \$1.1 million increase for the Judicial Department. Other than the interim supplemental, the details behind the placeholder were not available for the briefing process.

Requests for FY 2025-26 Ongoing Operations

Table 1 summarizes the current (total) operating budget for FY 2024-25 and the incremental changes requested by each department for FY 2025-26, resulting in the total operating appropriations requested for the coming year. This table is sorted based on General Fund change, from the largest dollar increase (Health Care Policy and Financing) to the largest decrease (Higher Education).

Table 1: Requested Changes in Appropriations for FY 2025-26, by Department and Fund Source
Sorted by Incremental General Fund Change

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2024-25 Appropriation						
Total	\$43,590,565,548	\$15,570,803,929	\$12,641,829,801	\$2,839,666,650	\$12,538,265,168	66,432.7
FY 2025-26 Requested Appropriation						
FY 2024-25 Appropriation	\$43,590,565,548	\$15,570,803,929	\$12,641,829,801	\$2,839,666,650	\$12,538,265,168	66,432.7
Health Care Policy and Financing	1,436,548,041	422,158,179	165,921,874	-18,691,712	867,159,700	0.3
Corrections	39,795,798	366,591,672	-310,261,491	-16,628,251	93,868	11.6
Judicial	89,755,246	278,296,023	-187,246,531	-1,294,246	0	111.1
Education	-247,137,632	114,413,358	-362,159,489	-300,350	908,849	7.3
Human Services	13,451,722	66,558,107	-61,431,289	9,020,054	-695,150	99.7
Natural Resources	-27,868,947	15,130,272	-45,579,146	386,997	2,192,930	68.9
Early Childhood	9,528,266	8,151,035	8,692,949	2,305,947	-9,621,665	9.0
Revenue	25,638,203	5,951,509	19,849,101	-162,407	0	75.6
Public Safety	38,471,652	5,104,334	18,709,681	14,561,805	95,832	17.1
Local Affairs	5,209,825	3,786,261	1,773,043	-520,304	170,825	5.6
Legislative Department	2,412,498	2,412,498	0	0	0	0.0

Table 1: Requested Changes in Appropriations for FY 2025-26, by Department and Fund Source
Sorted by Incremental General Fund Change

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Law	5,955,608	1,309,107	447,011	4,068,254	131,236	5.5
Labor and Employment	52,589,355	542,539	41,167,004	262,699	10,617,113	-19.5
Military and Veterans Affairs	1,263,910	348,843	51,928	-25,156	888,295	2.2
Agriculture	1,025,419	156,879	892,759	-11,799	-12,420	4.6
Regulatory Agencies	-800,892	149,057	-1,558,955	495,656	113,350	4.1
Transportation	97,486,282	0	142,254,398	-101,916	-44,666,200	0.0
Personnel	12,194,373	-1,020,285	-3,571,030	16,785,688	0	-16.2
Governor	26,503,309	-1,441,950	-5,809,238	33,791,169	-36,672	-10.3
State	1,547,547	-2,500,587	4,357,738	-309,604	0	4.8
Public Health and Environment	17,644,720	-5,947,448	7,545,525	14,788,671	1,257,972	-35.9
Treasury	-7,365,169	-11,342,571	2,849,529	1,127,873	0	8.5
Higher Education	-39,996,736	-38,340,563	62,326,580	-63,730,893	-251,860	-223.9
Total FY 2025-26 Request	\$45,144,417,946	\$16,801,270,198	\$12,141,051,752	\$2,835,484,825	\$13,366,611,171	66,562.8
Increase/-Decrease	\$1,553,852,398	\$1,230,466,269	-\$500,778,049	-\$4,181,825	\$828,346,003	130.1
Percentage Change	3.6%	7.9%	-4.0%	-0.1%	6.6%	0.2%

Overall, the request for FY 2025-26 (including the independent agencies) represents an increase of \$1.6 billion total funds (3.6 percent) compared to the current FY 2024-25 appropriation. The change includes increases of \$1.2 billion General Fund (7.9 percent) and an estimated \$828.3 million federal funds (6.6 percent). Those increases are partially offset by decreases of \$500.7 million cash funds (4.0 percent) and \$4.3 million reappropriated funds (0.2 percent).

As shown in the table, the Department of Health Care Policy and Financing (HCPF) has proposed the largest increase in funding for FY 2025-26. The Department’s current forecast for Medicaid caseload and utilization accounts for nearly all of that increase, requiring an estimated \$1.4 billion total funds (97.6 percent of the Department’s total requested increase) and \$458.4 million General Fund (that increase is partially offset by other decision items proposing decreases) for FY 2025-26. The General Assembly’s appropriations to HCPF for FY 2025-26 will incorporate a subsequent forecast in February 2025.

Outside of HCPF, the largest driver of the General Fund increase is the second-year impact of H.B. 24-1466 (Refinance Federal Coronavirus Recovery Funds). That bill temporarily substituted \$587.2 million in federal stimulus funds (reflected as cash funds) for existing General Fund appropriations for FY 2024-25 in the Departments of Corrections and Human Services, as well as the Judicial Department. Restoring the General Fund appropriations for FY 2025-26 accounts for nearly half of the total requested General Fund increase for FY 2025-26. As shown in the table, the decrease in cash funds offsets much of the General Fund increase in those departments.

Finally, the FY 2025-26 request reflects two significant statewide common policies:

- The Governor is proposing a 2.5 percent across-the-board salary increase for state employees, plus additional funding for the continuation of the step system implemented in FY 2024-25. Excluding Higher Education and the elected officials, the request for total compensation, including salary and benefits, equates to an increase of \$73.0 million General Fund.
- The Governor is requesting *zero* increase in common policy provider rates and is proposing targeted reductions to certain provider rates in the Department of Health Care Policy and Financing.

Placeholders and Proposals Requiring Statutory Change

The State Constitution requires that the annual general appropriation bill (called the “Long Bill”) include only appropriations for agency expenses that are authorized under current law.² Most of the Governor’s proposal for FY 2025-26 is for purposes authorized under current law, and, if approved, will be included in the 2025 Long Bill. When a proposal within the budget request is contingent on a statutory change, the Governor typically includes a “placeholder” to set aside funding for that purpose. Some of these items are also included in departmental decision item requests, and some are not. The General Assembly may then make the requisite appropriations or transfers through separate legislation. The JBC is often asked to consider sponsoring some of these bills.

The following sections provide additional detail on the Governor’s placeholders and balancing proposals, grouped into 5 categories: (1) proposals that increase *revenues to* the General Fund (tax changes and transfers into the General Fund); (2) proposals that adjust appropriations that are subject to the statutory reserve; (3) proposals that adjust obligations that are not subject to the reserve; (4) proposals that impact the TABOR refund; and (5) proposals impacting transfers *out of* the General Fund.

Proposals to Increase Revenues to the General Fund

The Governor’s request includes a number of proposals to increase revenues to the General Fund, thereby increasing its balance. Those proposals fall into four sub-categories:

- The request assumes \$112.7 million in **reversions and other revenues** will return to the General Fund in **FY 2024-25**, with more information anticipated in the Governor’s January 2, 2025, budget submission. Capturing these reversions for the purpose of balancing the budget will require reducing the existing FY 2024-25 appropriations.
- The request includes a placeholder for a **tax credit package** assumed to increase General Fund tax collections by \$133.9 million in FY 2025-26 and \$150.9 million in FY 2026-27. Major changes include: (1) an estimated increase of \$100.0 million per year based on repealing the sales tax exemption for downloadable software and (2) an increase of \$35.0 million in FY 2025-26 and \$70.0 million in subsequent years based on adjustments to regional home office premium tax credits. The request also proposes to expand the Film Incentive Tax Credit by \$2.5 million beginning in FY 2025-26.
- Third, the request proposes to modify ownership of **Pinnacol Assurance** (a quasi-independent political subdivision) to generate additional revenues that would be available to the General Fund. The proposal assumes \$100 million in revenue in FY 2025-26 and \$80 million in FY 2026-27.
- Finally, the request includes a number of proposals to increase **transfers to the General Fund**. The proposals would transfer an additional \$81.5 million to the General Fund in FY 2024-25 and \$209.1 million in FY 2025-26 (and a preliminary estimate of \$61.2 million in FY 2026-27 and ongoing). Table 2 summarizes the proposed changes to transfers into the General Fund.

Table 2: Governor Placeholders for Transfers into the General Fund
(\$ millions)

	FY 2024-25	FY 2025-26	FY 2026-27
Restructure severance tax (NAT R10)	\$0.0	\$81.5	\$34.1
Sweep a portion of nonexempt CF interest revenue (Statewide R1)	67.5	50.9	25.0

²Article V, Section 32 of the State Constitution specifies the general appropriation bill “shall embrace nothing but appropriations for the expense of the executive, legislative and judicial departments of the state, state institutions...and for public schools. All other appropriations shall be made by separate bills, each embracing but one subject.”

Table 2: Governor Placeholders for Transfers into the General Fund (\$ millions)			
	FY 2024-25	FY 2025-26	FY 2026-27
Electrifying School Buses Grant Program cash fund (PHE R6)	14.0	24.5	
Workers Compensation cash fund sweep		15.0	
Eliminate the State Employee Reserve Fund (LAB R2)		12.0	
Sweep from Local Government Severance Tax (LOC R5)		10.0	
ARPA Project reversions (Various)		3.3	
Technology Risk Prevention and Response sweep (OIT R2)		2.5	
Discontinue Limited Gaming fund support of CHECRA (HED R9)		2.1	2.1
Substance Use Workforce Stability Grant Program ARPA reversion		2.0	
LEAP/CBMS data system interface ARPA reversion		1.9	
Crim Just Intervention Detection and Redirection ARPA Reversion		1.0	
Sustainable funding for CEO (CEO R1)		0.9	
Nutrients Grant Fund and Natural Disaster cash funds (PHE R7)		0.4	
Adams county facility renovation study ARPA reversions		0.5	
Inactive education cash funds sweep (EDU R12)		0.3	
Children, Youth, and Family Behavioral Health ARPA reversion		0.2	
Colorado Identity Theft and Financial Fraud fund (PUBSAF R9)		0.1	
Nuclear Materials Transportation fund (PUBSAF R8)		0.1	
Total Placeholder for Transfers In¹	\$81.5	\$209.1	\$61.2

¹ Totals may not sum due to rounding.

Adjustments to Appropriations Subject to the Statutory Reserve

Table 3 summarizes proposals to adjust appropriations that are subject to the statutory reserve (like most General Fund operating appropriations). This includes amounts that the Governor proposes for legislation other than the Long Bill and other amounts that are not included in the individual department requests summarized in Table 1. The request includes an assumed increase of \$87.0 million General Fund for FY 2024-25 through supplemental adjustments to be submitted in January 2025 and a net reduction of \$159.0 million in appropriations subject to the reserve for FY 2025-26.

Table 3: Placeholders for Appropriations Subject to Reserve (\$ millions)			
	FY 2024-25	FY 2025-26	FY 2026-27
Governor placeholder - FY 2024-25 supplemental adjustments	\$87.0	\$0.0	\$0.0
Governor placeholder - fire prevention investments		5.0	
Governor placeholder - General Assembly legislative priorities		4.3	
Governor placeholder - Executive Branch priorities		3.1	
Balancing proposal - PERA DD not subject to reserve		-165.4	-165.4
Balancing proposal - Line item consolidation/1% reduction (statewide R4)		-5.5	-5.5
Balancing proposal - Round down to nearest \$1,000 (statewide R5)		-0.4	-0.4
Balancing proposal - Boards and commissions efficiencies (statewide R8)		-0.2	-0.2
Total Placeholders for Appropriations Subject to Reserve	\$87.0	-\$159.0	-\$171.5

Adjustments to Appropriations NOT Subject to the Reserve

As noted above, the request proposes to reclassify PERA Direct Distribution payments as not subject to the reserve requirement. This is reflected in Table 3 as a reduction of \$165.4 million to appropriations that *are* subject to the reserve. While this proposal does not reduce the payments to PERA, it would reduce the

General Fund reserve requirement by \$24.8 million, which is the 15.0 percent reserve required for an appropriation of \$165.4 million.

Adjustments Directly Affecting the TABOR Refund

The request includes ten proposals that directly impact the TABOR refund, with an estimated reduction of \$6.6 million in FY 2024-25 and an estimated net reduction of \$15.3 million in FY 2025-26 (see Table 4). In this context, reducing the TABOR refund means making more General Fund available for appropriation or transfer.

Proposals impacting the TABOR refund fall into two sub-categories: (1) a tax credit package, and (2) balancing proposals.

	FY 2024-25	FY 2025-26	FY 2026-27
Governor proposal - Tax credit package	\$0.0	\$133.9	\$150.9
Governor Balancing proposals - Enterprise conversions and CF revenues			
FASTER fee reductions (CDOT R4)	\$0.0	-\$65.1	-\$66.2
Enterprise AHEC (HED R13)		-31.4	-31.4
UI funding expansion and realignment (LAB R1)	-4.3	-24.5	-24.5
Restructure license plates division (REV R6)		-12.0	-12.0
Enterprise Working Adults with Disabilities fund (HCPF R6)		-6.6	-6.6
Reduced UPTF transfer to adult dental (HCPF R9)		-3.7	-3.7
Merchandise sales correction (Statewide R6)	-2.3	-2.3	-2.3
Enterprise EV registration fee (CEO January Placeholder)		-1.8	-1.8
Enterprise TUDF (HUM R10)		-1.7	-1.7
Balancing proposals – Total¹	-\$6.6	-\$149.2	-\$150.2
Total placeholder for proposals changing the TABOR refund	-\$6.6	-\$15.3	\$0.6

¹ Totals may not sum due to rounding.

As shown in Table 4, the tax credit package in isolation would increase the TABOR refund by \$133.9 million in FY 2025-26 by increasing General Fund collections above the TABOR cap. However, the Governor’s total request includes an estimated \$149.2 million in balancing proposals that would reduce the TABOR refund, resulting in a net reduction of \$15.3 million for FY 2025-26. The largest component is a \$65.1 million reduction in FASTER fee revenues allocated to the Department of Transportation.

Adjustments to Transfers Out of the General Fund

Finally, the request includes a net reduction to transfers from the General Fund for each year (see Table 5). As a whole, the Governor’s request would reduce transfers out of the General Fund by \$36.5 million in FY 2025-26.

	FY 2024-25	FY 2025-26	FY 2026-27
Air pollution control division stationary sources (PHE R1)	\$0	\$14.0	\$0
Restructure Severance Tax (DNR R10)		10.7	10.0
Hazardous Substance Response Fund (PHE R3)		6.0	
Sesquicentennial investment (History CO R1)		5.0	
Corrections broadband transfer (COR R7)		1.5	1.5
Reduced SB21-260 transfers (TRA R3)		-39.0	-24.5

Table 5: Governor Placeholders for Transfers Out of the General Fund (\$ millions)			
	FY 2024-25	FY 2025-26	FY 2026-27
New cash fund for higher ed controlled maintenance (HED R8)		-20.0	-20.0
Reduce Advanced Industries transfer (OEDIT R8)	-6.4	-11.3	
Reduce Opportunity Next transfer (OEDIT R7)		-3.3	
Correction to Energy fund transfer (CEO January Placeholder)		-0.1	
Total changes to transfers out of the General Fund	-\$6.4	-\$36.5	-\$33.0

Infrastructure and Capital

Finally, Table 6 provides details related to the Governor’s proposed transfers for infrastructure investments (capital construction and IT capital). The proposal intends to fully fund controlled maintenance Level I projects, at a cost of \$85.6 million, and also includes five capital construction projects and eleven IT capital projects. The request also assumes an ongoing obligation of \$20.0 million for the National Western Stock Show Complex, creating a total obligation of \$203.4 million in FY 2025-26.

Table 6: Governor's Proposed General Fund Transfers for Infrastructure (\$ millions)	
	General Fund Transfer
Controlled maintenance Level I	\$85.6
Capital construction projects (5 in various departments)	65.1
Capital information technology projects (11 in various departments)	32.7
National Western Stockshow COP obligation	20.0
Total	\$203.4

Summary

Based on the budget requests submitted on November 1, 2024, the General Assembly will consider \$1.5 billion in proposed changes in appropriations and transfers *from* the General Fund during the 2025 legislative session. Table 7 summarizes these changes based on the nature of the request.

Table 7: Summary of General Fund Changes Reflected in the November 1, 2024, Budget Requests¹
(\$ millions)

FY 2024-25: Proposed Mid-year Changes	
Interim supplementals approved by the Joint Budget Committee	\$1.1
Governor's placeholder for additional requests (net change)	87.0
Subtotal	\$88.1
FY 2025-26: Incremental Changes Requested	
Requested changes in appropriations (Table 1)	\$1,230.5
Governor's placeholder for fire prevention activities (Table 3)	5.0
Governor's placeholder for General Assembly priorities (Table 3)	4.3
Governor's placeholder for other Executive Branch priorities (Table 3)	3.1
Governor's placeholders for proposals for transfers <i>out</i> of the General Fund (Table 5, net change)	-36.5
Governor's requests for FY 2025-26 for capital projects (Table 6)	203.4
Subtotal	\$1,409.8
Total²	\$1,497.8

¹ This table excludes General Fund changes that are required under current law, including rebates and expenditures and statutorily authorized transfers.

² Totals may not sum due to rounding.

As outlined in Tables 2 and 4 above, the request includes proposals to make additional General Fund available in order to support these obligations and still balance the budget, including:

- \$290.6 million in transfers from other funds into the General Fund, including \$81.5 million in FY 2024-25 and \$209.1 million in FY 2025-26 (Table 2).
- A net reduction of \$21.9 million to the TABOR refund over that period, including \$6.6 million in FY 2024-25 and \$15.3 million in FY 2025-26 (Table 4).

The next section of this document provides more detail concerning the \$1.2 billion in appropriation changes requested for the FY 2025-26 Long Bill.

Agriculture

The Department of Agriculture regulates, promotes, and supports various agricultural activities throughout Colorado through services such as regulation and certification of the livestock industry; pesticide and pesticide applicator regulation; inspection and consumer services programs; brand inspections; state-wide oversight of conservation services; promotion of Colorado's agricultural industries; and administration of the State Fair and fairgrounds. The Department's FY 2024-25 appropriation represents approximately 0.2 percent of statewide operating appropriations and 0.1 percent of statewide General Fund appropriations.

Summary of Request

Department of Agriculture						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2024-25 Appropriation						
HB 24-1430 (Long Bill)	\$76,675,630	\$21,775,479	\$47,559,565	\$3,332,362	\$4,008,224	326.9
Other legislation	529,106	279,106	250,000	0	0	0.6
Total	\$77,204,736	\$22,054,585	\$47,809,565	\$3,332,362	\$4,008,224	327.5
FY 2025-26 Requested Appropriation						
FY 2024-25 Appropriation	\$77,204,736	\$22,054,585	\$47,809,565	\$3,332,362	\$4,008,224	327.5
R1 Animal disease traceability support	137,133	137,133	0	0	0	0.5
R2 Soil health program continuation	296,653	296,653	0	0	0	1.8
R3 Long Bill reorganization	0	0	0	0	0	0.0
R4 State Fair Fund distribution	0	-450,000	450,000	0	0	0.0
Non-prioritized decision items	-642,444	29,700	-672,793	0	649	0.0
Centrally appropriated line items	1,664,110	392,999	1,273,699	-1,605	-983	0.0
Annualize prior year legislation	115,548	115,548	0	0	0	1.8
Technical adjustments	0	0	0	0	0	0.0
Annualize prior year budget actions	-365,154	-365,154	0	0	0	0.5
Indirect cost assessment	-180,427	0	-158,147	-10,194	-12,086	0.0
Total	\$78,230,155	\$22,211,464	\$48,702,324	\$3,320,563	\$3,995,804	332.1
Increase/-Decrease	\$1,025,419	\$156,879	\$892,759	-\$11,799	-\$12,420	4.6
Percentage Change	1.3%	0.7%	1.9%	-0.4%	-0.3%	1.4%

R1 Animal disease traceability support: The request includes an increase of \$137,133 General Fund and 0.5 FTE in FY 2025-26, which annualizes to \$137,665 General Fund and 0.5 FTE ongoing, to support the Animal Disease Traceability program. The request is in response to cuts in federal funding which support the program, including 0.5 FTE for a veterinarian, and increasing operational costs from a recent technology update.

R2 Soil health program continuation: The request includes an increase of \$296,653 General Fund and 1.8 FTE in FY 2025-26, which annualizes to \$294,566 General Fund and 2.0 FTE ongoing to continue the Department's soil conservation efforts. The request funds one Technical Soil Specialist, one Program Assistant, an additional vehicle for the program, ongoing maintenance of the program's Soil Health Database, and creates a \$50,000 microgrant program.

R3 Long Bill reorganization: The request includes a proposed restructure of the Department's Long Bill to align with its current organizational structure, and promote accuracy and transparency. This restructure is technical

and does not require additional appropriations or FTE. Currently, the Long Bill lists the Animal Services Division, the Plant Industry Division, the Inspection and Consumer Services Division, and the Conservation Services Division as line items under Agricultural Services. This request would make those Division-related line items their own Long Bill section, move other line items under Agricultural Services to their appropriate Divisions, and make other adjustments such as redistributing indirect costs.

R4 State Fair fund distribution: The request includes a decrease of \$450,000 General Fund appropriations to the State Fair and \$450,000 additional spending authority to the State Fair Authority Cash Fund for FY 2025-26 and ongoing, as a budget balancing measure. This funding is used to cover program costs for the State Fair. This request will not increase fees or revenues.

Non-prioritized decision items: The request includes a \$29,700 General Fund increase and a \$672,793 cash funds decrease for FY 2025-26 to finance the annual fleet vehicle request, Office of Administrative Courts (OAC) staffing, and a Department of Natural Resources request to refinance Severance Tax Operational Fund appropriations to the General Fund before transferring it to the Department of Agriculture.

Non-prioritized decision items						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
NP1 Annual fleet vehicle request	\$57,277	\$29,700	\$26,928	\$0	\$649	0.0
NP2 OAC staffing	279	0	279	0	0	0.0
NP3 R10 Restruc Severance Tax	-700,000	0	-700,000	0	0	0.0
Total	-\$642,444	\$29,700	-\$672,793	\$0	\$649	0.0

Centrally appropriated line items: The request includes adjustments to centrally appropriated line items for the following line items.

Centrally appropriated line items						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Salary survey	\$831,951	\$320,798	\$511,153	\$0	\$0	0.0
Health, life, and dental	694,807	200,951	498,931	-5,075	0	0.0
Step plan	142,727	46,716	96,011	0	0	0.0
CORE	79,681	4,276	72,002	3,403	0	0.0
Risk management & property	61,774	37,447	24,327	0	0	0.0
ALJ services	9,860	0	9,860	0	0	0.0
PERA direct distribution	8,331	-14,677	23,008	0	0	0.0
Shift differential	1,183	-279	2,223	138	-899	0.0
Payments to OIT	109	69	40	0	0	0.0
Prior year salary survey	0	0	0	0	0	0.0
Prior year step plan	0	0	0	0	0	0.0
Workers' compensation	-55,614	-11,000	-44,614	0	0	0.0
AED and SAED	-49,781	-169,764	120,050	13	-80	0.0
Legal services	-48,780	-14,195	-34,585	0	0	0.0
Digital trunk radio system	-9,096	-5,912	-3,184	0	0	0.0
Paid family & medical leave insurance	-2,239	1,172	-3,408	1	-4	0.0
Short-term disability	-803	-2,603	1,885	-85	0	0.0
Total	\$1,664,110	\$392,999	\$1,273,699	-\$1,605	-\$983	0.0

Annualize prior year legislation: The request includes a net increase of \$115,548 General Fund and 1.8 FTE to reflect the FY 2025-26 impact of prior year legislation.

Annualize prior year legislation						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
HB24-1249 Tax Credit Ag	\$182,465	\$182,465	\$0	\$0	\$0	1.5
SB24-055 Ag & Rural Behav Health	16,912	16,912	0	0	0	0.0
HB 24-1458 Div Animal Welfare	-83,829	-83,829	0	0	0	0.3
Total	\$115,548	\$115,548	\$0	\$0	\$0	1.8

Technical adjustments: The request includes a net neutral adjustment to correct for internal accounting misattributions by the Department and align funding to the Long Bill.

Annualize prior year budget actions: The request includes a net decrease of \$365,154 in total funds to reflect the FY 2025-26 impact of prior year budget actions.

Annualize prior year budget actions						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 24-25 R9 Workforce Services	\$1,702	\$1,702	\$0	\$0	\$0	0.2
FY 24-25 R1 Ag Emergency Management Annual	1,030	1,030	0	0	0	0.1
FY 24-25 R10 Business Ops Improve	-207,009	-207,009	0	0	0	0.0
FY 24-25 BA1 Wolf Reintroduction	-160,877	-160,877	0	0	0	0.2
Total	-\$365,154	-\$365,154	\$0	\$0	\$0	0.5

Indirect cost assessment: The request includes a net decrease of \$180,427 for indirect cost assessment, including a decrease of \$158,147 cash funds and \$12,086 federal funds.

Issues Presented

This is a summary of the briefing issues presented to the Joint Budget Committee by their dedicated non-partisan staff.

Budget Reduction Options: This issue shares budget reduction proposals in the Executive Budget Request and JBC Staff options for budget reductions in the Department. The Executive Budget Request includes reductions of \$1,041,064 General Fund for the Department of Agriculture, representing 4.7% of the Department’s General Fund appropriations. JBC Staff budget reduction options total \$1,116,511 in General Fund relief.

State Fair Financial Trends: This issue shares updates on the State Fair’s finances. The Department’s R4 request proposes a reduction of \$450,000 General Fund to State Fair program costs, to be replaced with a commensurate \$450,000 spending authority increase from the State Fair Authority Cash Fund. While the State Fair Authority Cash Fund has the authority to operate as an enterprise, it has not done so since 2006. In FY 2022-23, about 37.8 percent of the State Fair’s revenue came from state and local sources, well above the 10.0 percent limit for entities qualifying as enterprises. While the Department’s R4 request would decrease state and local revenue for the State Fair by an estimated 8.9 percent, the State Fair is a long way from achieving enterprise status.

R2 Soil Health Program Continuation: This issue shares background on the Department’s R2 request. The Colorado Soil Health Program is mainly federally funded, particularly through its \$25 million Climate-Smart Commodities Grant. Federal funding is scheduled to end starting on January 1, 2026, with the Climate-Smart Commodities Grant funding ending in December 2027. While the program was appropriated 2.0 FTE through H.B. 24-1249 (Tax Credit Agricultural Stewardship Practices) to establish an income tax credit program for producers currently engaged in agricultural stewardship practices, the Department seeks to provide consistent soil health support to producers beginning soil health practices.

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To read the entire briefing: Go to <http://leg.colorado.gov/content/budget/budget-documents> to use the budget document search tool. Select this department's name under *Department/Topic*, "Briefing" under *Type*, and select a *Start date* and *End date* to show documents released in November and December of 2024.

Corrections

The Department of Corrections manages the State’s prison and parole systems. The Department’s FY 2024-25 appropriation represents approximately 2.7 percent of statewide operating appropriations and 4.8 percent of statewide General Fund appropriations.

Summary of Request

Department of Corrections						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2024-25 Appropriation						
H.B. 24-1430 (Long Bill)	\$1,170,146,402	\$1,075,804,841	\$46,022,851	\$45,071,575	\$3,247,135	6,423.5
Other legislation	4,574,391	-323,996,350	328,570,741	0	0	0.9
Total	\$1,174,720,793	\$751,808,491	\$374,593,592	\$45,071,575	\$3,247,135	6,424.4
FY 2025-26 Requested Appropriation						
FY 2024-25 Appropriation	\$1,174,720,793	\$751,808,491	\$374,593,592	\$45,071,575	\$3,247,135	6,424.4
R1 Prison caseload	8,209,752	8,209,752	0	0	0	13.5
R2 Medical caseload	8,084,137	8,084,137	0	0	0	0.0
COWINS non-base building incentives	7,541,247	7,541,247	0	0	0	0.0
R3 Pharmacy system	808,928	808,928	0	0	0	0.0
R4 Restorative justice	349,396	349,396	0	0	0	1.8
R5 Inmate legal access	429,150	429,150	0	0	0	2.7
R6 Recruitment and retention	644,540	644,540	0	0	0	0.0
R7 Broadband	1,500,000	0	1,500,000	0	0	0.0
R8 Overtime reduction	-2,027,618	-2,027,618	0	0	0	0.0
R9 Parole insurance payments	-364,196	-364,196	0	0	0	0.0
R10 Remove education virtual reality	-513,765	-513,765	0	0	0	-4.0
Centrally appropriated line items	32,566,870	32,338,807	221,295	6,768	0	0.0
Technical adjustments	288,689	282,112	6,577	0	0	0.0
Indirect cost assessment	70,095	-70,095	-47,186	93,508	93,868	0.0
Non-prioritized decision items	4,200	4,200	16,728,527	-16,728,527	0	0.0
Annualize prior year actions	-17,795,627	310,875,077	-328,670,704	0	0	-2.4
Total	\$1,214,516,591	\$1,118,400,163	\$64,332,101	\$28,443,324	\$3,341,003	6,436.0
Increase/-Decrease	\$39,795,798	\$366,591,672	-\$310,261,491	-\$16,628,251	\$93,868	11.6
Percentage Change	3.4%	48.8%	-82.8%	-36.9%	2.9%	0.2%
Increase/-Decrease excludes						
H.B. 24-1466	\$39,795,798	\$42,591,672	\$13,738,509	-\$16,628,251	\$93,868	11.6
Percentage Change	3.4%	4.0%	2.0%	-36.9%	2.9%	0.2%

R1 Prison caseload: The request includes an increase of \$8.2 million General Fund and 13.5 FTE. Its purpose is to activate 427 male prison beds to accommodate the projected prison population, per the June 2024 forecast from the Division of Criminal Justice.

R2 Medical caseload: The request includes an increase of \$8.1 million General Fund. Its purpose is to provide adequate external medical care and pharmaceuticals for inmates.

COWINS non-base building incentives: The request includes a one-time increase of \$7.5 million General Fund. Per the COWINS agreement, its purpose is, “...to ensure progress continues to improve staffing in [the State’s] 24/7 facilities...” It provides employees in certain job classes with an additional \$139.50 per month.

R3 Pharmacy system: The request includes an increase of \$808,928 General Fund, increasing to \$837,240 in FY 2026-27. Its purpose is to improve medical prescription management, especially for controlled substances. Per the request, the current system has multiple shortcomings that make prescription management difficult.

R4 Restorative justice: The request includes an increase of \$349,396 General Fund and 1.8 FTE, increasing to \$350,774 and 2.0 FTE in FY 2026-27. Its purpose is to reduce Code of Penal Discipline violations and recidivism. The request would expand restorative justice programming and replace related contract staff with state FTE.

R5 Inmate legal access: The request includes an increase of \$429,150 General Fund and 2.7 FTE. This decreases to \$236,066 in FY 2026-27, but FTE increase to 3.0. Its purpose is to ensure compliance with legal responsibilities. Specifically, to make virtual court proceedings and attorney-client visits available to inmates on an ongoing basis.

R6 Recruitment and retention: The request includes an increase of \$644,540 General Fund. The cost stays the same in FY 2026-27. Its purpose is to reduce staff vacancy rates and improve staff retention.

R7 Broadband [requires legislation]: The request is for JBC-sponsored legislation to annually transfer \$1.5 million General Fund into the Broadband Cash Fund. These transfers would occur from FY 2025-26 through FY 2029-30, with a final \$500,000 transfer in FY 2030-31. The total cost is about \$8.0 million General Fund. This includes \$575,055 for 1.0 Designer/Planner FTE. Its purpose is to increase the number of educational degrees and certifications earned by inmates, increase telehealth appointments, and reduce medical transports.

R8 Overtime reduction: The request includes an ongoing reduction of \$2.0 million General Fund. It aims to account for reduced overtime stemming from improved staffing levels, particularly among correctional officers.

R9 Parole insurance payments: The request includes an ongoing reduction of \$364,196 General Fund. It eliminates an appropriation from S.B. 21-146 (Improve Prison Release Outcomes) that was not utilized.

R10 Remove education virtual reality: The request includes a reduction of \$513,765 General Fund and 4.0 FTE. This reduction continues in FY 2026-27. It eliminates a program that was not implemented after being requested by the Department and approved by the JBC for FY 2023-24. In short, technology problems stopped the program. These problems include incompatibility with DOC systems, overreliance on social media networks, and lack of broadband connectivity.

Centrally appropriated line items: The request includes a net increase of \$32.6 million, as shown in the table below.

Centrally appropriated line items						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Salary survey*	\$11,082,369	\$10,927,124	\$155,245	\$0	\$0	0.0
Health, life, and dental*	7,338,053	7,386,915	-48,862	0	0	0.0
Shift differential*	4,291,551	4,294,259	-2,708	0	0	0.0
Step Plan*	2,965,421	2,940,413	25,008	0	0	0.0
Payments to OIT	2,516,923	2,506,855	10,068	0	0	0.0
AED and SAED*	1,774,390	1,838,155	-63,765	0	0	0.0
Vehicle lease payments	1,066,105	909,465	156,640	0	0	0.0
Risk management & property	845,837	827,398	18,439	0	0	0.0
PERA direct distribution*	829,993	850,287	-20,294	0	0	0.0
CORE adjustment	173,547	160,010	6,769	6,768	0	0.0
Short-term disability*	121,124	122,176	-1,052	0	0	0.0

Centrally appropriated line items						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Paid family & medical leave insurance*	80,982	83,851	-2,869	0	0	0.0
Legal services	-313,435	-306,602	-6,833	0	0	0.0
Workers' compensation	-205,990	-201,499	-4,491	0	0	0.0
Total	\$32,566,870	\$32,338,807	\$221,295	\$6,768	\$0	0.0
Subtotal compensation	\$28,483,883	\$28,443,180	\$40,703	\$0	\$0	0.0

*Included in compensation subtotal

Technical adjustments: The request includes an increase of \$288,689 total funds for lease payments.

Indirect cost assessment: The request includes a net increase in the Department's indirect cost assessments.

Non-prioritized decision items: The request includes a net increase of \$4,200 total funds for requests originating in other agencies. This includes a reclassification of reappropriated funds to cash funds related to a Department of Revenue request. This request reroutes revenue from Revenue's License Plate Cash Fund to Correctional Industries enterprise cash fund.

Annualize prior year actions: The table below shows the FY 2025-26 impact of prior budget actions and legislation.

Annualize prior year actions						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY25 R11 Inmate pay	\$2,453,140	\$2,453,140	\$0	\$0	\$0	0.0
HB23-1133 Inmate phone calls	716,922	716,922	0	0	0	0.0
FY25 R5 Broadband	9,817	9,817	0	0	0	0.1
FY25 R1.5 FTE for budget and stats office	9,403	9,403	0	0	0	0.2
R1/BA1 Prison caseload	8,781	-7,247	16,028	0	0	0.8
FY25 R7 Disabilities Act funding	7,922	7,922	0	0	0	0.3
FY 2024-25 Step Plan	0	-1	1	0	0	0.0
HB 24-1466 Refinance ARPA funds	0	324,000,000	-324,000,000	0	0	0.0
FY25 Non-base building incentives	-8,333,815	-8,221,430	-112,385	0	0	0.0
HB24-1386 DOC broadband	-4,478,218	75,215	-4,553,433	0	0	0.1
FY25 R9 Maintenance	-2,000,000	-2,000,000	0	0	0	0.0
FY25 R3 Staff retention and talent acq.	-1,883,459	-1,883,459	0	0	0	-6.2
FY25 BA3 Clinical staff incentives	-1,868,640	-1,868,640	0	0	0	0.0
Prior year salary survey	-1,125,698	-1,104,783	-20,915	0	0	0.0
FY25 BA4 Corrections training academy	-769,596	-769,596	0	0	0	0.0
FY25 R8 Transportation	-405,003	-405,003	0	0	0	0.2
FY25 R4 Transgender unit and healthcare	-134,343	-134,343	0	0	0	2.1
HB24-1115 Drug label access	-2,840	-2,840	0	0	0	0.0
Total	-\$17,795,627	\$310,875,077	-\$328,670,704	\$0	\$0	-2.4

Issues Presented

This is a summary of the briefing issues presented to the Joint Budget Committee by their dedicated non-partisan staff.

Big Budget Picture: This brief provides an overview of recent and projected trends in the Department's budget.

Male prison caseload and capacity limits: This brief explores standard budget practices for prison caseload adjustments, projected capacity issues, and factors complicating both.

Private prison per-diem rates: This brief provides information about the private prison per-diem rate and the number of beds that private prisons provide.

Staff vacancies and spending: This brief touches on current staffing levels and shortfalls in personnel funding that occurred at the end of FY 2023-24.

Medical costs: This issue provides an overview of recent and projected trends in the cost of medical services for Department inmates. It focuses on the Medical Services Subprogram. It excludes other treatment-oriented subprograms like Drug and Alcohol Treatment and Sex Offender Treatment.

Budget reduction options: This issue reviews budget reduction options for the Department.

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To read the entire briefing: Go to <http://leg.colorado.gov/content/budget/budget-documents> to use the budget document search tool. Select this department's name under *Department/Topic*, "Briefing" under *Type*, and select a *Start date* and *End date* to show documents released in November and December of 2024.

Early Childhood

The Department of Early Childhood exists to support the care, education, and well-being of young children. The Department’s FY 2024-25 appropriation represents approximately 1.8 percent of statewide operating appropriations and 1.9 percent of statewide General Fund appropriations.

Summary of Request

Department of Early Childhood						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2024-25 Appropriation						
HB 24-1430 (Long Bill)	\$769,036,813	\$292,987,198	\$265,946,952	\$18,443,712	\$191,658,951	230.4
Other legislation	2,742,614	777,690	1,764,924	200,000	0	4.7
Total	\$771,779,427	\$293,764,888	\$267,711,876	\$18,643,712	\$191,658,951	235.1
FY 2025-26 Requested Appropriation						
FY 2024-25 Appropriation	\$771,779,427	\$293,764,888	\$267,711,876	\$18,643,712	\$191,658,951	235.1
R1 CCDF regulation implementation	11,747,439	0	2,405,420	0	9,342,019	0.0
R2 Universal preschool program	7,758,330	3,658,330	4,100,000	0	0	0.0
R3 Early intervention caseload	3,600,000	3,500,000	100,000	0	0	0.0
R4 CO Child Abuse Prev. Trust Fund	712,000	-150,000	862,000	0	0	0.0
R5 Language justice	206,488	0	0	103,244	103,244	1.0
R6 Cost allocation	1,500,630	-345,428	220,906	815,351	809,801	0.5
Non-prioritized decision items	-8,768	-5,856	0	0	-2,912	0.0
Centrally appropriated line items	5,826,386	4,369,161	549,207	1,192,187	-284,169	0.0
Prior year legislation	563,711	563,711	0	0	0	2.5
Indirect cost assessment	352,778	0	36,541	176,389	139,848	0.0
Prior year budget actions	-22,730,728	-3,438,883	418,875	18,776	-19,729,496	5.0
Total	\$781,307,693	\$301,915,923	\$276,404,825	\$20,949,659	\$182,037,286	244.1
Increase/-Decrease	\$9,528,266	\$8,151,035	\$8,692,949	\$2,305,947	-\$9,621,665	9.0
Percentage Change	1.2%	2.8%	3.2%	12.4%	-5.0%	3.8%

R1 CCDF Regulation implementation: The request includes \$11.7 million total funds, including \$2.4 million cash funds from local government sources¹ and \$9.3 million federal Child Care Development Funds (CCDF), to support the Colorado Child Care Assistance Program (CCCAP) in FY 2025-26 and ongoing. Approximately \$9.1 million CCDF would support provider reimbursements, and \$210,000 would provide additional resources for the Expanding Quality for Infants and Toddlers (EQIT) program. New federal regulations, as well as a new rate calculation methodology for provider reimbursements, will increase the cost of providing service to families enrolled in the CCCAP in the next two years. The Department designated this request as evidence-informed.

R2 Universal preschool program (UPK): The request includes \$3.7 million General Fund and \$4.1 million cash funds from the Preschool Programs Cash Fund for the Universal Preschool Program in FY 2025-26. The General Fund amount is an increase based on inflation, as required by statute. Both amounts are placeholders to be

¹ The amount from local governments is informational only and represents the county proportional share that is required by program rules.

updated with the March 2025 revenue forecast and inflation projections. Funding will support payments to providers for preschool services. This program is evidence-informed.

R3 Early Intervention caseload [requires legislation]: The request includes \$3.5 million General Fund and \$100,000 cash funds from the Early Intervention Services Trust Fund for the Early Intervention program in FY 2025-26 and ongoing. This funding would support payments to providers for services provided to children enrolled in the program. It would help meet certain maintenance of effort requirements for federal IDEA funding. The Department is also requesting that the Joint Budget Committee sponsor legislation to designate Early Intervention as an entitlement program. This program is evidence-informed.

R4 CO Child Abuse Prev. Trust Fund: The request includes a decrease of \$150,000 General Fund and an increase of \$862,000 from the Colorado Child Abuse Prevention (COCAP) Trust Fund (cash funds) in FY 2025-26 to expand abuse and neglect prevention programs.² Of the cash funds, \$500,000 would be for five years only to spend down the balance of court docket fees deposited into the Fund. The remaining \$362,000 would be ongoing and is related to new revenues from the Federal Family First Prevention Services Act (FFPSA) reimbursements. The Department also requests flexibility in the Long Bill to spend all new revenues generated from the FFPSA reimbursements moving forward. The Department indicates program supported by these funds are evidence informed.

R5 Language justice: The request includes an increase of \$206,488 total funds including equal amounts reappropriated and federal funds in FY 2025-26 and \$208,606 in federal and reappropriated funds in FY 2026-27 and ongoing to support a Language Justice Coordinator. Currently, this position is supported with federal stimulus dollars. This position supports language access strategies across the Department’s programs and services. An evidence designation is not applicable to this request as it is not a program or practice.

R6 Cost allocation: The request includes an increase of \$1.5 million total funds, including a decrease of \$345,428 General Fund, to accurately reflect the federal cost allocation plan. The request also includes indirect cost collections to support a grant writer for the Department’s programs. An evidence designation is not applicable to this request as it is not a program or practice.

Non-prioritized decision items: The request includes decreases related to decision items in other departments as summarized in the table below.

Non-prioritized decision items						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
NP2 DPA OAC staffing	\$73	\$73	\$0	\$0	\$0	0.0
NP3 HCPF NP contractor	-7,697	-4,785	0	0	-2,912	0.0
NP1 DPA fleet vehicles	-1,144	-1,144	0	0	0	0.0
Total	-\$8,768	-\$5,856	\$0	\$0	-\$2,912	0.0

Centrally appropriated line items: The request includes a net increase of \$5.8 million total funds, including \$4.4 million General Funds, for centrally appropriated line items, summarized in the table below. The largest increases are for payments to Office of Information Technology and legal services.

Centrally appropriated line items						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Payments to OIT	\$2,337,885	\$1,925,984	0	\$411,901	\$0	0.0

² The request effectively refinances General Fund for the child Sexual Abuse Prevention Training Program by leveraging Colorado Child Abuse Prevention Trust Fund cash funds for this activity.

Centrally appropriated line items						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Legal services	1,324,077	1,324,077	\$0	\$0	\$0	0.0
Health, life, and dental	915,406	407,155	269,569	391,880	-153,198	0.0
Salary survey	673,166	291,654	131,663	70,534	179,315	0.0
AED and SAED	407,472	288,215	123,515	243,894	-248,152	0.0
Step plan	103,887	51,307	10,378	6,661	35,541	0.0
CORE operations	60,870	60,870	0	0	0	0.0
Paid family & medical leave insurance	18,336	12,970	5,558	10,975	-11,167	0.0
Leased space	15,835	5,859	14	9,962	0	0.0
Short-term disability	6,112	4,323	1,853	3,659	-3,723	0.0
Risk management & property	1,096	1,096	0	0	0	0.0
Shift differential	81	69	12	0	0	0.0
ALJ services	-17,615	-17,615	0	0	0	0.0
PERA direct distribution	-15,586	17,833	6,645	42,721	-82,785	0.0
Workers' compensation	-4,636	-4,636	0	0	0	0.0
Total	\$5,826,386	\$4,369,161	\$549,207	\$1,192,187	-\$284,169	0.0

Annualize prior year legislation: The request includes a net increase of \$563,711 General Fund and 2.5 FTE to reflect the FY 2025-26 impact of bills passed in previous sessions. The changes are summarized in the following table.

Annualize prior year legislation						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
HB24-1223 Improved access to CCCAP	\$495,661	\$495,661	\$0	\$0	\$0	0.9
HB24-1364 Workforce readiness	85,163	85,163	0	0	0	0.4
SB24-078 Outdoor preschool	27,823	27,823	0	0	0	0.7
HB24-1009 Bilingual child care licensing	-42,130	-42,130	0	0	0	0.3
HB24-1312 Income tax credit - careworkers	-2,806	-2,806	0	0	0	0.2
Total	\$563,711	\$563,711	\$0	\$0	\$0	2.5

Indirect cost assessment: The request includes an increase of \$352,778 total funds related to statewide indirect cost recoveries for common policy adjustments. This request is separate and distinct from the Departmental indirect cost allocation changes in R6.

Annualize prior year budget actions: The request includes a net decrease of \$22.7 million total funds, including -\$3.4 million General Fund and -\$19.7 million federal funds, in FY 2025-26. These changes reflect the out-year impact of prior year budget actions.

Annualize prior year budget actions						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY24-25 R2 Dept. core operations	\$165,444	\$170,968	-\$5,524	\$0	\$0	2.2
FY24-25 R4 UPK and child care workforce	11,262	11,262	\$0	\$0	\$0	2.0
FY23-24 R7/BA4 Stimulus funding	-17,335,676	0	0	0	-17,335,676	0.0
FY23-24 R4/BA2 EI caseload	-3,500,000	-3,500,000	0	0	0	0.0
FY24-25 R5 CCCAP	-1,877,625	0	515,567	0	-2,393,192	1.0
FY23-24 R5 Equity in DEC	-83,909	-102,685	0	18,776	0	-1.0
FY24-25 R1 UPK	-77,673	0	-77,673	0	0	0.6
FY24-25 R6 Universal home visiting pilot	-17,800	-17,800	0	0	0	0.1
FY24-25 BA1 UPK	-13,495	0	-13,495	0	0	0.1
FY24-25 NP4 HCPF PEAK	-1,256	-628	0	0	-628	0.0

Annualize prior year budget actions						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Total	-\$22,730,728	-\$3,438,883	\$418,875	\$18,776	-\$19,729,496	5.0

Issues Presented

This is a summary of the briefing issues presented to the Joint Budget Committee by their dedicated non-partisan staff.

Colorado Child Care Assistance Program: The Colorado Child Care Assistance Program provides financial support to eligible families for child care services. This program is administered at the county level with state supervision and state, federal, and local funding. It serves an average of 28,730 children annually. This issue brief discusses recent federal and state changes which will increase the cost of the program.

Universal Preschool Program: The State is required by law to offer a minimum of 10 hours of free preschool services per week to all Colorado children in the year before kindergarten eligibility. Currently, the Department offers 15 hours to all eligible children. Certain 3- and 4-year-old children whose families' household income is 100.0 percent of the federal qualifying factor or two qualifying criteria may receive up to 30 hours of free preschool per week. Three- and four-year old children with an Individualized Education Plan (IEP) must be offered preschool as dictated by their IEP. IEP provisions are administered by the Colorado Department of Education. This issue brief provides an update on the Universal Preschool Program.

Preschool Development Grant: The Preschool Development Grant Birth through Five program provides funding to states and territories through a competitive grant program to bolster early care and education systems. There are two types of grants, Initial and Renewal, which are awarded to states. Colorado recently applied for but was not awarded a renewal grant which may slow growth efforts. This issue brief provides an overview of the grant in Colorado.

For More Information

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To read the entire briefing: Go to <http://leg.colorado.gov/content/budget/budget-documents> to use the budget document search tool. Select this department's name under *Department/Topic*, "Briefing" under *Type*, and select a *Start date* and *End date* to show documents released in November and December of 2024.

Education

The Department of Education supports the State Board of Education in its duty to exercise general supervision over public schools, including accrediting public schools and school districts. The Department distributes state and federal funds to school districts, administers a variety of education-related programs, develops and maintains state model content standards, and administers associated assessments. The Department also includes three independent agencies: (1) the Board of Trustees for the Colorado School for the Deaf and the Blind, (2) the State Charter School Institute Board, and (3) the Public School Capital Construction Assistance Board.

The Department's FY 2024-25 appropriation represents approximately 17.9 percent of statewide operating appropriations and 29.1 percent of statewide General Fund appropriations. Most of this funding is distributed on a formula basis for school finance and categorical programs.

Summary of Request

Department of Education						
Item	Total Funds	General Fund ¹	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2024-25 Appropriation						
HB 24-1430 (Long Bill)	\$7,440,463,982	\$4,701,504,172	\$1,764,077,511	\$104,652,889	\$870,229,410	732.8
SB 24-188 School Finance	48,593,794	0	48,593,794	0	0	1.0
SB 24-233 Property tax	378,861,731	0	378,861,731	0	0	0.0
Other legislation	-62,690,951	-174,126,551	160,656,296	-49,220,696	0	8.3
Total	\$7,805,228,556	\$4,527,377,621	\$2,352,189,332	\$55,432,193	\$870,229,410	742.1
FY 2025-26 Requested Appropriation						
FY 2024-25 Appropriation	\$7,805,228,556	\$4,527,377,621	\$2,352,189,332	\$55,432,193	\$870,229,410	742.1
R1 School finance changes	-264,012,260	115,000,000	-379,012,260	0	0	0.0
R2 Categorical programs increase	13,536,016	0	13,536,016	0	0	0.0
R3 CSI Mill levy equalization	1,738,755	0	1,738,755	0	0	0.0
R4 Supporting instructional coherence	150,000	0	150,000	0	0	0.0
R5 Student engagement	354,261	354,261	0	0	0	2.0
R6 READ Act training support	3,361,590	0	3,361,590	0	0	2.0
R7 CO Talking Book Library security	72,333	72,333	0	0	0	0.0
R8 National Student Clearinghouse	67,870	67,870	0	0	0	0.0
R9 Statewide Student Information System	200,000	200,000	0	0	0	0.0
R10 CSDB inflationary increase	377,809	377,809	0	0	0	2.3
R11 Career training & basic skills reduction	-550,000	-500,000	-50,000	0	0	0.0
R12 Inactive cash funds sweep	0	0	0	0	0	0.0
NP3 Retain MTCF refinance	0	0	0	0	0	0.0
Other non-prioritized requests	-851,494	-247,972	6,478	-610,000	0	0.0
Centrally appropriated line items	2,643,100	809,728	614,873	309,650	908,849	0.0
Annualize prior year legislation	-3,567,610	-1,062,669	-2,504,941	0	0	0.8
Annualize prior year budget actions	-658,002	-658,002	0	0	0	0.2
Technical adjustments	0	0	0	0	0	0.0
Total	\$7,558,090,924	\$4,641,790,979	\$1,990,029,843	\$55,131,843	\$871,138,259	749.4
Increase/-Decrease	-\$247,137,632	\$114,413,358	-\$362,159,489	-\$300,350	\$908,849	7.3
Percentage Change	-3.2%	2.5%	-15.4%	-0.5%	0.1%	1.0%

¹ Includes General Fund Exempt. See Appendix D for more information.

R1 School finance changes [requires legislation]: The request proposes the following changes to the new school finance formula created in H.B. 24-1448:

- Eliminate student averaging in the new formula;
- Eliminate student averaging and the extra 0.5% in the old formula for purposes of the hold harmless calculation;
- Extend the phase-in by one year and change annual implementation percentages; and
- Cap Building Excellent Schools Today (BEST) cash grants at \$129 million (the average for the past five years) and use the savings for school finance.

OSPB estimates savings of \$186.4 million for the state share of districts’ total program funding attributable to the first three components combined. The proposed BEST cap would generate an estimated \$58.0 million in savings that would be used for school finance via the State Public School Fund (SPSF), thereby alleviating pressure on the General Fund and State Education Fund (SEF). The request identifies this program as “evidence informed” under the S.B. 21-284 evidence categories. For additional information regarding this request, see the first issue brief.

R2 Categorical programs increase: Amendment 23 requires the General Assembly to increase total state funding for all categorical programs (in aggregate) by at least the rate of inflation. The request includes an increase of \$13.5 million cash funds from the State Education Fund to support the required increase based on the Office of State Planning and Budgeting-projected inflation rate for CY 2024 of 2.5 percent. The following table shows the requested allocation of funds by program.

R2 Requested Increases in State Funding for Categorical Programs				
Long Bill Line Item	FY 2024-25 Appropriation	FY 2025-26 Request	Change in State Funding	Percent Change
Special Education - Children with Disabilities	\$375,565,176	\$384,954,305	\$9,389,129	2.5%
English Language Proficiency Program	34,602,428	35,976,163	1,373,735	4.0%
Public School Transportation	71,356,841	73,114,428	1,757,587	2.5%
Career and Technical Education Programs	31,993,182	32,749,567	756,385	2.4%
Special Education - Gifted and Talented Children	15,735,647	15,986,097	250,450	1.6%
Expelled and At-risk Student Services Grant Program	9,470,254	9,473,282	3,028	0.0%
Small Attendance Center Aid	1,604,359	1,606,738	2,379	0.1%
Comprehensive Health Education	1,112,772	1,116,095	3,323	0.3%
Total	\$541,440,659	\$554,976,675	\$13,536,016	2.5%

R3 CSI Mill levy equalization: The request includes an increase of \$1.7 million cash funds from the State Education Fund for mill levy equalization for Charter School Institute (CSI) charter schools. This brings support for equalization to \$51.0 million, including \$27.2 million from the General Fund and \$23.7 million from the SEF. Statute requires that “beginning in the 2024-25 budget year and each budget year thereafter, the general assembly shall appropriate from the general fund the amount necessary each budget year to fund full mill levy equalization for all institute charter schools for the applicable budget year.” This is intended to ensure that students enrolled at CSI schools receive per pupil funding equal to the district per pupil funding in each district where a CSI school is located. The cost of “full equalization” is not a fixed number and will continue to evolve over the course of the year. Early figures suggest that there will be a significant increase for both FY 2024-25 and FY 2025-26, but specific figures are pending a January 2025 submission.

R4 Supporting instructional coherence [requires legislation for proposed funding mechanism]: The request includes an increase of \$150,000 cash funds for FY 2025-26, decreasing to \$100,000 in FY 2026-27 and ongoing, appropriated to the School Transformation Grant Program. The increase includes two components. First, it would enable the Department to contract with an external partner (EdReports) to develop an optional list of high quality instructional materials for English Language Arts in grades 4-12, filling out its existing lists of

high quality instructional materials and ensuring better access to a list of materials across grades K-12 in both English language arts and math. Second, it would support 3-6 districts a year to join a cohort to engage in professional learning on instructional coherence, with an emphasis on high quality learning materials.

The request indicates that the funds would be from money in the Early Literacy Cash Fund (which originates as State Education Fund), which would be transferred to the State Public School Fund over the next four years.

R5 Student engagement: The request includes an increase of \$354,261 General Fund and 2.0 FTE in FY 2025-26, decreasing to \$267,384 General Fund in FY 2026-27 and ongoing, to address chronic absenteeism in Colorado schools. The request includes the addition of 2.0 FTE (principal consultants) and \$75,000 in first-year materials costs. Chronic absenteeism, defined as a K-12 student missing 10.0 percent or more of school days for any reason, spiked during the pandemic and remained at 31.1 percent in FY 2022-23. Chronic absenteeism is significant across all grade levels, and the issue is particularly severe among certain groups such as multilingual learners, students with individualized education plans, and students qualifying for free/reduced priced lunch. The Department’s draft Strategic Plan includes a goal to reduce chronic absenteeism among Colorado students to 17.8 percent by FY 2026-27.

Currently, the Department does not have a funded position to support student attendance and engagement efforts. New staff would facilitate district learning cohorts and provide technical support for districts that are working on this problem. The request identifies this proposal as “evidence informed” under the S.B. 21-284 evidence categories.

R6 READ Act training support: The request includes one-time spending authority of \$3.4 million cash funds from the Early Literacy Cash Fund, with roll-forward through FY 2026-27, and 2.0 FTE (term-limited), to train regional cohorts of K-3rd grade teachers in evidence-based intensive reading interventions and add funding for early literacy grants. The request notes that the external evaluation of READ Act services and internal department analysis indicates that “while some positive outcomes are being achieved [from READ Act programs], students in the lowest score range on approved reading interim assessments, largely consisting of students with [individualized education plans/IEPs], student with or at-risk for dyslexia, and multilingual learners, have persistent reading deficits. While not unique to Colorado, these gaps are stubborn and disturbing.”

To address the reading needs of key student subgroups, the Department proposes to develop and deliver training for elementary educators in intensive reading interventions for students who are multilingual, have IEPs, or are at-risk for/identified with dyslexia. Once developed, the content will be made available in a hybrid, online, and in-person format. The request also proposes to add funding for early literacy grants. Cost components are shown in the table below. The request identifies this program as “evidence informed” under the S.B. 21-284 evidence categories.

R6 READ Act Request Components	
Item	FY 2025-26, with roll-forward to FY 2026-27
Training Program content development for units for multilingual learners, students with IEPs, and students with dyslexia	\$801,000
Training Program content hosting	305,000
Program training materials	6,000
Term-limited FTE (2.0 FTE)	249,590
Early literacy grant program funds	2,000,000
Total	\$3,361,590

R7 CO Talking Book Library security: The request includes an increase of \$72,333 General Fund for FY 2025-26 and ongoing to provide a contract guard at the Colorado Talking Book Library and State Publications Library at 180 Sheridan. There has been an increase in unhoused people, drug use, and vandalism at the location that

has put people and property at risk. The request would expand the Department's current security provider contract to add a position at this location during business hours on Monday through Friday.

R8 National Student Clearinghouse: The request includes an increase of \$67,870 General Fund for subscription fees to the National Student Clearinghouse that are paid from the line item for Longitudinal Analysis of Student Assessment Results. This funding is required to enable the Department to comply with Section 22-11-204 (4)(IV), C.R.S., which specifies that one of the state's school performance measures is the percentage of students graduating from a public high school who, in the school year immediately following graduation, enroll in a career and technical education program, community college, or four-year institution of higher education.

The National Student Clearinghouse data enables the State, as well as individual secondary and post-secondary institutions, to understand and analyze the pathways students take from graduating from a particular high school to enrolling in postsecondary education. The Department historically purchased a tier of data for \$30,730 that is no longer available; the minimum cost is now \$98,600.

In February 2024, the Departments of Education and Higher Education learned about the increased cost for the contract. For FY 2024-25, the two departments are splitting the cost, but they request additional funding to cover the increase for future years.

R9 Statewide Student Information System: The request includes \$200,000 one-time General Fund in FY 2025-26 to fund consulting services to provide an updated analysis of the benefits and feasibility of implementing a statewide Student Information System (SIS). Student Information Systems are systems like PowerSchool and Infinite Campus that are typically used by individual schools and districts to house information like grades, attendance, and schedules, and—in this instance—could be used as a way for districts to report local education provider data to the Department. An in-depth analysis from 2019 considered if purchasing such a system on a statewide basis would be beneficial. The results of this earlier analysis were mixed, as districts supported a statewide SIS that they could use on an optional basis, but they were skeptical of the price. In light of this, as well as more pressing needs related to the pandemic, work in this area stopped.

Due to the development of new technologies, as well as ever-increasing demands on districts for data-reporting, the Department believes a statewide SIS should be reconsidered. It proposes engaging department staff and consulting services to: review the conclusions of the 2019 study; evaluate whether a statewide SIS would ease the burden of required statewide data collections; evaluate the ability of a statewide SIS to save districts money by increasing economies of scale; engage in broad-based stakeholder engagement; and use this process to better understand the specific requirements that would be needed by districts to eliminate the need for other systems.

R10 CSDB inflationary increase [requires legislation]: The request includes \$377,809 General Fund, based on a 2.5 percent inflation rate estimate, and 2.3 FTE for the Colorado School for the Deaf and the Blind (CSDB). The request proposes a statutory change to provide ongoing funding for the school at the higher rate of either inflation (Denver-Aurora-Lakewood CPI) for a given fiscal year or the statutorily required teacher salary increase from the surrounding D11 district. The school anticipates that this will enhance budget autonomy and minimize administrative burdens for school staff.

R11 Career training and basic skills reduction [requires legislation for one component]: The request identifies two programs that the Department indicates can be reduced without affecting services provided to districts: reducing the Colorado Career Advisor Training appropriation by \$500,000 General Fund and eliminating the \$50,000 State Education Fund appropriation for Basic Skills Placement.

Career Advisor Training: The General Assembly created the Colorado Career Advisor Training Program in S.B. 22-165 and added \$1.0 million General Fund to the Department's funding to support training for career

advisors, including school counselors, workforce center, higher education, adult education, and nonprofit career advisors. The funding was used to develop an online self-paced “Meaningful Career Conversation” course and several other short on-line tools for career advisors and advisees. Although the bill’s fiscal note indicated that \$1.0 million was required on an ongoing annual basis, the Department indicates that the cost to maintain these supports is less than what was necessary for the initial creation of the training and tools. The Department anticipates that only \$500,000 is necessary to meet statutory requirements moving forward, allowing for a reduction of \$500,000.

Basic Skills Placement: Funding was initially authorized in the 2012 School Finance Act (HB12-1345) and was later revised in 2019. The appropriation is intended to offset the costs of administering the basic skills placement or assessment test for students in grades nine through twelve. The funding has not been used in over seven years, so the request would eliminate a \$50,000 appropriation that has reverted each year. Eliminating this appropriation requires a statutory change.

R12 Inactive cash funds sweep [requires legislation]: The Department’s budget team analyzed cash fund balances and line items with reversions from the prior year and identified funds that appear not to be in use but have residual balances. Approximately \$160,000 can be swept from the Rural Schools Cash Fund, as funding for rural schools is being addressed through a different mechanism. An additional approximate \$100,000 total can be swept from four other inactive funds: the High-cost Special Education Fund, Teacher Residency Expansion Program, Financial Reporting Fund, and Public Education Fund. Money remains available in these funds for various reasons including residual interest earnings and repealed statutes.

NP3 Retain MTCF refinance: The Statewide R7 request for Marijuana Tax balancing includes a request to continue, for a third year, the refinance of a \$5.4 million appropriation from the Marijuana Tax Cash Fund for the Early Literacy Competitive Grant Program using money from the Early Literacy Cash Fund. The request acknowledges that because two Department of Education requests also propose to draw on the fund balance of the Early Literacy Fund, “this refinance proposal may require an additional one-time transfer of State Education Fund dollars of \$4.5 million above the ongoing \$34.0 million transfer the Early Literacy Fund receives from the State Education Fund.”

Other non-prioritized requests: The request includes adjustments that originate in the Governor’s Office of Information Technology (OIT) and the Department of Personnel that are summarized in the table below.

Other non-prioritized requests						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
NP2 OAC staffing	\$6,478	\$0	\$6,478	\$0	\$0	0.0
NP1 Vehicle lease payments	2,028	2,028	\$0	0	0	0.0
NP4 Communication services for persons with disabilities	-860,000	-250,000	0	-610,000	0	0.0
Total	-\$851,494	-\$247,972	\$6,478	-\$610,000	\$0	0.0

Centrally appropriated line items: The request includes adjustments to centrally appropriated line items that are summarized in the table below.

Centrally appropriated line items						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Salary survey	\$1,659,158	\$649,333	\$251,468	\$182,709	\$575,648	0.0
Health, life, and dental	770,261	344,978	201,765	64,856	158,662	0.0
Step plan	377,596	144,466	57,000	37,338	138,792	0.0
Statewide indirect cost policy	200,427	0	80,544	37,965	81,918	0.0
Capitol Complex leased space	161,454	46,014	29,385	14,692	71,363	0.0

Centrally appropriated line items						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
CORE adjustment	125,677	62,832	48,688	14,157	0	0.0
Risk management & property	97,147	97,147	0	0	0	0.0
Administrative law judge services	35,540	0	35,540	0	0	0.0
Paid family & medical leave	15,884	16,408	3,337	439	-4,300	0.0
Payments to OIT	-603,726	-445,641	-121,664	-36,421	0	0.0
Legal services	-129,406	-79,973	-43,351	-6,082	0	0.0
Workers' compensation	-45,685	-21,950	-5,961	-1,544	-16,230	0.0
PERA direct distribution	-11,182	-5,671	2,860	-8,371	0	0.0
AED and SAED	-8,534	3,121	74,150	9,766	-95,571	0.0
Shift differential	-1,382	-1,382	0	0	0	0.0
Short-term disability	-129	46	1,112	146	-1,433	0.0
Total	\$2,643,100	\$809,728	\$614,873	\$309,650	\$908,849	0.0

Annualize prior year legislation: The request includes adjustments for the FY 2025-26 impact of prior year legislation.

Annualize prior year legislation						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
SB 23-219 Supports to students and facility schools	\$4,771,421	\$0	\$4,771,421	\$0	\$0	1.0
HB 24-1448 New public school finance formula	486,660	-13,340	500,000	0	0	0.0
HB 20-1032 Timing K-12 ed standards review	118,246	118,246	0	0	0	0.0
HB 08-1384 Survey teaching & learning conditions	50,000	50,000	0	0	0	0.0
HB 24-1331 Out-of-school time grant program	45,530	45,530	0	0	0	0.1
HB 24-1216 Supports in juvenile justice system	25,729	25,729	0	0	0	0.7
SB 24-069 Clarify IEP info	16,419	16,419	0	0	0	0.1
SB 24-070 Remote testing and online ed programs	13,200	0	13,200	0	0	0.0
HB 21-1087 Teaching & learning conditions survey	8,500	8,500	0	0	0	0.0
HB 24-140 Higher Ed support homeless youth	577	577	0	0	0	0.0
HB 24-1282 9 th grade success grant & performance reporting	0	0	0	0	0	0.0
HB 24-1063 Addressing abbreviated school days	0	0	0	0	0	-0.2
HB 22-1374 Foster care success	0	0	0	0	0	0.2
HB 24-1290 Student educator stipend	-4,197,000	0	-4,197,000	0	0	0.0
HB 24-1446 Prof development for science teachers	-3,000,000	0	-3,000,000	0	0	0.0
HB 24-1364 Education-based workforce readiness	-779,836	-800,005	20,169	0	0	-0.7
SB 23-221 Healthy School Meals Program Fund	-400,000	0	-400,000	0	0	0.0
HB 24-1063 Addressing abbreviated school days	-134,394	-134,394	0	0	0	0.0
SB 24-048 Substance use disorder recovery	-115,805	-115,805	0	0	0	-0.1
SB 24-162 Best practices prevent discrimination	-111,111	0	-111,111	0	0	0.0
SB 24-188 School finance	-101,620	0	-101,620	0	0	0.0
HB 24-1164 Free menstrual products	-100,000	-100,000	0	0	0	0.0
SB 23-296 Prevent harassment and discrimination	-64,500	-64,500	0	0	0	0.0
HB 24-1393 ASCENT program modifications	-45,600	-45,600	0	0	0	0.0
HB 24-1331 Out-of-school time grant program	-45,530	-45,530	0	0	0	-0.2
HB 24-1136 Healthier social media use	-4,596	-4,596	0	0	0	-0.1
HB 23-1231 Math in pre-k through 12th grade	-3,900	-3,900	0	0	0	0.0
Total	-\$3,567,610	-\$1,062,669	-\$2,504,941	\$0	\$0	0.8

Annualize prior year budget actions: The request includes adjustments for the FY 2025-26 impact of prior year budget actions.

Annualize prior year budget actions						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 24-25 R14 Payroll office support	\$12,147	\$12,147	0	0	0	0.1
FY 24-25 R15 CDE facility needs	2,781	2,781	0	0	0	0.0
FY 24-25 R4 Human resources capacity	2,229	2,229	0	0	0	0.1
FY 24-25 R17 Colfax security	404	404	0	0	0	0.0
FY 24-25 Salary survey	0	0	0	0	0	0.0
FY 24-25 Step pay	0	0	0	0	0	0.0
FY 24-25 Early Literacy MTCF refinance	0	0	0	0	0	0.0
FY 24-25 R6 ESSER staff closeout	-571,416	-571,416	0	0	0	0.0
FY 24-25 R18 CSDB teacher salary	-104,147	-104,147	0	0	0	0.0
Total	-\$658,002	-\$658,002	\$0	\$0	\$0	0.2

Technical adjustments: The request includes technical adjustments with a net \$0 fiscal impact.

Issues Presented

This is a summary of the briefing issues presented to the Joint Budget Committee by their dedicated non-partisan staff.

Budget Reduction Options (School Finance and Categorical Programs): This issue brief discusses budget balancing options in the subdivision of the School District Operations division. The Department’s R1 request proposes legislative changes that would result in \$244.4 million of General Fund/State Education Fund relief in FY 2025-26 compared to current law. Amendment 23 requires the total amount of state funding appropriated for categorical programs to increase by at least the rate of inflation each year; the General Assembly therefore cannot make any reductions to the (B) Categorical Programs subdivision.

R1 School Finance Changes: This issue brief provides an overview of the Governor’s proposed changes to the new H.B. 24-1448 school finance formula. The key components of the request are:

- Eliminate student averaging in the new formula;
- Eliminate student averaging and the extra 0.5% in the old formula for purposes of the hold harmless calculation;
- Extend the phase-in period by one year (from 6 to 7) and change annual implementation percentages (from 18 to 10 percent in the first year); and
- Cap Building Excellent Schools Today (BEST) cash grants and use the savings for school finance.

OSPB estimates savings of \$186.4 million for the state share of districts’ total program funding attributable to the first three components combined, while Legislative Council Staff estimates savings of \$217.1 million for those components. The proposed BEST cap would generate an estimated \$58.0 million in savings that would be used for school finance via the State Public School Fund (SPSF), thereby alleviating pressure on the General Fund and State Education Fund.

R2 Categorical Programs Increase: Amendment 23 requires the General Assembly to increase total state funding for all categorical programs (in aggregate) annually by at least the rate of inflation, equating to \$13.5 million in the Governor’s request. This issue brief discusses the R2 proposal for how to allocate the increase among categorical programs and examines how recent policy changes related to special education funding programs for children with disabilities complicate the calculation method that has historically been used.

R2 Requested Increases in State Funding for Categorical Programs

Long Bill Line Item	FY 2024-25 Appropriation	FY 2025-26 Request	Change in State Funding	Percent Change
Special Education - Children with Disabilities	\$375,565,176	\$384,954,305	\$9,389,129	2.5%
English Language Proficiency Program	34,602,428	35,976,163	1,373,735	4.0%
Public School Transportation	71,356,841	73,114,428	1,757,587	2.5%
Career and Technical Education Programs	31,993,182	32,749,567	756,385	2.4%
Special Education - Gifted and Talented Children	15,735,647	15,986,097	250,450	1.6%
Expelled and At-risk Student Services Grant Program	9,470,254	9,473,282	3,028	0.0%
Small Attendance Center Aid	1,604,359	1,606,738	2,379	0.1%
Comprehensive Health Education	1,112,772	1,116,095	3,323	0.3%
Total	\$541,440,659	\$554,976,675	\$13,536,016	2.5%

Budget Reduction Options (Sections other than School Finance & Categorical Programs) The Executive Budget Request includes proposals for General Fund savings and revenue enhancements totaling \$932,217 for the Department of Education budget sections other school finance and categorical programs. This represents 0.8 percent of the General Fund appropriations in these sections of the budget. This issue brief reviews these proposals and additional options identified by staff.

Healthy School Meals for All: Demand for the Healthy School Meals for All Program, which offers free meals for all public school students, has outstripped projections, and expenditures are likely to exceed revenue in future years. This issue explores the recommendations of the Technical Advisory Group charged with examining possible solutions.

Budget Estimates for Ballot Initiatives: TABOR (3)(c) requires the Ballot Information Book (Blue Book) to include revenue estimates for certain measures that change tax policy. When these forecasts are too low, a second popular vote is required. This issue explores options to reduce the likelihood that such additional votes are required.

Building Excellent Schools Today: The Executive Budget Request includes a proposal to cap revenue to the Building Excellent Schools Today (BEST) program for cash grants at \$129.0 million, diverting \$58.0 million to support public school finance. This issue provides additional background on the BEST program, which is supported primarily by state land board revenue and marijuana excise taxes, as well as a related program for charter school facilities assistance. Both programs received increases through H.B. 24-1448 (New School Finance Formula).

For More Information

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Office of the Governor

The Office of the Governor includes the functions associated with the Governorship (oversight of executive branch agencies, policy development, communications, and citizen support services), as well as the Office of the Lieutenant Governor, Office of State Planning and Budgeting, Office of Economic Development and International Trade, and the Office of Information Technology. The Department's FY 2024-25 appropriation represents approximately 1.2 percent of statewide operating appropriations and 0.4 percent of statewide General Fund appropriations.

Summary of Request

Governor - Lieutenant Governor - State Planning and Budgeting						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2024-25 Appropriation						
H.B. 24-1430 (Long Bill)	\$515,290,082	\$54,489,412	\$97,496,686	\$354,369,422	\$8,934,562	1,281.5
Other Legislation	8,866,797	1,373,376	6,384,217	1,109,204	0	16.8
Total	\$524,156,879	\$55,862,788	\$103,880,903	\$355,478,626	\$8,934,562	1,299.1
FY 2025-26 Requested Appropriation						
FY 2024-25 Appropriation	\$524,156,879	\$55,862,788	\$103,880,903	\$355,478,626	\$8,934,562	1,298.3
OSPB R1 Cont of emergency funds staff	299,470	299,470	0	0	0	2.0
CEO R1 CEO sustain funding	155,013	155,013	0	0	0	3.8
OEDIT R1 GF inc global bus dev	825,000	825,000	0	0	0	2.0
OEDIT R2 MBO and Leading Edge	250,000	250,000	0	0	0	0.0
OEDIT R3 CO aerospace invest	100,000	100,000	0	0	0	0.0
OEDIT R4 Admin funds	1,888,706	0	0	1,888,706	0	0.0
OEDIT R5 Reduce skills advance approp	-3,000,000	-3,000,000	0	0	0	0.0
OEDIT R6 One percent GF reduce	-235,406	-235,406	0	0	0	0.0
OIT R1 TAP operating reduction	-45,000	-45,000	0	0	0	0.0
OIT R2 Tech Risk Response transfer	0	0	0	0	0	0.0
Non-prioritized decision items	-7,042	-7,042	0	0	0	0.0
Centrally appropriated items	41,992,049	1,896,330	1,344,869	38,313,736	437,114	0.0
Indirect cost assessment	369,210	0	-8,232	234,030	143,412	0.0
Annualize prior year budget actions	-8,997,646	-2,105,953	-1,875,358	-4,452,413	-563,922	-7.5
Annualize prior year legislation	-7,081,547	291,259	-5,126,640	-2,192,890	-53,276	-9.0
Technical adjustments	-9,498	134,379	-143,877	0	0	-0.8
Total	\$550,660,188	\$54,420,838	\$98,071,665	\$389,269,795	\$8,897,890	1,288.8
Increase/-Decrease	\$26,503,309	-\$1,441,950	-\$5,809,238	\$33,791,169	-\$36,672	-9.5
Percentage Change	5.1%	-2.6%	-5.6%	9.5%	-0.4%	0.0%

OSPB R1 Cont of emergency funds staff: The request includes continuation of 2.0 FTE to report on emergency funds. The request costs \$299,470 General Fund. The FY 2023-24 Long Bill included term-limited funding for 4.0 FTE to address audit findings about OSPB's management of expenditures, encumbrances, and transfers from the Disaster Emergency Fund. The term-limited funding expires in FY 2026-27 but the statutory reporting requirements continue.

CEO R1 CEO sustain funding: The request includes an increase of \$155,013 General Fund and 3.8 FTE in FY 2025-26 and \$715,554 and 7.2 FTE in FY 2026-27 and ongoing to retain existing FTE that are currently funded

through a combination of General Fund, cash funds, and federal funds. These increases would be offset in FY 2025-26 and FY 2026-27 by discontinuing the ongoing \$0.5 million General Fund appropriation to the Cannabis Resource Optimization Program (CROP) and transferring \$0.9 million to the General Fund from the CROP cash fund. These offsets would make \$0.7 million more General Fund available in FY 2025-26.

OEDIT R1 GF increase global bus dev: The request includes an increase of \$825,000 General Fund and 2.0 FTE in FY 2025-26 and ongoing to address a cumulative budget shortfall for the Global Business Corporate Development (GBCD) program. The funding for 2.0 FTE includes a Deputy Director and an International Marketing & Promotion Manager, which accounts for \$250,582 of the request. The remaining \$574,418 would fund attempts to recruit, expand, and retain businesses in the technology industry by sending staff to trade shows, engaging in new markets, and developing strategic promotional materials.

OEDIT R2 MBO and Leading Edge: The request includes an increase of \$250,000 General Fund for FY 2025-26. The amount decreases to \$75,000 in FY 2026-27 and ongoing. The request provides the Minority Business Office (MBO) with \$175,000 General Fund in FY 2025-26 and \$50,000 ongoing, and the Leading Edge program with \$25,000 ongoing General Fund.

OEDIT R3 CO aerospace invest: The request includes an increase of \$100,000 General Fund in FY 2025-26 and ongoing. The request indicates that the increase will “enable the Aerospace and Defense Industry Manager to attend exhibitions, conferences, and industry events to represent Colorado and develop stronger relationships between Colorado aerospace companies and new domestic and international markets.”

OEDIT R4 Admin funds: The request includes an increase of \$1.9 million reappropriated funds in FY 2025-26 and ongoing to support OEDIT administrative staff. The Office is proposing to charge a flat percentage rate to all incoming dollars to support central administrative costs.

OEDIT R5 Reduce skills advance appropriation: The request includes a decrease of \$3.0 million General Fund in FY 2025-26 and FY 2026-27 for the Skill Advance Program. This amount decreases to \$1.0 million General Fund in FY 2027-28 and ongoing.

OEDIT R6 One percent GF reduce: The request includes a decrease of \$235,406 General Fund in FY 2025-26 and ongoing. Of that amount, \$8,029 is from the elimination of the By Colorado App. The remaining \$227,377 is taken from programs across OEDIT proportional to how much General Fund they receive. The Office has indicated that these additional program cuts are absorbable and will not impact programming or staffing.

OIT R1 TAP operating reduction: The request includes a reduction of \$45,000 to the Technology Accessibility Program (TAP), which has been supporting agencies to gauge website accessibility and address the ongoing requirements set forth by H.B. 21-1110 (Colorado Laws for Persons with Disabilities). The OIT has determined that a small reduction in the program will not impact the work TAP does to improve accessibility for the state.

OIT R2 Tech Risk Response transfer [requires legislation]: The request includes a transfer of \$2.5 million from the Technology Risk Prevention and Response fund to the General Fund.

Non-prioritized decision items: The request includes a net decrease of \$7,042 General Fund for the annual fleet vehicle adjustment in the Department of Personnel.

Centrally appropriated items: The request includes a net increase of \$42.0 million total funds, including \$1.9 million General Fund for centrally appropriated line items, summarized in the table below.

Centrally appropriated items						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Payments to OIT	\$29,292,290	\$239,637	\$0	\$29,052,653	\$0	0.0
Salary survey	8,770,163	1,081,285	487,284	6,971,621	229,973	0.0

Centrally appropriated items

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Step plan	1,813,760	669,847	248,892	837,807	57,214	0.0
Health, life, and dental	1,760,828	44,776	419,276	1,208,730	88,046	0.0
AED and SAED	380,531	-76,790	204,107	194,768	58,446	0.0
CORE operations	155,674	92,852	0	62,822	0	0.0
Shift differential	153,700	0	0	153,700	0	0.0
Capitol Complex leased space	140,650	-151,241	0	291,891	0	0.0
PERA direct distribution	40,674	38,521	51,440	-49,287	0	0.0
Paid family & medical leave insurance	17,123	-2,519	9,122	7,944	2,576	0.0
Short-term disability	5,708	-840	3,041	2,648	859	0.0
Risk management & property	-435,417	-270,514	0	-164,903	0	0.0
Legal services	-71,842	237,287	-78,293	-230,836	0	0.0
Workers' compensation	-31,793	-5,971	0	-25,822	0	0.0
Total	\$41,992,049	\$1,896,330	\$1,344,869	\$38,313,736	\$437,114	0.0

Indirect cost assessment: The request includes net adjustments to indirect costs across all divisions.

Annualize prior year budget actions: The request includes a net decrease of \$9.0 million total funds, including \$2.1 million General Fund, for the FY 2025-26 impact of prior year budget actions.

Annualize prior year budget actions

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 23-24 Behavioral health eligibility	\$26,550	\$0	\$0	\$26,550	\$0	0.0
FY 24-25 OIT R1 Broadband middle mile	4,090	4,090	0	0	0	0.2
Prior year salary survey	-4,879,394	-588,882	-339,549	-3,670,681	-280,282	0.0
OEDIT FY 24-25 Fig set adjust	-1,200,000	0	-1,200,000	0	0	0.0
FY 2024-25 Step Plan	-1,190,679	-543,015	-335,809	-28,215	-283,640	0.0
FY 23-24 Peak & PeakPro	-725,787	0	0	-725,787	0	0.0
FY 23-24 OSPB BA1 Emergency Funds Reporting Staff	-428,325	-428,325	0	0	0	-4.0
OEDIT FY 24-25 BA1 OREC sunset	-297,000	-297,000	0	0	0	-2.7
FY 22-23 GOV R2 Medical Financial Partnership Pilot	-220,145	-220,145	0	0	0	-1.0
FY 24-25 R5 Data driven decisions	-54,280	0	0	-54,280	0	0.0
FY 24-25 LG R1 CCIA roadmap tribal affairs	-32,676	-32,676	0	0	0	0.0
Total	-\$8,997,646	-\$2,105,953	-\$1,875,358	-\$4,452,413	-\$563,922	-7.5

Annualize prior year legislation: The request includes a net decrease of \$7.1 million total funds and 9.0 FTE, including an increase of \$291,259 General Fund, to reflect the FY 2025-26 impact of bills passed in previous sessions, summarized in the following table.

Annualize prior year legislation

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
SB 24-121 Critical access hospitals licensure	\$88,708	\$0	\$0	\$88,708	\$0	0.0
HB 23-1272 Tax policy that advances carbon	37,655	0	37,655	0	0	0.0
HB 23-1281 Advance use clean hydrogen	26,720	26,720	0	0	0	-0.4
HB 24-1223 Child care assistance access	26,379	0	0	26,379	0	0.0
HB 24-1365 Opp now grants	5,438	5,438	0	0	0	0.2
HB 24-1295 Creative ind comm revival	1,974	1,974	0	0	0	0.2
HB 24-1157 Employee-owned bus office	536	536	0	0	0	0.3
HB 24-1364 Educ.-Based Workforce Readiness	-3,140,324	883,384	-4,290,991	267,283	0	-2.9
HB 23-1199 Improve forensic evidence process	-1,082,521	0	0	-1,082,521	0	-3.7
HB 24-1001 Reauth rural jump start	-873,304	0	-873,304	0	0	-1.5

Annualize prior year legislation						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
HB 22-1289 Cover all Coloradans	-573,909	0	0	-573,909	0	0.0
SB 24-174 Sust. affordable housing	-498,475	0	0	-498,475	0	0.0
HB 24-1402 Evaluation of CDHE IT	-280,000	-280,000	0	0	0	0.0
HB 24-1313 Transit-oriented communities	-165,000	-100,000	0	-65,000	0	0.0
SB 24-214 Implement state climate goals	-100,000	-100,000	0	0	0	0.0
SB 24-233 Property tax	-95,282	0	0	-95,282	0	-0.8
HB 24-1152 Accessory dwelling units	-65,000	0	0	-65,000	0	0.0
HB 23-1247 Assess advanced energy solutions CO	-53,276	0	0	0	-53,276	-0.2
SB 24-190 Rail and coal transition	-42,460	-42,460	0	0	0	0.0
SB 24-010 Dentist & hygienist compact	-32,500	0	0	-32,500	0	0.0
HB 24-1002 Social work licensure	-32,500	0	0	-32,500	0	0.0
HB 24-1111 Cosmetology licensure	-32,500	0	0	-32,500	0	0.0
SB 24-018 Physician assistant licensure	-32,500	0	0	-32,500	0	0.0
HB 23-1234 Streamlined solar	-30,787	-30,787	0	0	0	-0.4
SB 24-080 Health coverage transparency	-30,000	0	0	-30,000	0	0.0
HB 24-1358 Film incentive tax credit	-29,120	-29,120	0	0	0	0.0
HB 24-1302 Tax Info Real Property Owners	-27,198	0	0	-27,198	0	0.0
HB 24-1314 Mod tax credit preservation	-22,008	-22,008	0	0	0	0.1
HB 24-1370 Reduce cost of natural gas	-12,692	-12,692	0	0	0	-0.1
HB 24-1325 Quantum tax credits	-9,726	-9,726	0	0	0	0.2
HB 24-1262 Maternal health midwives	-7,875	0	0	-7,875	0	0.0
Total	-\$7,081,547	\$291,259	-\$5,126,640	-\$2,192,890	-\$53,276	-9.0

Technical adjustments: The request includes a \$9,498 decrease in total funds, including a \$134,379 increase in General Fund, related to the technical issues outlined in the table below.

Technical adjustments						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
OEDIT office lease technical adjustment	\$86,035	\$86,035	\$0	\$0	\$0	0.0
CEO office lease technical adjustment	48,344	48,344	0	0	0	0.0
OEDIT HPTC cash fund footnote cor	-143,877	0	-143,877	0	0	0.0
Total	-\$9,498	\$134,379	-\$143,877	\$0	\$0	0.0

Issues Presented

This is a summary of the briefing issues presented to the Joint Budget Committee by their dedicated non-partisan staff.

Budget Reduction Options: These issues present several options from the Office of the Governor and from JBC Staff to enhance General Fund in FY 2024-25 and FY 2025-26.

Resilience of OSPB: This issue brief discusses strategies for improving the resilience and professionalism of the Office of State Planning and Budgeting, especially across transitions in administration.

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Health Care Policy and Financing

The Department helps pay health and long-term care costs for low-income and vulnerable people. Federal matching funds assist with these costs. In return for the federal funds, the Department must follow federal rules for program eligibility, benefits, and other features. The Department's FY 2024-25 appropriation represents approximately 36.6 percent of statewide operating appropriations and 32.0 percent of statewide General Fund appropriations.

Summary of Request

Department of Health Care Policy and Financing						
Item	Total Funds	General Fund ¹	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2024-25 Appropriation						
H.B. 24-1430 (Long Bill)	\$15,945,013,018	\$4,979,207,987	\$1,790,475,824	\$137,606,638	\$9,037,722,569	836.2
Other legislation	15,535,046	9,026,986	390,073	0	6,117,987	8.3
Total	\$15,960,548,064	\$4,988,234,973	\$1,790,865,897	\$137,606,638	\$9,043,840,556	844.5
FY 2025-26 Requested Appropriation						
FY 2024-25 Appropriation	\$15,960,548,064	\$4,988,234,973	\$1,790,865,897	\$137,606,638	\$9,043,840,556	844.5
R1a Medical Services Premiums	969,133,681	310,969,228	124,733,393	-716,036	534,147,096	0.0
R1b Health benefits for children lacking access due to immigration status	27,714,743	27,714,743	0	0	0	0.0
R2 Behavioral Health	255,996,379	51,266,218	19,371,605	0	185,358,556	0.0
R3 Child Health Plan Plus	29,171,107	6,130,200	4,079,687	0	18,961,220	0.0
R4 Medicare Modernization Act	24,231,765	24,231,765	0	0	0	0.0
R5 OCL caseload	95,262,068	38,115,413	11,214,952	0	45,931,703	0.0
R6 Accountable Care Collaborative	-2,465,730	-1,254,288	275,580	0	-1,487,022	0.0
R7 Eligibility administration	38,246,175	4,137,117	5,199,974	2,155,070	26,754,014	15.7
R8 Claims systems reprocurement	1,900,121	343,562	0	0	1,556,559	16.6
R9 Provider rates	-74,557,080	-22,148,958	-6,183,380	0	-46,224,742	0.0
R10 HAS Fee admin & refinance	-4,261,930	-2,199,800	68,836	0	-2,130,966	6.4
R11 Long term care benefits	1,354,223	478,573	0	0	875,650	2.0
R12 BH and primary care integration	1,575,367	368,170	117,691	0	1,089,506	0.0
R13 Contract true up	1,028,833	433,098	0	0	595,735	0.0
R14 Convert contracts to FTE	45,546	-38,299	-20,718	239,666	-135,103	8.3
R15 Pharmacy pricing	-2,066,234	-470,433	-129,619	0	-1,466,182	0.0
R16 CF transfers & enterprise	0	-698,757	698,757	0	0	0.0
NP Equity Office realignment	74,921	74,921	0	0	0	0.0
NP CU School of Medicine	0	0	20,000,000	-20,000,000	0	0.0
Annualize prior year budget actions	59,837,169	30,392,444	-15,873,009	-41,569	45,359,303	-48.7
Centrally appropriated line items	7,997,947	835,699	2,320,305	-328,843	5,170,786	0.0
Transfers to other state agencies	6,328,970	2,725,669	47,820	0	3,555,481	0.0
Community First Choice	0	-49,248,106	0	0	49,248,106	0.0
Total	\$17,397,096,105	\$5,410,393,152	\$1,956,787,771	\$118,914,926	\$9,911,000,256	844.8
Increase/-Decrease	\$1,436,548,041	\$422,158,179	\$165,921,874	-\$18,691,712	\$867,159,700	0.3
Percentage Change	9.0%	8.5%	9.3%	-13.6%	9.6%	0.0%

¹Includes General Fund Exempt. See Appendix D for more information.

R1a Medical Services Premiums: The request includes funding for projected costs under current law and policy for Medical Services Premiums. The request costs \$969.1 million total funds, including \$311.0 million General Fund. Medical Services Premiums pays for physical health and long-term care. The request reflects projected changes in enrollment, utilization, and per capita costs.

R1b Health benefits for children lacking access due to immigration status: The request includes funding for projected costs under current law for health benefits for children lacking access due to their immigration status. The request costs \$27.7 million General Fund. This is in addition to the originally estimated cost in the fiscal note for H.B. 22-1289. The JBC staff separates the amount from the rest of R1 because it funds a state program distinct from Medicaid.

R1b Health benefits for children lacking access due to immigration status	
Item	General Fund
FY 2024-25 Appropriation	\$2,102,665
Annualization of H.B. 22-1289	2,258,198
Subtotal - Original estimated cost	\$4,360,863
Forecast increase in R1b	27,714,743
Total projected program cost in FY 2025-26	\$32,075,606

R2 Behavioral Health: The request includes an increase of \$256.0 million total funds for the Behavioral Health forecast in FY 2025-26. Amounts include \$51.3 million General Fund and \$185.4 million federal funds. The request increases to \$392.2 million total funds, including \$85.1 million General Fund, in FY 2026-27. The Committee will receive an updated forecast in February to inform the figure setting process.

The Department indicates that actual caseload was lower than the forecast for FY 2023-24, but capitation rates were higher than anticipated and more than offset the caseload decrease. Per-member rates increased as high acuity patients remained enrolled and lower acuity patients were disenrolled. Enrollments are expected to increase in FY 2025-26 after a period of large disenrollments following the end of the Public Health Emergency declaration. In addition to forecast changes related to acuity, the Department indicates that general behavioral health need and utilization has increased since the COVID-19 pandemic.

Behavioral Health Capitation Forecast Changes		
Item	Total Funds	General Fund
FY 2024-25 Appropriation	\$1,040,269,703	\$275,847,686
Enrollment	38,732,612	14,263,628
Per capita cost	217,263,767	37,002,590
Forecast adjustment	\$255,996,379	\$51,266,218
FY 2025-26 Request	\$1,296,266,082	\$327,113,904

R3 Child Health Plan Plus: The Department requests projected costs under current law and policy for the Child Health Plan Plus. The request costs \$29.2 million total funds, including \$6.1 million General Fund. The Child Health Plan Plus provides a health insurance option for children and pregnant women with low income. The request reflects projected changes in enrollment, utilization, and per capita costs.

R4 Medicare Modernization Act: The Department requests projected costs under current law and policy for the state obligation under the Medicare Modernization Act. The request costs \$24.2 million General Fund. The Medicare Modernization Act requires state Medicaid programs to pay the federal government in lieu of covering drugs for people dually eligible for Medicaid and Medicare. The request reflects projected changes in enrollment and utilization.

R5 Office of Community Living (OCL) caseload: The request includes an increase of \$95.3 million total funds, including \$38.1 million General Fund, in FY 2025-26 to fund forecasted caseload growth for the Medicaid funded waiver programs that provide services and supports for individuals with intellectual and developmental disabilities and their families. The request increases to \$114.4 million total funds, including \$47.9 million General Fund, in FY 2026-27. The request also anticipates a supplemental adjustment for FY 2024-25 of an increase of \$43.5 million total funds, including \$9.3 million General Fund.

R6 Accountable Care Collaborative: The request includes a net decrease for Phase III of the Accountable Care Collaborative (ACC). The request saves a net \$2.5 million total funds, including \$1.3 million General fund. The ACC coordinates care for Medicaid members. The Department requests increased funding for the Regional Accountability Entities (RAEs) and various state-level costs to support the new duties of the RAEs. The Department projects offsetting savings from increased RAE support when members transition out of inpatient and residential settings and from member incentives for behavioral changes linked to better health outcomes.

R7 Eligibility administration: The request includes an increase of \$38.2 million total funds, including \$4.1 million General Fund, and 15.7 FTE (representing 17 new positions) in FY 2025-26 for additional resources for the Department's County Escalations Resolution Unit, additional resources and funding for the implementation of recommendations resulting from the studies authorized by S.B. 22-235, and for additional resources and funding for improvements and pool hours for the Colorado Benefits Management System. The request increases to \$29.6 million total funds, including \$3.8 million General Fund, in FY 2026-27. This request will cost \$28.4 million total funds, including \$3.9 million General Fund, in FY 2027-28 and ongoing.

R8 Claims systems reprocurement: The request includes funding for the use of modular procurement strategies for information technology systems. The request costs \$1.9 million total funds, including \$343,562 General Fund, and 16.6 FTE. Federal regulations require states to use modular information technology systems. Breaking the information technology into modules theoretically allows upgrades of components when technology changes, or to address problems, without needing to replace everything. It reduces reliance on individual vendors. However, each module still needs careful design and oversight to ensure proper interaction with the other modules. More vendors mean more contracts for the Department to oversee and more responsibilities to coordinate communication and standards between the vendors. The Department is moving from 3 modules and vendors to 16 modules and at least 9 different vendors.

R9 Provider rates: The request includes a net decrease of projected expenditures of \$74.6 million total funds, including \$22.1 million General Fund. The Department proposes decreasing rates above 95 percent of Medicare and for dental services and pediatric behavioral therapies. In addition, the Department proposes rebalancing rates for similar services that pay differently based on the waiver.

R10 Hospital Affordability and Sustainability (HAS) Fee admin & refinance: The request includes a net decrease of appropriations of \$4.3 million total funds, including \$2.2 million General Fund, and increases FTE by 6.4. The Department proposes repurposing unused HAS Fee to help address disproportionate funding for the existing administration and to increase administration for changes in federal requirements.

R11 Long term care benefits [requires legislation]: The request includes an increase of \$1.4 million total funds, including \$0.5 million General Fund, to introduce a group respite rate for the Children's Habilitation Residential Program waiver; expand the eligibility criteria for the Hospital Backup Unit program; offer a higher, tiered rate for Alternative Care Facilities; extend the Complementary and Integrated Health Services waiver, which requires legislation; and restructure the rates for the Supported Employment Program. The Department anticipates that the FY 2026-27 fiscal impact of this request will be a reduction of \$1.1 million total funds, including \$0.6 million General Fund, and the FY 2027-28 (and ongoing) fiscal impact will be a reduction of \$2.1 million total funds, including \$1.1 million General Fund.

R12 Behavioral health (BH) and primary care integration: The request includes a net increase of \$1.6 million total funds to transition integrated care from medical services premiums to behavioral health capitation. This is reflected as an increase of \$9.3 million total funds in behavioral health, partially offset by a \$7.7 million decrease in other sections of the Department’s budget. The Department indicates that integrated behavioral health care is a proven practice supported by a meta-analysis of 37 randomized control trials.

R13 Contract true up: The request includes funding to update appropriations for contract services. The request costs 1.0 million total funds, including \$433,098 General Fund.

- The Department needs ongoing funding for actuarial rate analysis and program audits for the new health benefits for children and pregnant women lacking access due to immigration status authorized in H.B. 22-1289. The bill included funding for the initial rate development but not ongoing rate setting and auditing.
- The Department indicates low funding for screenings to ensure nursing residents receive appropriate care drives performance issues and threatens compliance with federal standards.
- The Department needs to change the timing for quadrennial nursing facility appraisals that get used in rate setting due to a rate rebase in a prior year.

R14 Convert contracts to FTE: The request proposes reducing contract services and transferring the duties to state FTE. Accounting for impacts on other departments the proposal saves \$85,936 total funds, including \$100,352 General Fund, statewide and adds 8.3 FTE. The specific contracts involve county expenditure reviews to ensure only allowable costs are charged to Medicaid and technical support and user acceptance testing for eligibility systems. The Department expects the changes to improve performance in addition to saving money.

R15 Pharmacy pricing: The request proposes decreasing the rates paid for drugs with no acquisition cost data. Most pharmacy rates get indexed to measures of the average acquisition cost. Pharmacies voluntarily participate in quarterly rate surveys that determine average acquisition cost. When there is insufficient data to determine average acquisition cost (i.e. because a drug is new and/or low volume), the Department indexes the rates to a measure of wholesale costs but applies a discount. The measure of wholesale costs overstates average acquisition costs, but the amount varies by drug. The Department proposes increasing the discount applied to the wholesale costs. The Department anticipates the decreased reimbursement will primarily impact mail order pharmacy providers. The rates for drugs priced this way switch back to using the average acquisition cost if sufficient data becomes available.

R16 Cash fund (CF) transfers & enterprise [requires legislation]: The request includes:

- eliminating obsolete cash funds and using the balances to offset General Fund and
- moving the disability buy-in cash fund to an enterprise.

Using the cash fund balances saves \$698,757 General Fund. Moving the disability buy-in cash fund to an enterprise allows General Fund revenues to increase an additional \$6,660,761 under the TABOR limit.

NP Equity Office realignment: See the briefing summary for the Department of Personnel.

NP CU School of Medicine: See the briefing summary for the Department of Higher Education.

Annualize prior year budget actions: The request includes adjustments for out-year impacts of prior year legislation and budget actions.

Annualize prior year budget actions						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 23-24 BA7 Community-based access to services	\$24,819,485	\$6,817,473	\$1,439,870	\$0	\$16,562,142	4.9

Annualize prior year budget actions

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
HB 22-1289 Health benefits children & pregnant people lacking access due to immigration status	15,675,769	6,115,251	7,056	0	9,553,462	-0.4
FY 24-25 R6 Provider rates	14,928,458	17,116,542	-11,777,349	0	9,589,265	0.0
HB 23-1300 Continuous eligibility	11,799,801	5,344,427	358,439	0	6,096,935	0.4
SB 23-002 Medicaid reimb community health	11,165,077	2,686,309	685,499	0	7,793,269	-0.4
FY 24-25 R10 Assessments for nursing svcs	8,394,005	2,098,501	0	0	6,295,504	0.0
HB 23-1038 High acuity crisis for children	6,276,503	3,138,252	0	0	3,138,251	0.1
HB 24-1045 Substance use disorder treatment	4,666,581	1,073,707	283,894	0	3,308,980	1.3
FY 24-25 New DD waiver enroll	4,063,792	2,031,895	0	0	2,031,897	0.0
SB 24-168 Remote monitoring	2,121,865	1,039,415	71,299	0	1,011,151	0.0
HB 23-1136 Prosthetic devices	1,535,399	1,687	154,127	0	1,379,585	0.0
SB 24-116 Discounted care for indigent patients	1,160,397	0	153,766	0	1,006,631	1.6
FY 24-25 BA8 Community-based access svcs	839,685	419,843	0	0	419,842	0.0
FY 2024-25 Step plan	834,248	358,393	49,721	3,921	422,213	0.0
HB 22-1114 Transport svcs waiver clients	720,000	360,000	0	0	360,000	0.0
SB 24-175 Perinatal health	524,400	247,359	0	0	277,041	0.0
SB 24-110 Medicaid prior authorization	326,876	85,746	19,645	0	221,485	0.0
FY 24-25 R12 Administrative support	77,176	75,718	370	0	1,088	0.1
FY 24-25 NP CDPHE Medical facility oversight	69,632	31,334	0	0	38,298	0.0
FY 23-24 R12 BH Eligibility & claims	61,189	61,189	0	0	0	0.0
FY 24-25 Member correspondence	43,074	13,353	8,185	0	21,536	0.6
FY 24-25 R7 Behavioral health continuum	35,988	14,396	3,598	0	17,994	0.6
HB 22-1290 Wheelchair repairs	28,916	14,458	0	0	14,458	0.0
FY 23-24 R13 Case management redesign	22,190	2,219	0	0	19,971	0.0
FY 24-25 R8 Eligibility compliance	2,989	930	566	0	1,493	0.2
FY 23-24 R10 Children complex needs	0	884,714	-884,714	0	0	0.0
FY 24-25 BA6 Public health emergency unwind	-12,512,599	-3,173,550	-1,252,612	0	-8,086,437	-4.9
HB 23-1228 Nursing facility rates	-9,216,419	-4,608,209	0	0	-4,608,210	0.0
HB 24-1401 Denver Health funding	-5,000,000	-5,000,000	0	0	0	0.0
FY 24-25 BA11 ARPA HCBS adjustments	-4,608,068	0	-2,495,840	0	-2,112,228	-29.0
FY 24-25 Care & case management stabilization	-4,213,036	-2,104,850	0	0	-2,108,186	0.2
FY 23-24 BA8 ARPA HCBS adjustments	-3,225,336	0	-1,743,276	0	-1,482,060	-17.0
HB 22-1302 Health practice transformation	-2,967,943	-1,483,971	0	0	-1,483,972	-2.5
FY 24-25 Salary survey and step pay	-2,734,231	-1,174,586	-162,995	-12,853	-1,383,797	0.0
SB 21-038 Expand complementary & alt medicine	-1,769,323	-526,182	-358,479	0	-884,662	0.0
FY 24-25 BA7 Med transport credentials & reviews	-1,532,317	-459,695	-306,464	0	-766,158	-0.5
SB 19-197 Complementary & alt medicine	-823,855	-411,928	0	0	-411,927	-1.0
FY 23-24 BA6 Public health emergency funding	-636,287	-214,244	-103,898	0	-318,145	0.0
FY 23-24 R9 Birthing equity	-527,093	-264,260	0	0	-262,833	0.0
HB 22-1303 Residential behavioral health beds	-186,818	-93,409	0	0	-93,409	-2.0
FY 24-25 Eligibility appeals	-119,995	-37,199	-22,799	0	-59,997	-1.5
FY 23-24 NP Equity through technology	-93,460	-9,996	-714	0	-82,750	0.0
SB 24-047 Substance use disorder prevention	-75,000	-37,500	0	0	-37,500	0.0
HB 23-1197 Stakeholder oversight host homes	-75,000	-37,500	0	0	-37,500	0.0

Annualize prior year budget actions						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 24-25 R13 Convert contractors to FTE	-31,915	228	96	-32,637	398	0.4
HB 24-1322 Medicaid housing & nutrition services	-6,670	-3,335	0	0	-3,335	0.0
FY 24-25 R9 Access to benefits	-961	-481	0	0	-480	0.1
Total	\$59,837,169	\$30,392,444	-\$15,873,009	-\$41,569	\$45,359,303	-48.7

Centrally appropriated line items: The request includes adjustments to centrally appropriated line items for the following: state contributions for health, life, and dental benefits; short-term disability; paid family and medical leave insurance; supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund; shift differential; salary survey; workers' compensation; legal services; administrative law judges; payment to risk management and property funds; Capitol complex leased space; and CORE operations.

Transfers to other state agencies: The request includes funding for transfers to programs administered by other departments. The request costs \$6.3 million total funds, including \$2.7 million General Fund, primarily for programs administered by the Department of Human Services.

Community First Choice: The request includes a change in fund sources to reflect the higher match rate for long-term services and supports under Community First Choice. The request saves \$49.2 million General Fund. The General Assembly approved Community First Choice to move selected long-term services and supports from federal waivers that serve defined populations to the State Plan that serves all members. The Department will still use assessments to determine service needs. The request states that this change will result in an additional federal match of six percentage points for the services.

Issues Presented

This is a summary of the briefing issues presented to the Joint Budget Committee by their dedicated non-partisan staff.

Budget Reduction Options: The Executive Budget Request includes reductions of \$7.3 million General Fund for the Department of Health Care Policy and Financing, representing 0.1% of the Department's General Fund appropriations. This issue brief reviews these proposals and additional options identified by staff.

Forecasting Medicaid & CHP+: This issue brief discusses the sustainability of Medicaid funding, the process for forecasting, and the Department's November forecast.

R6 Accountable Care Collaborative Phase III: This issue brief provides an overview of the Department's request for care coordination resources through the Accountable Care Collaborative.

R9 Provider rates: This issue brief provides an overview of the Department's request to decrease provider rates by \$74.6 million total funds, including \$22.1 million General Fund.

Prospective Payment System: This issue brief provides an overview of the newly-implemented prospective payment system for comprehensive behavioral health providers designated by the Behavioral Health Administration.

Youth System of Care: This issue brief provides an overview of recent efforts to establish a system of care for youth behavioral health, including a recent settlement agreement in Colorado and the system of care developed by the state of New Jersey.

R5 Office of Community Living Caseload: The Department of Health Care Policy and Financing submits an annual budget request for adjustments in appropriations that fund services to individuals with intellectual and

developmental disabilities. Budget requests are based on projected caseload and the associated costs for the Home- and Community-Based Services for the Adult Comprehensive (DD), Supported Living Services (SLS), Children’s Extensive Services (CES), and Children’s Habilitation Residential Program (CHRP) waivers.

S.B. 22-235 Update and Review: This issue brief provides an overview of the results of the required assessments, reporting, and development of a funding model for public and medical assistance programs in the Department of Health Care Policy (HCPF) and the Department of Human Services (DHS), as directed by S.B. 22-235 (County Administration of Public Assistance Programs).

For More Information

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To read the entire briefing: Go to <http://leg.colorado.gov/content/budget/budget-documents> to use the budget document search tool. Select this department's name under *Department/Topic*, "Briefing" under *Type*, and select a *Start date* and *End date* to show documents released in November and December of 2024.

Higher Education

The Department of Higher Education is responsible for higher education and vocational training programs in the state. The Department's FY 2024-25 appropriation represents approximately 14.6 percent of statewide operating appropriations and 10.7 percent of statewide General Fund appropriations.

Summary of Request

Department of Higher Education						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2024-25 Appropriation						
FY 2024-25 Long Bill	\$6,234,681,655	\$1,662,040,580	\$3,231,741,971	\$1,313,891,684	\$27,007,420	27,538.1
Other legislation	7,427,112	1,964,448	0	5,462,664	0	9.4
Total	\$6,242,108,767	\$1,664,005,028	\$3,231,741,971	\$1,319,354,348	\$27,007,420	27,547.5
FY 2025-26 Requested Appropriation						
FY 2024-25 Approp.	\$6,242,108,767	\$1,664,005,028	\$3,231,741,971	\$1,319,354,348	\$27,007,420	27,547.5
R1 State funding increase for HiEd	86,336,238	12,099,999	64,832,156	9,404,083	0	0.0
R2 Ft Lewis Nat. Am. tuition waiver	-189,037	-189,037	0	0	0	0.0
R3 Financial aid staff	175,109	175,109	0	0	0	2.0
R4 COF statute realignment	-8,019,185	-4,009,595	0	-4,009,590	0	0.0
R5 PSEP optometry program roll-off	-84,850	0	0	-84,850	0	0.0
R6 DTAP realignment	0	0	0	0	0	0.0
R7 Reduce limited purpose FFS funding	-15,802,530	-7,901,265	0	-7,901,265	0	0.0
R8 New cash fund for IHE capital expenses	0	0	0	0	0	0.0
R9 Discontin. limited gaming - CHECRA	0	0	0	0	0	0.0
R10 Inclusive higher ed grants	-450,000	-450,000	0	0	0	0.0
R11 Reduce Teacher Mentor Grants	-300,000	-300,000	0	0	0	0.0
R12 CUSOM refinance	-40,000,000	-20,000,000	0	-20,000,000	0	0.0
R13 AHEC enterprise	-31,435,042	0	0	-31,435,042	0	-226.7
HC1 CENT and HSMO spending authority	496,613	0	496,613	0	0	5.0
HC2 Cumbres and Toltec RR operations	1,365,000	1,365,000	0	0	0	0.0
HC3 Historic Tax Credit spending authority	50,000	0	0	50,000	0	0.0
HC4 Community museum refinance	0	-20,410	20,410	0	0	0.0
HC5 Sesquicentennial investment	0	0	0	0	0	0.0
Nonprioritized requests	-11,360,024	-8,523,844	-2,836,180	0	0	0.0
Auraria Higher Ed Center increase	2,857,731	0	0	2,857,731	0	0.0
Centrally appropriated line items	2,516,567	1,591,924	1,209,670	-33,167	-251,860	0.0
CO Geological Survey inflation	85,526	85,526	0	0	0	0.0
Eliminate prior year rural IHE increase	-14,602,830	-7,301,415	0	-7,301,415	0	0.0
Annualize prior year legislation	-8,277,513	-2,913,070	-175,065	-5,189,378	0	-3.4
Annualize prior year budget actions	-3,358,509	-2,049,485	-1,221,024	-88,000	0	-0.6
Total	\$6,202,112,031	\$1,625,664,465	\$3,294,068,551	\$1,255,623,455	\$26,755,560	27,323.8
Increase/-Decrease	-\$39,996,736	-\$38,340,563	\$62,326,580	-\$63,730,893	-\$251,860	-223.7
Percentage Change	-0.6%	-2.3%	1.9%	-4.8%	-0.9%	-0.8%

R1 State funding increase for higher education and tuition spending authority [legislation requested]:

General Fund: The request includes an increase of \$12.1 million General Fund for public higher education institutions and financial aid, representing a 0.8 percent General Fund increase. This includes an increase of

\$9.8 million General Fund for the public institutions of higher education, including \$9.4 million for stipends and fee-for-service contracts reappropriated to the ten state governing boards and \$0.4 million General Fund for grants to local district colleges and area technical colleges. Consistent with statutory requirements for aligned funding increases for financial aid, it also includes \$2.3 million General Fund for Need Based Grants.

Funding for the institutions is allocated using the funding formula established by H.B. 20-1366. The request uses solely the Performance section of the model, which compares institutions' performance changes over time with the performance changes of other institutions. The proposal leaves the College Opportunity Fund (COF) stipend at the current \$116 per credit hour or \$3,480 per year for a full time, full year (30 credit hour) student.

Tuition: The request also includes an increase of \$64.8 million cash funds from tuition, based on requested tuition increases of 2.3 percent for in-state undergraduates and 2.4 percent for other students at the state-operated governing boards.

Legislation: The request also includes a request for the JBC to sponsor “transparency” legislation to facilitate more consistent collection of data from institutions through a statutory requirement.

R2 Fort Lewis Native American tuition waiver: The request includes a decrease of \$189,037 General Fund for the Fort Lewis College Native American tuition waiver, bringing total waiver payments to \$21.8 million. *This figure will be updated prior to figure setting.* Waiver payments are mandated by Section 23-52-105 (1)(b)(I), C.R.S., which requires the General Assembly to fund 100 percent of the tuition obligations for qualifying Native American students attending Fort Lewis College. Funding for the tuition waiver is made one year in arrears and is calculated based on prior year enrollment estimates. Almost all funds support nonresident tuition payments for Native American students who are not Colorado residents; however, the majority of these students are from tribes with historical ties to the State.

R3 Financial aid staff: The request includes \$175,109 General Fund in FY 2025-26, and \$177,224 in FY 2026-27 and ongoing to support 2.0 FTE dedicated to coordinating the Colorado Application for Student Financial Aid (CASFA) and the Free Application for Federal Student Aid (FAFSA). Added in H.B. 22-1366 (Improving Students' Postsecondary Options), the two coordinators provide support to outreach teams serving workforce centers, correctional facilities, foster youth, secondary education systems, and institutions of higher education. The goal is to improve student understanding of available financial aid and to increase financial aid applications. This request continues funding that would otherwise expire at the end of the current fiscal year.

R4 COF statute realignment [legislation requested]: The request proposes a decrease of \$4.0 million General Fund related to a proposal to reduce the current credit hour cap for students who claim the College Opportunity Fund (COF) student stipend from the current 145 credit hours. The proposal would reduce this cap to 140 credit hours for current students and 135 credit hours for new students and eliminate the authority for institutions to waive this restriction, leaving such authority with the Colorado Commission on Higher Education. As submitted, the request does not include institution-specific data (the request is structured as an equal reduction for each state governing board). It also does not identify additional tuition revenue institutions might earn from students as a result.

R5 PSEP optometry program roll-off: The Department requests a reduction of \$84,850 reappropriated funds in FY 2025-26 to begin the first phase towards elimination of the Professional Student Exchange Program (PSEP) for Optometry. Funding for the program originates as General Fund. This program provides forgivable loans to students who complete optometry programs at Western Interstate Collaborative on Higher Education (WICHE) institutions. Students that do not return to Colorado to practice optometry enter into a cash repayment plan with the State. The request proposes that, each year, funding for the program would decrease until the final reduction in FY 2027-28. Current outstanding debt in repayment plans would be

forgiven, current participants would be allowed to complete the program without having to repay the loans, and no new students would be added beginning in FY 2025-26.

R6 DTAP realignment [requires legislation]: The Department requests that the JBC sponsor legislation to refine the Dependent Tuition Assistance Program (DTAP). This program pays tuition and room and board for the dependents of Colorado law enforcement officers, fire fighters, National Guard personnel, and backcountry search and rescue personnel killed or permanently disabled in the line of duty and for dependents of prisoners of war or service personnel listed as missing in action. For eligible students who attend out-of-state, the program pays tuition only, up to the average cost of undergraduate tuition at a comparable Colorado state institution. The proposal includes eliminating support for students who are out-of-state and tightening room and board reimbursement limits. The request indicates an expectation that there may be future savings from the proposed changes, but no dollar reduction is included in the request for FY 2025-26. The annual appropriation for the program is \$1.6 million General Fund.

R7 Reduce limited purpose FFS funding [legislation requested]: The request proposes a reduction of \$7.9 million General Fund associated with reducing or eliminate various programs currently funded based on limited purpose fee-for-service (FFS) contracts with state institutions of higher education. The proposal includes the following components.

Rural Healthcare Track (S.B. 22-172 and 24-221): Request to discontinue, saving \$2.0 million. This program provides distributions of \$65,000 or more to each of the governing boards to support rural healthcare workforce initiatives. Some of the funding is allocated to the University of Colorado (CU) for distribution to other institutions. The request states that CU's Rural Office could provide technical assistance to other institutions without the additional state support.

Substance Use Disorders/Recovery Friendly Workplace (S.B. 24-048): Request to discontinue funding of \$303,752 added in FY 2024-25 for the Center for Health, Work, and the Environment and the CU School of Public Health. The funding is for staff who oversee the recovery friendly workplace program, including contracting with workplace advisors and conducting outreach. [Staff note: Appropriation is scheduled to increase by \$108,825 in FY 2025-26.]

Cyber Coding Cryptology (S.B. 18-086): Request to discontinue, saving \$5.1 million. The program includes funding for six governing boards, with the largest share (\$2.8 million) directed to CU. The request notes that now that the programs have been established, institutions seeing benefits from their cybersecurity and related programs can maintain them through existing resources.

Food Systems Advisory Council (H.B. 19-1202/ S.B. 23-159): Request to discontinue one year early, saving \$151,068, as the program is set to end in 2026. The funding is for staff support of the Council at Colorado State University.

Expanding Concurrent Enrollment Opportunities (S.B. 18-176): Request to discontinue \$105,000 for 1.0 FTE at the Colorado Community College System (CCCS) that supports concurrent enrollment efforts. The request states that CCCS should be able to support the position within its own resources.

Supporting Educator Workforce (S.B. 21-185): Request to discontinue \$239,778 directed to the CU system. The request notes that the program was primarily in response to the pandemic and is scheduled to end in 2026.

Other Programs: The request also proposes that three programs be continued but that they receive separate line items and sunset dates: Improve Healthcare Access for Older Coloradans (SB23-031) which adds \$1.9 million for CU; Career and Technical Education and Apprenticeship Alignment (S.B. 24-104), which includes \$95,245 for CCCS; and Career Pathways (H.B. 15-1274), which includes \$86,960 for CCCS.

R8 New cash fund for IHE capital expenses: The request proposes transferring a portion of the state reserve to a cash fund of a state higher education governing board that is a TABOR enterprise, so that interest earned on these funds does not count under the TABOR cap. This interest would then be used to support controlled maintenance at the institutions of higher education, in lieu of General Fund transfers for institutions' controlled maintenance.

R9 Discontinue limited gaming– CHECRA [requires legislation]: The request proposes to eliminate the \$2.1 million portion of limited gaming revenue allocated by statute to the Innovative Higher Education Research Fund in FY 2025-26 and ongoing. This fund is appropriated to the Colorado Higher Education Competitive Research Authority (CHECRA). The portion of limited gaming revenue allocated CHECRA would go to the General Fund instead. The request retains \$2.8 million cash fund spending authority in the Long Bill to allow for the expenditure of any gifts, grants, and donations remaining in the fund. Four projects currently receiving funding from CHECRA are set to continue past FY 2025-26, but would need to rely on institutional support in lieu of this funding.

R10 Inclusive higher ed grants [requires legislation]: The request includes a reduction of \$450,000 General Fund in FY 2025-26 and ongoing, eliminating funding for the Inclusive Higher Ed Grants program. This grant program provides funding to support the creation of inclusive education opportunities for students with intellectual and developmental disabilities at institutions of higher education. House Bill 22-1107 (Inclusive Higher Education Opportunities) created the program which has completed three grant cycles providing grants to six institutions. Statute requires an appropriation to the grant program each year through FY 2026-27. This request would require legislation to end the grant program early.

R11 Reduce Teacher Mentor Grants: The request includes a reduction of \$300,000 General Fund in FY 2025-26 and ongoing for the Teacher Mentor Grants Program. This program provides funding to train current educators to become teacher mentors. Senate Bill 19-190 (Teacher Preparation Program Support) created the Teacher Mentor Grant Program with an original appropriation of \$1.2 million General Fund to be awarded over three years. The program has received \$547,488 in General Fund appropriations since FY 2021-22 until H.B. 24-1376 (Expand Teacher Mentorships) expanded the program and appropriated an additional \$100,000 General Fund. The proposed reduction would cut the program in half but would not impact current award recipients. The evidence designation for the program is *promising*.

R12 CUSOM refinance: The request is for a reduction of \$20.0 million General Fund to Specialty Education Program support for the University of Colorado School of Medicine (CUSOM) that is provided through the higher education funding formula. Most of these funds are transferred to the Department of Health Care Policy and Financing (HCPF) on behalf of the School of Medicine. The funds are used to draw down matching federal funds that support both increased physician payments for School of Medicine faculty and various targeted initiatives at CU and HCPF. The funds originally transferred to HCPF are then "returned" to support medical education at CUSOM. The request proposes that CU work with HCPF's CHASE (Colorado Healthcare Affordability and Sustainability) enterprise to pull down some of the federal Medicaid match that would be lost as a result of the reduced General Fund support.

R13 AHEC enterprise [requires legislation]: The request proposes to create or expand an existing enterprise to encompass operations of the Auraria Higher Education Center (AHEC). This would result in the elimination of a double-count of revenue to the State's TABOR district. Currently, the State pays the institutions for services through fee-for-service contracts. The three institutions on the AHEC campus then pay AHEC for services, which is counted as revenue to the State's TABOR district. Both enterprising and non-enterprising options are being considered to address the revenue impact of the reappropriated funds received by AHEC. All options are still being vetted for approval. If a solution can be found, the result could be up to \$31.4 million in additional available General Fund revenue in FY 2025-26 to support other State priorities.

HC1 CENT and HSMO spending authority: The request includes an increase of \$496,613 in cash fund spending authority from the State Historical Museum Fund in FY 2025-26 and ongoing to support Historic Site Maintenance and Operations (HSMO) and Central Administration (CENT) functions. Funding would support 5.0 FTE already employed by History Colorado. High turnover and staff transitions have allowed the Department to support these FTE with vacancy and transition savings but will not be sufficient to sustain long-term costs.

HC2 Cumbres and Toltec RR operations: The request includes \$1.4 million General Fund in FY 2025-26 and ongoing to support the Cumbres and Toltec Scenic Railroad operations. Of the amount requested, \$280,000 would support railroad operating costs, and \$1.1 million would support necessary capital projects and maintenance. Per a footnote included in the FY 2022-23 Long Bill, capital funding provided through the State would continue through FY 2024-25. The railroad is requesting the funding to continue as base State support for the railroad.

HC3 Historic Tax Credit spending authority: The request includes an increase of \$50,000 reappropriated funds in FY 2025-26 and ongoing from revenue derived from Historic Tax Credit application fees. These funds are reappropriated from the Office of Economic Development and International Trade (OEDIT). The current appropriation to History Colorado is \$97,283 reappropriated funds and supports 1.0 FTE for a Tax Credit Specialist, as well as related outreach. Application fee revenue for the Historic Tax Credit is split evenly among History Colorado, the Department of Revenue, and OEDIT. It was created in 1990, expanded in 2015, and expanded again in 2024. Revenue fluctuates based on application fees received. History Colorado’s portion of revenue has exceeded its appropriations reflected in the Long Bill for two of the last three years. The request seeks increased spending authority as well as flexibility through a footnote to the Long Bill, which would allow History Colorado to utilize its entire share of application fee revenue each year.

HC4 Community museum refinance: The request includes refinancing \$20,410 General Fund with \$20,410 cash funds from the Community Museums Cash Fund to support community museum operations. This refinancing would occur only in FY 2025-26. This request was submitted as an option for General Fund relief and represents 1.0 percent of community museum General Fund support.

HC5 Sesquicentennial investment [requires legislation]: The request is for a transfer of \$5.0 million General Fund into the America 250-Colorado 150 Cash Fund to support sesquicentennial activities in FY 2025-26. There are at least eleven signature initiatives identified by the Department that may be supported with the additional revenue and funds raised through the Commission’s outreach efforts. The request does not specify the use of funds.

Non-prioritized decision items: The request includes a reduction of \$11.4 million total funds from changes pertaining to budget decision items in other Departments. Changes are reflected in the table below.

Non-prioritized requests						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
NP1 DNR R10 Severance tax restructure	\$0	\$1,836,180	-\$1,836,180	\$0	\$0	0.0
NP2 DNR R11 CSFS move	-10,360,024	-10,360,024	0	0	0	0.0
NP3 MTCF reduction	-1,000,000	0	-1,000,000	0	0	0.0
Total	-\$11,360,024	-\$8,523,844	-\$2,836,180	\$0	\$0	0.0

Auraria Higher Ed Center increase: The request increases spending authority for the Auraria Higher Education Center (AHEC) by \$2.9 million reappropriated funds spending authority for funds received from the institutions operating on the Auraria Campus (University of Colorado – Denver, Metropolitan State University of Denver, and the Community College of Denver). This amount reflects increases negotiated by the tenant institutions. Cost increases are driven primarily by inflation, COWINS salary adjustments, and benefits.

Centrally appropriated line items: The request includes an increase of \$2.5 million total funds for centrally appropriated items as reflected in the chart below. Of that amount, \$1.2 million is for History Colorado, as noted by the “HC” at the end of each item.

Centrally appropriated line items						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Salary survey	\$570,711	\$194,789	\$297,078	\$0	\$78,844	0.0
Leased space	550,000	550,000	0	0	0	0.0
Step plan - HC	546,261	481,565	58,908	0	5,788	0.0
Risk management & property - HC	294,684	0	294,684	0	0	0.0
Health, life, and dental - HC	219,467	68,865	137,013	0	13,589	0.0
Payments to OIT - HC	120,616	44,942	75,674	0	0	0.0
Health, life, and dental	90,659	167,674	171,849	-24,042	-224,822	0.0
Step plan	56,567	33,519	9,595	0	13,453	0.0
CORE - HC	31,062	0	31,062	0	0	0.0
Legal services - HC	24,927	0	24,927	0	0	0.0
Legal services	23,473	16,347	7,126	0	0	0.0
CORE	18,683	0	0	18,683	0	0.0
PERA direct distribution -HC	7,439	2,221	4,951	0	267	0.0
AED and SAED - HC	3,895	-14,081	16,882	0	1,094	0.0
Payments to OIT	3,153	3,153	0	0	0	0.0
Paid FMLI - HC	176	-633	760	0	49	0.0
Short-term disability - HC	56	-211	251	0	16	0.0
AED and SAED	-12,662	35,096	59,206	-8,972	-97,992	0.0
PERA direct distribution	-10,695	7,146	21,717	-3,292	-36,266	0.0
Risk management & property	-8,358	0	-50	-8,308	0	0.0
Workers' compensation	-6,800	0	-103	-6,697	0	0.0
Workers' compensation - HC	-5,412	0	-5,412	0	0	0.0
ALJ services	-574	-574	0	0	0	0.0
Paid FMLI	-571	1,579	2,664	-404	-4,410	0.0
Short-term disability	-190	527	888	-135	-1,470	0.0
Total	\$2,516,567	\$1,591,924	\$1,209,670	-\$33,167	-\$251,860	0.0

CO Geological Survey inflation: The request includes an increase of \$85,526 General Fund for the Colorado Geological Survey. This change provides an increase to account for inflation. Please note, a statewide request would refinance Severance Tax appropriations for the Colorado Geological Survey with General Fund appropriation.

Eliminate prior year rural IHE increase: The request includes a provision to eliminate an FY 2024-25 increase for three rural institutions of higher education (Western Colorado University, Fort Lewis College, and Adams State University), providing savings of \$7.3 million General Fund. The proposal is identified as an “annualization” of prior year action, although the record of JBC and General Assembly action indicates that the FY 2024-25 increase authorized in the 2024 legislative session was intended to be an ongoing increase (“Step 1” of the funding model which provides an ongoing increase to address a specific issue or for a strategic purpose), rather than temporary increase (Step 3 of the model which provides a one-year increase for a strategic purpose).

Annualize prior year legislation: This request includes a decrease of \$8.3 million total funds to reflect the out-year impact of prior year legislation. Changes are reflected in the chart below.

Annualize prior year legislation						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
SB 24-048 Substance use disorders recovery	\$217,650	\$108,825	\$0	\$108,825	\$0	0.4
SB 24-104 Career & tech ed. apprenticeships	30,948	15,474	0	15,474	0	0.0
SB 24-143 Credential quality apprenticeships	14,397	14,397	0	0	0	0.3
HB 24-1314 Historic preservation tax cred.	7,112	7,112	0	0	0	0.1
HB 24-1290 Student educator stipends	-4,197,000	0	0	-4,197,000	0	-1.0
SB 24-221 Rural healthcare workforce	-1,733,354	-866,677	0	-866,677	0	0.0
SB 23-005 Forestry and wildfire mitigation	-1,266,418	-1,016,418	0	-250,000	0	0.0
HB 24-1405 Higher ed medicaid match	-486,000	-486,000	0	0	0	0.0
HB 24-1006 Assist rural comm. wildfire grants	-300,000	-300,000	0	0	0	-0.4
SB 22-007 Wildfire risk mitigation	-203,473	-203,473	0	0	0	0.0
HB 23-1069 Biochar study	-175,065	0	-175,065	0	0	-1.5
HB 23-1220 Republican River groundwater	-71,121	-71,121	0	0	0	0.0
SB 22-192 Stackable credentials	-61,849	-61,849	0	0	0	-1.5
HB 24-1024 Extended outreach campaigns	-40,000	-40,000	0	0	0	0.0
HB 24-1403 Homeless youth	-13,340	-13,340	0	0	0	0.2
Total	-\$8,277,513	-\$2,913,070	-\$175,065	-\$5,189,378	\$0	-3.4

Note: The request did not include the final annualization of S.B. 21-215 (Use of Open Educational Resources in Higher Education), an adjustment to the CU School of Medicine that temporarily reduced funding due to an enhanced federal Medicaid match rate received during the pandemic. Annualizing this was projected to drive a \$2,195,906 increase for CU in FY 2025-26. Conversely, the request includes a reduction of \$486,000 for financial aid related to H.B. 24-1405 (Higher Education Special Education Services Funding Medicaid Match). House Bill 24-1405 *exempted* the increase for annualizing S.B. 21-215 from an aligned financial aid adjustment, but this was an avoided cost, rather than a net reduction.

Annualize prior year budget actions: The request includes adjustments for the out-year cost of prior year budget actions.

Annualize prior year budget actions						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 24-25 HC BA1 CO heritage for all	\$12,637	\$12,637	\$0	\$0	\$0	0.3
FY 24-25 HC4 Adobe maint. mgr	7,222	7,222	0	0	0	0.1
FY 24-25 Salary survey	0	0	0	0	0	0.0
FY 24-25 Salary survey - HC	0	0	0	0	0	0.0
FY 24-25 Step plan	0	0	0	0	0	0.0
FY 24-25 Step plan - HC	0	0	0	0	0	0.0
Cumbres & Toltec re-auth.	-1,365,000	-1,365,000	0	0	0	0.0
FY 24-25 HC8 Strategic initiatives	-1,218,415	0	-1,218,415	0	0	0.0
FY 24-25 HC5 Cumbres & Toltec	-500,000	-500,000	0	0	0	0.0
FY 24-25 CU online training	-196,472	-108,472	0	-88,000	0	0.0
FY 24-25 BA2 Dept staffing	-89,202	-89,202	0	0	0	-1.0
FY 24-25 Human resources staff	-6,670	-6,670	0	0	0	0.0
FY 24-25 HC7 COP sequestration	-2,609	0	-2,609	0	0	0.0
Total	-\$3,358,509	-\$2,049,485	-\$1,221,024	-\$88,000	\$0	-0.6

Issues Presented

This is a summary of the briefing issues presented to the Joint Budget Committee by their dedicated non-partisan staff.

Budget Reduction Options: The Executive Budget Request for the Department of Higher Education includes proposals that it assumes would make an additional \$89.5 million General Fund available for other uses in FY 2025-26. The proposals include a total of approximately \$55.9 million in General Fund appropriation and expenditure reductions, representing 3.4 percent of the Department’s FY 2024-25 General Fund appropriation. A portion of the proposed adjustment is to capital construction transfers. The request also proposes \$33.5 million in revenue enhancements that would make General Fund available through other mechanisms. This briefing discusses these budget reduction options as well as options identified by JBC staff.

Overview of Request for Formula Funding for Institutions and Financial Aid: The FY 2025-26 higher education request incorporates a \$21.6 million (1.7 percent) General Fund reduction in state support for the governing boards, once various request components are included, and a \$2.3 million (0.8 percent) General Fund increase for financial aid. It also includes a proposed 2.3 percent cap on increases in resident undergraduate tuition.

Free Tuition Option: The State has made remarkable progress in launching new programs that promise that low- and middle-income Colorado students will not need to pay tuition and fees at public institutions of higher education. A few additional steps are needed to make the most of these initiatives.

Cumbres & Toltec Scenic Railroad: This issue brief provides an overview of the Cumbres & Toltec Scenic Railroad Commission and the R3 request for the state to provide ongoing operational funding for the railroad.

Department Operations: This issue brief discusses recent challenges and potential opportunities for the operations of the Department of Higher Education.

R8 New Cash Fund for IHE Capital Expenses: The Executive Budget Request for the Department of Higher Education request R8 asks the Joint Budget Committee to sponsor legislation to change the investment of a portion of the statutory General Fund reserve. The goal of the request is to make additional funds available to support controlled maintenance projects at institutions of higher education and free up General Fund for other uses. This issue brief discusses the details and assumptions of the request as well as significant concerns and questions JBC Staff has raised regarding the proposal.

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To read the entire briefing: Go to <http://leg.colorado.gov/content/budget/budget-documents> to use the budget document search tool. Select this department's name under *Department/Topic*, "Briefing" under *Type*, and select a *Start date* and *End date* to show documents released in November and December of 2024.

Human Services

The Department of Human Services is responsible for the administration and supervision of most non-medical public assistance and welfare programs in the state. The Department's FY 2024-25 appropriation represents approximately 6.0 percent of statewide operating appropriations and 8.0 percent of statewide General Fund appropriations.

Summary of Request

Department of Human Services						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2024-25 Appropriation						
HB 24-1430 (Long Bill)	\$2,534,339,966	\$1,282,851,761	\$433,777,402	\$227,127,067	\$590,583,736	5,418.0
Other legislation	70,447,048	-33,309,442	78,149,238	0	25,607,252	16.3
Total	\$2,604,787,014	\$1,249,542,319	\$511,926,640	\$227,127,067	\$616,190,988	5,434.3
FY 2025-26 Requested Appropriation						
FY 2024-25 Appropriation	\$2,604,787,014	\$1,249,542,319	\$511,926,640	\$227,127,067	\$616,190,988	5,434.3
R1 County public assistance resources	4,185,074	1,255,522	837,015	0	2,092,537	0.0
R2 Streamlining juvenile justice	0	17,309	0	0	-17,309	0.0
R3 Increase DYS bed cap	1,701,186	1,632,208	0	0	68,978	10.0
R4 Reduce private competency contracts	-2,000,000	-2,000,000	0	0	0	0.0
R5 Reduce consent decree fines	-5,000,000	-5,000,000	0	0	0	0.0
R6 Staffing Fort Logan G-wing	6,856,155	6,856,155	0	0	0	56.9
R7 Transitional living homes	5,195,629	-12,195	0	5,207,824	0	32.9
R8 Increase oversight and reduce waste	222,257	144,527	0	77,730	0	0.9
R9 Maintain electronic hospital records	819,724	819,724	0	0	0	0.0
R10 CCDHHDB enterprise	1,578,512	-103,214	4,262,699	-2,580,973	0	1.0
R11 DYS food inflation	371,695	371,695	0	0	0	0.0
R12 Child abuse and neglect appeals	143,863	89,993	0	0	53,870	2.0
R13 DYS career education adjustment	0	0	0	0	0	0.0
R14 Teen parent driver's license program	-100,000	-100,000	0	0	0	0.0
R15 DYS contract placement reduction	-1,000,000	-873,165	0	-68,040	-58,795	0.0
R16 Home Care Allowance reduction	-1,050,000	-1,000,000	-50,000	0	0	0.0
R17 ReHire Colorado reduction	-250,000	-250,000	0	0	0	0.0
R18 Child welfare core services reduction	-3,564,591	-3,000,000	-372,673	0	-191,918	0.0
BHA R1 Increase access to care	3,150,656	3,150,656	0	0	0	0.0
BHA R2 Child & youth BH plan	350,000	350,000	0	0	0	0.0
BHA R3 Crisis line consolidation	-200,000	-3,696,622	3,496,622	0	0	0.0
BHA R4 Alternative funding for services	-1,600,000	-1,438,286	-161,714	0	0	0.0
BHA R5 School mental health screening	-775,998	-775,998	0	0	0	0.0
BHA R6 Right-sizing IMatter	-6,074,762	-6,074,762	0	0	0	0.0
BHA R7 BHE Licensing spending authority	420,977	0	420,977	0	0	4.0
BHA R8 High acuity youth	1,160,250	4,510,666	0	0	-3,350,416	0.0
Non-base building staff incentives	3,909,049	3,909,049	0	0	0	0.0
Non-prioritized decision items	2,000,763	1,268,587	89,223	-309,713	952,666	0.0
Centrally appropriated line items	30,981,406	14,816,302	1,201,913	6,467,841	8,495,350	0.0
Indirect cost assessments	2,209,347	0	295,885	563,247	1,350,215	0.0

Department of Human Services						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Annualize prior year legislation	-19,145,955	63,409,404	-72,469,970	134,069	-10,219,458	-8.9
Annualize prior year budget actions	-11,043,515	-11,719,448	1,018,734	-471,931	129,130	0.9
Total	\$2,618,238,736	\$1,316,100,426	\$450,495,351	\$236,147,121	\$615,495,838	5,534.0
Increase/-Decrease	\$13,451,722	\$66,558,107	-\$61,431,289	\$9,020,054	-\$695,150	99.7
Percentage Change	0.5%	5.3%	-12.0%	4.0%	-0.1%	1.8%
Increase/-Decrease excludes H.B. 24-1466	\$13,451,722	\$3,376,059	\$1,750,759	\$9,020,054	-\$695,150	99.7
Percentage Change	0.5%	0.3%	0.3%	4.0%	-0.1%	1.8%

R1 County public assistance resources: The request includes an increase of \$4.2 million total funds, including \$1.3 million General Fund, in FY 2025-26 and ongoing for county administration of public assistance programs, mainly the Supplemental Nutrition Assistance Program. The Department indicates more funding will help the State meet its obligation to support county administration of public assistance programs.

R2 Streamlining juvenile justice [requires legislation]: The request includes a net-zero change to juvenile justice programs in FY 2025-26. The request increases to \$199,877 total funds in FY 2026-27 and ongoing. Adjustments are listed below.

- Increase of \$1.8 million General Fund for the Colorado Youth Detention Continuum (CYDC) program. CYDC was created through S.B. 91-094 to create alternatives to placement in secure detention. Funding is allocated to Judicial Districts and may be used for detention screenings, treatment, home monitoring, and restorative justice programs.
- Decrease of \$1.6 million General Fund to eliminate a State contract with the Boulder County IMPACT program. The program aims to provide a comprehensive system of care to connect at-risk youth with services regardless of system involvement to reduce utilization of youth commitment, secure detention, and child welfare.
- Decrease of \$182,568 General Fund for early repeal of H.B. 22-1056 (Emergency Temporary Care for Children). The bill funded temporary shelter beds through FY 2026-27, but has been under-utilized due to a lack of providers. Temporary shelter is a lower-security placement alternative to secure youth detention beds.

R3 Increase DYS bed cap [requires legislation]: The request includes an increase of \$1.7 million total funds to increase the youth detention bed cap. Amounts include \$1.6 million General Fund and 10.0 FTE in FY 2025-26. The request increases to \$6.6 million total funds and 60.0 FTE in FY 2026-27. The request would increase secure detention beds from 215 to 254 by bringing existing flex beds and temporary emergency beds under the regular bed cap. Flex beds and temporary emergency beds can only be utilized under extenuating circumstances.

The Department requests that the Joint Budget Committee sponsor legislation to increase the statutory bed cap, changing the requirements to access beds as determined by H.B. 23-1307 (Juvenile Detention Services and Funding).

R4 Reduce private competency contracts: The request includes an ongoing reduction of \$2.0 million General Fund to decrease inpatient competency restoration contracts with private hospitals from approximately 69 to 64 beds. The reduction is expected to reduce overall competency restoration capacity by approximately 15 patients annually.

R5 Reduce consent decree fines: The request includes an ongoing reduction of \$5.0 million General Fund to decrease the appropriation for consent decree fines related to the competency restoration waitlist from \$12.2 million to \$7.2 million. Consent decree fines are capped, but the cap is increased annually to adjust for inflation. The Department expects to operate below the cap in FY 2025-26 as a result of recent capacity investments that have decreased the competency restoration waitlist over the last year. The waitlist decreased from 464 in July 2023 to 241 in June 2024.

R6 Staffing Fort Logan G-wing: The request includes an increase of \$6.9 million General Fund and 56.9 FTE in FY 2025-26 to support the staffing required to open a new 16-bed unit at Fort Logan. This amount decreases to \$6.7 million in FY 2026-27 and ongoing.

The unit was constructed using stimulus funds originating from the American Rescue Plan Act of 2021 (ARPA) through H.B. 22-1303 (Increase Residential Behavioral Health Beds). The unit is expected to open in FY 2025-26 and received three months of funding to hire staff in FY 2024-25. The request represents a full year of staffing and operating costs.

R7 Transitional living homes: The request includes an ongoing increase of \$5.2 million total funds for mental health transitional living homes. These amounts include an increase of \$5.2 million Medicaid funds, and a decrease of \$12,195 General Fund. The request would provide the Department with spending authority for an approved Medicaid waiver. House Bill 22-1303 established these homes using ARPA funds.

R8 Increase oversight and reduce waste: The request includes an increase of \$222,257 total funds for the oversight of contracts and county support. Amounts include \$144,527 General Fund and 0.9 FTE in FY 2025-26. The request increases to \$223,280 General Fund and 1.0 FTE in FY 2026-27 and ongoing.

The Department's Audit Division currently has 7.6 staff consisting of seven auditors and one part-time fraud investigator. The Department has improved fraud reporting mechanisms, including an online tip form and Spanish-language options. During FY 2023-24, fraud tips increased from 600 to 2,100.

Fraud reports related to county operations are referred by the State to counties. However, 25 counties do not have fraud investigators to follow up on reports. The requested FTE is expected to expand capacity to evaluate Department contracts and support counties that do not have fraud investigators.

R9 Maintain electronic hospital records: The request includes an increase of \$819,724 General Fund in FY 2025-26 for increased contract costs from the electronic health record system at the state hospitals. This amount increases to \$894,724 General Fund in FY 2026-27 and ongoing.

R10 Colorado Commission for the Deaf, Hard of Hearing, and Deafblind (CCDHHDB) enterprise [requires legislation]: The request includes an increase of \$1.6 million total funds, including a decrease of \$0.1 million General Fund, and 1.0 FTE in FY 2025-26 and ongoing. The Department also requests that the Joint Budget Committee sponsor legislation to 1) create an enterprise to house the Colorado Commission for the Deaf, Hard of Hearing, and Deafblind and 2) transfer the Reading Services for the Blind program from the Department of Education to the newly formed enterprise. The Department assumes the move to an enterprise will provide General Fund relief of \$1.7 million in FY 2025-26 and \$2.7 million in FY 2026-27.

R11 DYS food inflation: The request includes an increase of \$371,695 General Fund for FY 2025-26 and ongoing to address food cost inflation in Division of Youth Services facilities.

R12 Child abuse and neglect appeals: The request includes an increase of \$143,863 total funds and 2.0 FTE to support existing child abuse and neglect appeals staff in FY 2025-26 and ongoing. Amounts include \$89,993 General Fund, and remaining amounts are federal funds from Title IV-E of the Social Security Act. The request indicates that the staffing calculations after the creation of the Department of Early Childhood were incorrect and additional funding is needed to support existing staff.

R13 DYS career education adjustment: The request includes a net-zero adjustment to move existing DYS career technical education (CTE) staff from the Division of Youth Services (DYS) to the Division of Facilities Management (DFM) on an ongoing basis. The request is the result of a FY 2023-24 request that placed some CTE staff in DYS and some in DFM. After administering the program, the Department found that all staff are best placed in DFM. Work by CTE staff supports grounds maintenance and training opportunities for youth in kitchen, electrical, plumbing, and gardening maintenance programs at youth commitment and detention facilities.

R14 Teen parent driver's license program: The request includes a reduction of \$100,000 General Fund to the Teen Parent Driver's License Program in FY 2025-26 and ongoing. This proposal would eliminate funding for the program, while retaining the program's statutory authorization. The Teen Parent Driver's License Program was created by H.B. 22-1042 and has been appropriated \$100,000 in each of the two fiscal years since its creation. The Department reports that in FY 2022-23 the program expended \$50,000 and in FY 2023-24 it expended \$66,131. Since its inception, the program served 63 individuals with 26 receiving driver's training, 37 obtaining a driver's permit, and 26 obtaining a driver's license.

R15 DYS contract placement reduction: The request includes a decrease of \$1.0 million total funds for DYS commitment contract placements in FY 2025-26 and ongoing. Amounts include \$873,165 General Fund. The reduction is due to caseload decreases for commitment and is not expected to impact services. Contract placements are a step-down from secure commitment and are not related to capacity for secure detention beds.

R16 Home Care Allowance reduction: The request includes a reduction of \$1.1 million total funds, including \$1.0 million General Fund, in FY 2025-26 and ongoing to the Home Care Allowance (HCA) program. Caseload has declined due to rule changes in 2022 that make this a program of last resort for disabled Coloradans seeking home care services. Nearly all of the cases are transitioning to the Medicaid Home and Community Based Services program through the Department of Health Care Policy and Financing. The HCA caseload is not expected to rebound, which will result in underspending of its appropriation as the full effect of the rule change is realized.

R17 ReHire Colorado reduction: The request includes a reduction of \$250,000 General Fund in FY 2025-26 and ongoing to the ReHire Colorado program. The reduction will be accomplished through reducing state administrative costs and renegotiating contracts. The Department reports that the ReHire Colorado program underspent its appropriation in the last two fiscal years. The program is designed to help low-income unemployed and underemployed Colorado adults facing barriers to employment re-enter the workforce via wage-paid work, job skills training, and supportive services. The program prioritizes noncustodial parents, veterans, and displaced workers over the age of 50 with household income less than 150.0 percent of the federal poverty level.

R18 Child welfare core services reduction: The request includes a decrease of \$3.6 million total funds for child welfare core services in FY 2025-26 and ongoing. Amounts include \$3.0 million General Fund, as well as cash funds and federal funds that reflect local and federal match for core services. Core services is the second largest capped allocation for child welfare and is distributed to counties to support basic child welfare services. The allocation was underspent in recent years, but is used to backfill the other capped allocations that have been under-allocated in recent years.

BHA R1 Increase access to care: The request includes an increase of \$3.2 million General Fund annually through FY 2027-28. The request decreases to \$2.2 million General Fund in FY 2028-29 and ongoing. Funding includes three components described below.

- Increase of \$1.2 million to compensate comprehensive providers for care coordination. The request aims to replicate Medicaid care coordination reimbursements for people who are uninsured and have acute mental health needs. This portion of the request is ongoing.
- Increase of \$1.0 million annually for three years to enhance the care coordination capacity of comprehensive providers. Funding supports the training, policy updates, or electronic health record enhancements that may be necessary to meet increased care coordination requirements from H.B. 22-1278 (Behavioral Health Administration). The calculation assumes \$125,000 will be allocated to 24 comprehensive providers over three years. As of October 2024, there were 17 comprehensive providers approved by the BHA.
- Increase of \$1.0 million to increase care navigation resources for Behavioral Health Administration Service Organizations (BHASOs). The request would provide \$250,000 to each of 4 BHASOs to support increased care navigation requirements from H.B. 22-1278. This portion of the request is ongoing.

BHA R2 Child & youth behavioral health plan: The request includes a one-time increase of \$350,000 General Fund to contract for an assessment related to the BHA’s Children and Youth Behavioral Health Implementation Plan released in January 2024. The contract would assess capacity, finances, and workforce in part to determine how existing resources can be leveraged more effectively.

BHA R3 Crisis line consolidation [requires legislation]: The request includes a decrease of \$200,000 total funds to transition the Colorado Mental Health Telephone Hotline to the 988 Enterprise. Amounts include a decrease of \$3.7 million General Fund, offset by an increase of \$3.5 million cash funds from the 988 Enterprise Cash Fund.

The Colorado Crisis Line (844-493-TALK) provides free, 24/7 support to people in crisis by trained professionals. 988 is a national network of local crisis contact centers designated by Congress in 2020. Senate Bill 21-154 (Suicide Prevention Lifeline Network) created the 988 Enterprise in Colorado. The Enterprise receives revenue from a surcharge on all phone lines. Revenue totaled \$20.8 million in FY 2024-25, compared to expenditures of \$15.0 million.

The Colorado Crisis Line pre-dates 988, but was maintained because 988 did not have geo-routing capability. Geo-routing means that a call is routed to the nearest contact center. Without geo-routing, calls are routed based on area code. The Federal Communications Commission voted in October to begin requiring phone carriers to geo-route 988 calls.

The Colorado Crisis Line offers other features that are not yet available through 988, such as peer support. The request asks that the Joint Budget Committee sponsor legislation to move the Colorado Crisis Line to the 988 Enterprise and gradually phase out the Colorado Crisis Line if 988 meets the level of service and awareness of the Colorado Crisis Line.

BHA R4 Alternative funding for behavioral health services: The request includes a decrease of \$1.6 million total funds on an ongoing basis for programs with expected reversions or alternate fund sources. Amounts include a reduction of \$1.4 million General Fund and \$161,714 cash funds from the Marijuana Tax Cash Fund.

The request includes reductions of \$800,000 for the Circle Program (rural treatment for co-occurring disorders), \$600,000 for the Children and Youth Mental Health Treatment Act, and \$200,000 for Treatment and Detox programs. The BHA expects that the reductions will not impact services.

BHA R5 School mental health screening: The request includes an ongoing decrease of \$775,998 General Fund to adjust for lower than expected contracting costs. The fiscal note for H.B. 23-1003 (School Mental Health Assessment) estimated that implementation of the bill would require two contracts, one for a qualified

provider and one for a data vender, for a total of \$2.5 million annually. The BHA contracted with a provider that fulfills both requirements at a lower cost.

BHA R6 Right-sizing IMatter: The request includes an ongoing decrease of \$6.1 million General Fund to maintain the FY 2024-25 General Fund appropriation for the IMatter program from S.B. 24-001 (Continue Youth Mental Health Services Program). IMatter is intended to provide 6 free virtual therapy sessions for school-aged youth.

Senate Bill 24-001 continued the IMatter program through 2034. The fiscal note estimated a cost of \$11.1 million to continue the program, compared to an historic appropriation of \$6.0 million and historic expenditure of \$5.1 million. The General Assembly appropriated \$5.0 million General Fund in FY 2024-25 to continue the program.

The fiscal note assumed that the cost of continuing IMatter would increase due to the implementation of school-based mental health screenings. The BHA has indicated that \$5.0 million is sufficient to operate the program. If demand exceeds the appropriation, the BHA will have to reduce services, establish a waitlist, or request an increased appropriation.

The “annualization of prior year legislation” section of the request increases the FY 2025-26 appropriation for IMatter by \$6.1 million to align with the fiscal note. This request decreases the appropriation back down to a total of \$5.0 million General Fund to align with the General Assembly’s FY 2024-25 action on an ongoing basis.

BHA R7 BHE Licensing spending authority: The request includes an increase of \$420,977 cash fund spending authority from the Behavioral Health Licensing Cash Fund in FY 2025-26. This amount decreases to \$417,214 in FY 2026-27 and ongoing. The cash fund supports licensing activities that were previously supported by the Colorado Department of Public Health and Environment (CDPHE).

These activities transferred to the BHA in FY 2024-25 but were not accounted for in the Long Bill. The related spending authority is removed from CDPHE in its FY 2025-26 budget request. The request does not represent a change in practice or fees. Current fees range from \$500 to \$3,600.

BHA R8 High acuity youth: The request includes an increase of \$1.2 million total funds in FY 2025-26. Amounts include an increase of \$4.5 million General Fund and a decrease of \$3.4 million federal funds. The request stems from a technical error in the out-year costs estimated in the fiscal note for [H.B. 24-1038 \(High Acuity Youth\)](#). The fiscal note mistakenly switched the General Fund and federal funds split for FY 2025-26 only.

The request only reflects a one-year adjustment. Funding in FY 2026-27 and ongoing would align with the fiscal note, which estimated a \$5.9 million General Fund appropriation for the BHA in FY 2026-27 and ongoing.

Non-base building staff incentives: The total compensation request includes an increase of \$3.9 million General Fund for non-base building staff incentives. The compensation request has included one-time salary increases for select direct care staff since FY 2023-24 in response to the Colorado Workers for Innovative New Solutions (COWINS) Partnership Agreement. The amounts were not submitted as a prioritized request by the Department of Personnel or affected Departments, but are built into the total compensation request for the Departments of Human Services, Corrections, and Public Safety.

Non-prioritized requests: The request includes a net increase of \$2.0 million total funds for the impact of requests that originate in other Departments, summarized in the table below.

Non-prioritized decision items						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
HCPF Convert Contracts to FTE	\$1,939,233	\$907,526	\$88,402	\$0	\$943,305	0.0
JUD OAC Staffing	42,384	26,118	\$0	16,266	0	0.0

Non-prioritized decision items						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
HCPF County Admin/CBMS	19,146	8,964	821	0	9,361	0.0
DPA Equity Office FTE	0	325,979	0	-325,979	0	0.0
Total	\$2,000,763	\$1,268,587	\$89,223	-\$309,713	\$952,666	0.0

Centrally appropriated line items: The request includes a net increase of \$31.0 million total funds for centrally appropriated line items, summarized in the table below.

Centrally appropriated line items						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Salary survey	\$9,754,266	\$6,104,839	\$502,977	\$1,308,203	\$1,838,247	0.0
Health, life, and dental	8,404,655	4,213,663	349,681	1,741,470	2,099,841	0.0
Payments to OIT	4,754,453	1,992,115	0	2,762,338	0	0.0
Shift differential	3,003,367	-804,750	154,572	257,105	3,396,440	0.0
Step plan	2,475,785	1,651,147	155,847	250,801	417,990	0.0
AED and SAED	1,899,099	900,704	36,644	260,966	700,785	0.0
Risk management & property	1,028,780	893,311	0	135,469	0	0.0
ALJ services	769,304	474,066	0	295,238	0	0.0
CORE operations	493,435	305,497	0	187,938	0	0.0
Vehicle lease payments	169,800	83,717	0	86,083	0	0.0
Paid family & medical leave	85,459	40,532	1,649	11,743	31,535	0.0
Capitol Complex leased space	75,317	31,380	0	43,937	0	0.0
Short-term disability	28,468	13,492	550	3,914	10,512	0.0
Annual depreciation lease	-686,082	-686,082	0	0	0	0.0
Workers' compensation	-534,864	-332,107	0	-202,757	0	0.0
PERA direct distribution	-480,504	-324,340	0	-156,164	0	0.0
Legal services	-250,944	-207,160	0	-43,784	0	0.0
Digital trunk radios	-8,388	466,278	-7	-474,659	0	0.0
Total	\$30,981,406	\$14,816,302	\$1,201,913	\$6,467,841	\$8,495,350	0.0

Indirect cost assessment: The request includes net adjustments to indirect costs across the Department.

Annualize prior year legislation: The request includes a net decrease of \$19.1 million total funds to reflect the FY 2025-26 impact of bills passed in previous sessions, summarized in the table below.

Annualize prior year legislation						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
SB 24-008 Kinship foster care	\$15,580,949	\$4,255,670	\$1,556,683	\$0	\$9,768,596	0.5
SB 24-001 IMatter	6,074,762	6,074,762	\$0	\$0	\$0	0.0
HB 22-1283 Youth BH	1,250,000	1,250,000	\$0	\$0	\$0	0.0
SB 22-235 County admin assist	600,000	180,000	\$0	240,000	180,000	0.0
HB 23-1269 High acuity treatment	569,859	560,778	0	0	9,081	1.7
SB 24-177 Eating disorder treat	484,220	484,220	0	0	0	1.0
HB 23-1138 Adult competency	7,387	7,387	0	0	0	0.3
HB 24-1466 ARPA Refinance	0	63,182,048	-63,182,048	0	0	0.0
HB 24-1431 Stable housing	0	0	0	0	0	0.2
HB 24-1408 Care assistance	-16,228,058	-3,575,722	-794,605	0	-11,857,731	0.0
HB 23-1283 Refugee services	-8,316,327	105,931	0	-105,931	-8,316,327	-10.0
HB 24-1038 High acuity youth	-5,900,000	0	-5,900,000	0	0	0.0
HB 24-1176 BH gap grant	-4,000,000	0	-4,000,000	0	0	0.0
SB 21-129 Veterans suicide prev.	-3,089,376	-3,089,376	0	0	0	0.0

Annualize prior year legislation						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
HB 24-1407 Community food assist	-3,000,000	-3,000,000	0	0	0	0.0
HB 24-1406 School mental health	-2,500,000	-2,500,000	0	0	0	0.0
HB 24-1045 Treat substance use	-254,961	-254,961	0	0	0	0.2
HB 22-1281 Continuum gap grant	-161,161	-161,161	0	0	0	-2.0
HB 22-1326 Fentanyl	-150,000	0	-150,000	0	0	-0.5
SB 24-055 Ag and rural health	-33,842	-33,842	0	0	0	0.1
HB 24-1217 Patient info	-26,902	-26,902	0	0	0	-0.1
HB 24-1355 Competency	-23,098	-23,098	0	0	0	-0.3
HB 24-1079 Person detained in jail	-20,615	-20,615	0	0	0	0.0
SB 23-039 Reduce child separation	-8,792	-5,715	0	0	-3,077	0.0
Total	-\$19,145,955	\$63,409,404	-\$72,469,970	\$134,069	-\$10,219,458	-8.9

Annualize prior year budget actions: The request includes a net decrease of \$11.0 million total funds to reflect the FY 2025-26 impact of prior year budget actions, summarized in the table below.

Annualize prior year budget actions						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 23-24 R19 DYS caseload reduction	\$2,096,132	\$1,675,864	\$168,734	\$134,557	\$116,977	0.0
FY 24-25 R2 Reduce youth crime	850,000	0	850,000	0	0	0.0
FY 24-25 BHA R1 BH Ombudsman	66,187	66,187	0	0	0	0.2
FY 24-25 R6 SAVE fee increase	57,872	9,260	0	36,459	12,153	0.0
FY 19-20 R21 Salesforce shield	6,570	762	0	5,808	0	0.0
FY 24-25 Salary survey	0	0	0	0	0	0.0
FY 24-25 Step pay	0	0	0	0	0	0.0
FY 24-25 R1 Competency restoration	-5,102,343	-5,102,343	0	0	0	0.0
FY 24-25 Incentives and bonuses	-3,300,480	-3,300,480	0	0	0	0.0
FY 24-25 State funding for senior services	-2,000,000	-2,000,000	0	0	0	0.0
FY 24-25 Targeted 24/7 compensation	-1,688,649	-1,042,113	0	-646,536	0	0.0
FY 24-25 TGYS one-time funding	-1,500,000	-1,500,000	0	0	0	0.0
FY 24-25 CCDHHDB one-time funding	-500,000	-500,000	0	0	0	0.0
FY 24-25 R3 HR Staffing	-28,804	-26,585	0	-2,219	0	0.7
Total	-\$11,043,515	-\$11,719,448	\$1,018,734	-\$471,931	\$129,130	0.9

Issues Presented

This is a summary of the briefing issues presented to the Joint Budget Committee by their dedicated non-partisan staff.

Budget Reduction Options: The Executive Budget Request includes reductions of \$25.3 million General Fund for the Department of Human Services, representing 2.0 percent of the General Fund appropriations in this Department. The request includes reductions of \$5.7 million General Fund, representing 0.9 percent of appropriations, for the sections of the budget discussed in this document. Three issue briefs review these proposals and additional options identified by staff.

Youth Detention Continuum: This brief provides an overview of the youth detention continuum and related Department requests: R2 Streamlining Juvenile Justice and R3 Increase DYS Bed Cap and Enhanced Services. The Department’s requests propose to increase the juvenile detention bed cap from 215 to 254 and increase funding for S.B. 91-094 secure detention diversion programs. These increases are partially offset by

eliminating funding for the Boulder County IMPACT program and early repeal of H.B. 22-1056 (Emergency Temporary Care for Children).

Adoption and Relative Guardianship: This brief provides a historic record of statutory changes to funding adoption and relative guardianship programs. Adoption and Relative Guardianship is an entitlement program that was under-allocated by \$5.0 million General Fund in FY 2023-24. The Executive Branch has not submitted a request to address the over-expenditure and anticipated increases for future fiscal years.

Child Protection Ombudsman Reports: This brief discusses two reports released by the Child Protection Ombudsman during the 2024 interim. These reports discuss the lack of audio surveillance at Division of Youth Services secure facilities and the Timothy Montoya Task Force. Both reports make recommendations that would require increased funding to implement.

Update on SNAP Corrective Action Plan: This brief provides an overview and update of the state's Supplemental Nutrition Assistance Program's (SNAP's) federal Corrective Action Plan. The federal Food and Nutrition Service notified the state Department of Human Services in October 2023 that the state's processing of SNAP application was persistently below the federal performance mark of 95.0 percent. The federal government requires that households have the opportunity to participate in SNAP within seven days for expedited cases and 30 days for regular cases.

Veterans Community Living Centers Operational Status: This brief provides an overview of the operations of the state-owned Veterans Community Living Centers (VCLCs or Centers). The discussion includes an overview of the Centers' financials, staffing, and operations, as well as actions taken by the Department to address challenges. The four state-owned Veterans Community Living Centers have experienced a decline in census and staffing challenges, which have adversely affected the Centers' financial situation. The Department has acted to address these effects, including changing staffing levels and patterns and increased marketing and outreach.

BHA Implementation and Requests: This brief provides an overview of the current implementation status for the Behavioral Health Administration, as well as the first two prioritized requests from the BHA. BHASO regions have been awarded and will come into effect at the start of FY 2025-26, completing BHA implementation.

Competency Updates and Requests: This brief provides an overview of the most recent information from the Office of Civil and Forensic Mental Health regarding the competency restoration waitlist, consent decree fines, and additional context for four of the Office's prioritized requests. The competency restoration waitlist has decreased to 241 in June 2024, after a peak of 464 in May 2023. The Department's request includes reductions for private hospital competency restoration contracts and consent decree fines as a result of the decline in the waitlist and budget balancing.

For More Information

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To read the entire briefing: Go to <http://leg.colorado.gov/content/budget/budget-documents> to use the budget document search tool. Select this department's name under *Department/Topic*, "Briefing" under *Type*, and select a *Start date* and *End date* to show documents released in November and December of 2024.

Judicial

The Judicial Department is comprised of the traditional Judicial Branch and independent agencies. This includes the Supreme Court, the Court of Appeals, district courts (including the Denver probate and juvenile courts), and county courts (except Denver county court); and Probation. The Department includes 11 independent agencies: the *Office of the State Public Defender* (OSPD); the *Office of the Alternate Defense Counsel* (OADC); the *Office of the Child's Representative* (OCR); the *Office of the Respondent Parents' Counsel* (ORPC); the *Office of the Child Protection Ombudsman* (OCPO); the *Independent Ethics Commission* (IEC); the *Office of Public Guardianship* (OPG); the *Commission on Judicial Discipline* (CJD); *Bridges of Colorado*, aka the *Statewide Behavioral Health Court Liaison*, (BRI); the *Office of Administrative Services for Independent Agencies* (ASIA); and the *Office of Judicial Ombudsman* (OJO). The Department's FY 2024-25 appropriation represents approximately 2.5 percent of statewide operating appropriations and 4.1 percent of statewide General Fund appropriations.

Summary of Request

This summary is divided into three parts – Courts and Probation, Office of the State Public Defender, and all independent agencies excluding the Office of the State Public Defender.

Courts and Probation

Judicial Department – Courts and Probation						
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
Total	\$760,432,818	\$314,623,789	\$388,638,930	\$52,745,099	\$4,425,000	4,197.1
FY 2025-26 Requested Appropriation						
FY 2024-25 Appropriation	\$760,432,818	\$314,623,789	\$388,638,930	\$52,745,099	\$4,425,000	4,197.1
C&P ITCAP1 JUD CMS year 2	12,701,228	7,485,085	5,216,143	0	0	0.0
C&P R1 JCEF collections sustainability	3,762,374	1,200,000	2,562,374	0	0	0.0
C&P R2 Budget analyst FTE	277,177	277,177	0	0	0	1.8
C&P R3 Aurora municipal DV cases	2,941,256	2,941,256	0	0	0	24.4
C&P R4 Retirements	1,000,000	1,000,000	0	0	0	0.0
C&P R5 PAIRR attorney	162,846	162,846	0	0	0	0.9
C&P R6 Leadership development	500,000	500,000	0	0	0	0.0
C&P R7 Judicial district probation resources	1,444,358	1,444,358	0	0	0	12.4
C&P R8 ITS infrastructure and maintenance	650,000	0	650,000	0	0	0.0
C&P R9 ITS data center refresh	2,636,000	0	2,636,000	0	0	0.0
C&P R10 Peer training coordinator	149,918	149,918	0	0	0	0.9
C&P R11 DA adult pretrial diversion funding	650,000	650,000	0	0	0	0.0
C&P R12 Family-friendly Grant Program	270,000	270,000	0	0	0	0.0
C&P R13 Judicial forms and accessibility	149,018	149,018	0	0	0	0.9
C&P R14 Childcare stipend and coordinator	626,000	626,000	0	0	0	0.9
C&P R15 Pass-through requests	-1,536,685	85,527	207,255	-1,829,467	0	0.0

Judicial Department – Courts and Probation

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
C&P R16 Informational requests	1,206,359	0	1,206,359	0	0	0.9
Centrally appropriated line items	27,927,511	23,366,583	593,858	3,967,070	0	0.0
Annualize GF-ARPA swap (HB24-1466)	0	200,000,000	-200,000,000	0	0	0.0
Annualize prior year actions	-2,746,176	-2,752,910	6,734	0	0	14.5
Total	\$813,204,002	\$552,178,647	\$201,717,653	\$54,882,702	\$4,425,000	4,254.7
Increase/-Decrease	\$52,771,184	\$237,554,858	-\$186,921,277	\$2,137,603	\$0	57.6
Percentage Change	6.9%	75.5%	-48.1%	4.1%	0.0%	1.4%

Excluding HB24-1466 Impact						
Increase/-Decrease	\$52,771,184	\$37,554,858	\$13,078,723	\$2,137,603	\$0	57.6
Percentage Change	6.9%	7.3%	6.9%	4.1%	0.0%	1.4%

C&P ITCAP1 JUD Case Management System year 2: The request includes \$12.7 million total funds, including \$7.5 million General Fund and \$5.2 million cash funds from the Judicial Department Information Technology Cash Fund (JDITCF), for the second year IT project costs for the Judicial Case Management System. This item was included in the Information Technology Projects section of the Long Bill for FY 2024-25 and is anticipated to be located there again for FY 2025-26.

C&P R1 JCEF collections sustainability [legislation request]: The request includes an increase of \$3.8 million total funds, including \$1.2 million General Fund and \$2.6 million cash funds from the Judicial Collection Enhancement Fund (JCEF), for FY 2025-26 and future years for JCEF and Collections Program sustainability. The Courts and Probation also request legislation for the statutory adjustment of time and late fees over two years. If a fee adjustment is not pursued, the Courts seek General Fund support of \$3.1 million for FY 2025-26 and \$3.3 million for future years.

C&P R2 Budget analyst FTE: The request includes an increase of \$277,177 General Fund and 1.8 FTE for FY 2025-26 and \$287,493 and 2.0 FTE for future years for two Budget Analyst II positions.

C&P R3 Aurora municipal DV cases: The request includes an increase of \$2.9 million General Fund and 24.4 FTE for FY 2025-26 and \$3.0 million General Fund and 26.6 FTE for future years. The request includes 19 probation officers and related supervisory and support staff to supervise the additional estimated 868 cases that will become State court responsibility on July 1, 2025, as a result of Aurora discontinuing the prosecution of domestic violence cases in its municipal court.

C&P R4 Retirements: The request includes an increase of \$1.0 million General Fund for FY 2025-26 and future years to pay for the cost of retirement-related leave payouts.

C&P R5 PAIRR attorney: The request includes an increase of \$162,846 General Fund and 0.9 FTE for FY 2025-26 and \$170,327 General Fund and 1.0 FTE for future years for a Senior Assistant Legal Counsel attorney staff position who would serve as the primary contact for Public Access to Information and Records Rule (PAIRR) requests.

C&P R6 Leadership development: The request includes an increase of \$500,000 General Fund for FY 2025-26 and \$700,000 General Fund for future years to implement an updated leadership development program, including internal costs for implementation and estimated costs for a contracted vendor to deliver the training.

C&P R7 Judicial district probation resources: The request includes an increase of \$1.4 million General Fund and 12.4 FTE for FY 2025-26 and \$1.5 million General Fund and 13.5 FTE for future years for additional judicial district probation officers for the seven lowest staffed judicial district offices.

C&P R8 ITS infrastructure and maintenance: The request includes an increase of \$650,000 cash funds from the JDITCF for FY 2025-26 and future years for additional costs associated with hardware and software maintenance inflation.

C&P R9 ITS data center refresh: The request includes an increase of \$2.6 million cash funds from the JDITCF for FY 2025-26, \$6.2 million cash funds from the JDITCF for FY 2026-27, and \$486,300 cash funds from the JDITCF for FY 2027-28, for a refresh and replacement of the Courts' data center infrastructure equipment.

C&P R10 Peer training coordinator: The request includes an increase of \$149,918 General Fund and 0.9 FTE for FY 2025-26 and \$156,105 General Fund and 1.0 FTE for future years for a Court Programs Analyst III position to serve as the Peer Training Program coordinator.

C&P R11 DA adult pretrial diversion funding: The request includes an increase of \$650,000 General Fund for FY 2025-26 and future years to restore General Fund eliminated during pandemic budget balancing and to add \$250,000 for expansion of the District Attorney Adult Pretrial Diversion Program.

C&P R12 Family-friendly Grant Program: The request includes an increase of \$270,000 General Fund for FY 2025-26 and future years to either refinance or supplement the current \$270,000 cash funds appropriation from the Family-friendly Court Program Cash Fund.

C&P R13 Judicial forms and accessibility: The request includes an increase of \$149,018 General Fund and 0.9 FTE for FY 2025-26 and \$154,805 General Fund and 1.0 FTE for future years for a Court Programs Analyst III position to coordinate the forms development process.

C&P R14 Childcare stipend and coordinator: The request includes an increase of \$626,000 General Fund and 0.9 FTE for FY 2025-26 and \$632,968 General Fund and 1.0 FTE for future years. The request funds a \$500,000 childcare stipend program to provide up to \$2,500 annually per employee to support childcare expenses for children aged 0-5. The request includes a Human Resources Analyst II to implement and coordinate the program.

C&P R15 Pass-through requests: The request includes a net decrease of \$1.5 million total funds from pass-through requests. For FY 2025-26, the District Attorney's Council requests a 3.0 percent increase for mandated costs of \$91,767 total funds, including \$85,527 General Fund and \$6,240 cash funds. For FY 2025-26, the Correctional Treatment Board requests a decrease of \$1.8 million reappropriated funds from Correctional Treatment Cash Fund allocations to Judicial Department appropriations. The reduced CTCF allocation requires an increase of \$301,015 cash funds from the Sex Offender Surcharge Fund.

C&P R16 Informational requests: The request includes an increase of \$1.2 million cash funds from annual attorney registration fees and 0.9 FTE for informational adjustments for the Office of Attorney Regulation Counsel. These funds are continuously appropriated under the Judicial Department's constitutional authority.

C&P Centrally appropriated line items: The request includes a net increase of \$27.9 million total funds, including \$23.4 million General Funds for centrally appropriated line items, summarized in the table below.

Centrally appropriated line items					
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	FTE
Salary survey	\$9,794,917	\$9,087,263	\$707,654	\$0	0.0
Step Plan	8,427,663	7,791,124	636,539	0	0.0
Health, life, and dental	6,785,024	6,670,535	114,489	0	0.0

Centrally appropriated line items

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	FTE
RCJC leased space adjustment	2,269,013	242,937	-1,338,923	3,364,999	0.0
AED and SAED	2,191,026	2,186,725	4,301	0	0.0
Indirect cost assessment	1,142,987	0	540,916	602,071	0.0
CORE	855,793	855,793	0	0	0.0
Paid family & medical leave insurance	98,595	98,402	193	0	0.0
Short-term disability	32,864	32,800	64	0	0.0
Digital trunk radio payments	6,300	6,300	0	0	0.0
Payments to OIT	-2,310,155	-2,310,155	0	0	0.0
Legal services	-680,164	-680,164	0	0	0.0
PERA direct distribution	-383,171	-311,796	-71,375	0	0.0
Risk management & property	-213,337	-213,337	0	0	0.0
Workers' compensation	-57,700	-57,700	0	0	0.0
Vehicle lease payments	-32,144	-32,144	0	0	0.0
Total	\$27,927,511	\$23,366,583	\$593,858	\$3,967,070	0.0

C&P Annualize GF-ARPA Swap (HB24-1466): The request includes an increase of \$200.0 million General Fund and an offsetting decrease of \$200.0 million cash funds from federal ARPA funds for the out-year adjustment of H.B. 24-1466 (Refinance Federal Coronavirus Recovery Funds).

C&P Annualize prior year actions: The request includes a net decrease of \$2.7 million total funds, including \$2.8 million General Fund, for the out-year cost of prior year budget actions and legislation.

Annualize prior year actions

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
C&P FY25 R7 RLC Judicial Center	\$3,000,000	\$3,000,000	\$0	\$0	\$0	0.0
HB24-1355 Reduce competency wait list	689,800	689,800	0	0	0	9.7
HB24-1133 Crim record seal-expunge	550,700	550,700	0	0	0	0.5
SB23-064 Continue Off of Pub Guardianship	61,687	61,687	0	0	0	0.0
C&P FY25 BA9 Fiscal note adjustments	31,234	31,234	0	0	0	0.0
C&P FY25 R5 Court resources	22,620	22,620	0	0	0	1.7
C&P FY25 R2 CMS staff	15,458	15,458	0	0	0	0.4
C&P FY25 R4 Probation resources	10,268	10,268	0	0	0	0.6
C&P FY25 R9 SCAO staff	10,258	10,258	0	0	0	0.7
HB24-1031 Access persons child welfare	9,901	0	9,901	0	0	0.2
SB24-064 Mo resid eviction data-report	7,525	7,525	0	0	0	0.1
C&P FY25 R11 ITS infrastructure and maint	4,783	4,783	0	0	0	0.2
C&P FY25 SB23-230 County Assist 23rd JD	-4,000,000	-4,000,000	0	0	0	0.0
C&P FY25 R6 Courthouse-probation security	-1,000,000	-1,000,000	0	0	0	0.0
C&P FY25 R8 HB21-1110 Digital accessibility	-982,216	-982,216	0	0	0	0.4
C&P FY25 R13/BA10 County courthouse infrast	-543,000	-543,000	0	0	0	0.0
HB24-1045 Trtmt substance use disorders	-250,000	-250,000	0	0	0	0.0
HB20-1026 Creation of 23rd Jud Dist	-200,000	-200,000	0	0	0	0.0
HB24-1099 Defendant filing fees evictions	-119,120	-119,120	0	0	0	0.0
SB23-173 CO Child Support Comm rec	-46,307	-46,307	0	0	0	0.0
C&P FY25 BA1 Creation of 23rd JD	-16,600	-16,600	0	0	0	0.0
C&P FY25 R10 Off of Jud Perf Eval	-3,167	0	-3,167	0	0	0.0
Total	-\$2,746,176	-\$2,752,910	\$6,734	\$0	\$0	14.5

Office of State Public Defender

Judicial Department – Office of State Public Defender

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
Total	\$178,273,311	\$177,529,947	\$743,364	\$0	\$0	1,183.5
FY 2025-26 Requested Appropriation						
FY 2024-25 Appropriation	\$178,273,311	\$177,529,947	\$743,364	\$0	\$0	1,183.5
SPD R1 Workload standards	370,389	370,389	0	0	0	0.3
SPD R2 UKG HR-Payroll IT solution	176,400	176,400	0	0	0	0.0
SPD R3 IT storage continuation	1,556,767	1,556,767	0	0	0	0.0
SPD R4 Aurora municipal DV cases	750,179	750,179	0	0	0	9.2
SPD R5 Client representation - CBI DNA misconduct	2,000,000	2,000,000	0	0	0	0.0
SPD R6 410 17th St leased space	912,000	912,000	0	0	0	0.0
SPD R7 OSPD-OADC e-Discovery [legislation request]	0	0	0	0	0	0.0
SPD R8 (NP2) Cash funds true-up	0	0	0	0	0	0.0
Centrally appropriated line items	11,993,244	11,993,244	0	0	0	0.0
Annualize prior year actions	2,138,152	2,138,152	0	0	0	28.6
Total	\$198,170,442	\$197,427,078	\$743,364	\$0	\$0	1,221.6
Increase/-Decrease	\$19,897,131	\$19,897,131	\$0	\$0	\$0	38.1
Percentage Change	11.2%	11.2%	0.0%	n/a	n/a	3.2%

SPD R1 Workload standards: The request includes an increase of \$370,389 General Fund and 0.3 FTE for FY 2025-26 to update, implement, and maintain workload standards. As staff understands, the request annualizes to \$358,881 General Fund and 1.0 FTE for FY 2026-27 and to \$283,881 General Fund and 1.0 FTE for future years. This request is the result of a finding included in a performance audit by the Office of the State Auditor.

SPD R2 UKG HR-Payroll IT solution: The request includes an increase of \$176,400 General Fund for FY 2025-26 and future years for a customized, off-the-shelf, HR-payroll IT solution.

SPD R3 IT storage continuation: The request includes an increase of \$1.6 million General Fund for FY 2025-26 for the continuing growth of storage related to the vendor contract for its \$4.1 million "Public Defense in the Digital Age" storage project. That project was appropriated for FY 2022-23 and included in the Information Technology Projects section of the Long Bill. The project will be completed by the end of the current fiscal year. Future increases are estimated to be \$2.1 million General Fund for FY 2026-27, \$2.9 million General Fund for FY 2027-28, and \$3.5 million General Fund for FY 2028-29.

SPD R4 Aurora municipal domestic violence cases: The request includes an increase of \$750,179 General Fund and 9.2 FTE for FY 2025-26 and \$1,114,771 General Fund and 12.9 FTE for future years. The request includes seven attorneys plus support staff, with three attorneys to start on July 1, 2025, two attorneys to start on January 1, 2026, and two attorneys to start on July 1, 2026. The new attorneys will handle the estimated 1,137 new cases that will become State court and OSPD responsibility on July 1, 2025, as a result of Aurora discontinuing the prosecution of domestic violence cases in its municipal court.

SPD R5 Client representation - CBI DNA misconduct: The OSPD and the Office of Alternate Defense Counsel (OADC) jointly request \$2.0 million General Fund for FY 2025-26, with multi-year spending authority, for the first year of costs related to cases arising from DNA testing misconduct at the Colorado Bureau of Investigation

(CBI). The funding is requested as an appropriation in the OSPD budget with access to funding provided to OADC for the same purpose.

SPD R6 401 17th St leased space: The request includes an increase of \$912,000 General Fund for FY 2025-26 and FY 2026-27, \$1,354,783 General Fund for FY 2027-28, and a 3.0 percent increase in future years. The OSPD seeks to permanently relocate their central office space from the Carr Judicial Center to their current, temporary space at 410 17th Street. The OSPD calculates estimated costs at the Judicial Center for FY 2025-26 at \$1.5 million for its floor and a half of space, and seeks permanent space of 55,000 square feet.

SPD R7 OSPD-OADC e-Discovery [legislation request]: The OSPD and the Office of Alternate Defense Counsel (OADC), with the support of the Colorado District Attorneys' Council (CDAC), jointly request that the JBC sponsor legislation to convene a task force to study and make legislative recommendations about how best to control state, county, and local government costs related to electronic discovery. The task force would report with recommended legislative actions that could be pursued as early as the 2026 legislative session.

SPD R8 (NP2) Cash funds true-up: The request includes a net-neutral transfer of \$30,000 cash funds from training registration fee revenue in the operating expenses line item to the training line item.

SPD Centrally appropriated line items: The request includes a net increase of \$12.0 million General Fund for centrally appropriated line items, summarized in the table below.

Centrally appropriated line items						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Step plan	\$4,388,977	\$4,388,977	\$0	\$0	\$0	0.0
Salary survey	3,236,611	3,236,611	0	0	0	0.0
Health, life, and dental	2,472,884	2,472,884	0	0	0	0.0
AED and SAED	727,472	727,472	0	0	0	0.0
Leased space	655,744	655,744	0	0	0	0.0
PERA direct distribution	492,433	492,433	0	0	0	0.0
Paid family & medical leave insurance	32,736	32,736	0	0	0	0.0
Vehicle lease payments	21,798	21,798	0	0	0	0.0
Short-term disability	10,912	10,912	0	0	0	0.0
Legal services	-46,323	-46,323	0	0	0	0.0
Total	\$11,993,244	\$11,993,244	\$0	\$0	\$0	0.0

SPD Annualize prior year actions: The request includes an increase of \$2.1 million General Fund for the FY 2025-26 cost of prior year budget actions and legislation.

Annualize prior year actions						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
SPD FY25 R1 Attorneys	\$2,502,811	\$2,502,811	\$0	\$0	\$0	26.9
SPD FY25 R2 Social workers	312,407	312,407	0	0	0	1.6
SPD FY25 R3 Digital discovery	15,947	15,947	0	0	0	0.1
SPD Prior year capital outlay	-693,013	-693,013	0	0	0	0.0
Total	\$2,138,152	\$2,138,152	\$0	\$0	\$0	28.6

Judicial Independent Agencies

Judicial Department – Independent Agencies Excluding Public Defender

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2024-25 Appropriation						
HB24-1430 Long Bill	\$159,365,308	\$145,351,274	\$2,254,301	\$11,759,733	\$0	248.1
Other legislation	538,911	538,911	\$0	\$0	\$0	4.0
Total	\$159,904,219	\$145,890,185	\$2,254,301	\$11,759,733	\$0	252.1
FY 2025-26 Requested Appropriation						
FY 2024-25 Appropriation	\$159,904,219	\$145,890,185	\$2,254,301	\$11,759,733	\$0	252.1
ADC R1 Case cost increase	6,517,701	6,517,701	0	0	0	0.0
OCR R1 Case & workload mandated costs	542,252	542,252	0	0	0	0.0
OCR R2 Position reclassification	24,701	-41,303	0	66,004	0	0.0
CPO R1 Special investigator	78,290	78,290	0	0	0	1.0
CPO R2 Legislative policy support	50,000	50,000	0	0	0	0.0
RPC R1 Continue IDT funding IV-E advocates	1,738,591	0	0	1,738,591	0	0.0
OPG R1 Adjust. for SB23-064 annualization	-485,452	263,392	-748,844	0	0	-7.0
OPG R2 Participant enrichment services	184,536	184,536	0	0	0	0.0
Centrally appropriated line items	1,953,762	1,899,592	4,434	49,736	0	0.0
Annualize prior year actions	6,482,550	11,349,574	419,156	-5,286,180	0	21.4
Total	\$176,991,150	\$166,734,219	\$1,929,047	\$8,327,884	\$0	267.5
Increase/-Decrease	\$17,086,931	\$20,844,034	-\$325,254	-\$3,431,849	\$0	15.4
Percentage Change	10.7%	14.3%	-14.4%	-29.2%	n/a	6.1%

ADC R1 Case cost increase: The request includes \$6.5 million General Fund in FY 2025-26 to fund the anticipated costs for the Office of Alternate Defense Counsel (ADC) to provide counsel to defendants facing increasingly complex felony cases. The ADC will submit a supplemental in FY 2024-25 to begin addressing the rising costs for an increase of \$2.8 million General Fund.

OCR R1 Case & workload mandated costs: The request includes \$542,252 General Fund in FY 2025-26 and ongoing to fund the projected future costs of providing representation for children. The funding requested is an increase of \$482,252 for a projected attorney workload increase and a \$60,000 increase for more complex discovery and transcript costs.

OCR R2 Position reclassification: The request includes \$24,701 total funds, comprised of a decrease of \$41,303 General Fund offset by an increase of \$66,004 reappropriated funds from the Title IV-E Administrative Costs Cash Fund in FY 2025-26. The proposal would reclassify a vacant administrative assistant FTE from the Colorado Springs Office to a new job classification in the Denver office. For the reclassification to satisfy federal requirements to be paid from this source, the replacement FTE will require skills and experience beyond those outlined by the current job classification.

CPO R1 Special investigator: The request includes an increase of \$78,290 General Fund and 1.0 FTE in FY 2025-26 to convert a part-time contract investigator into a full-time FTE employed by the state. The staff member would respond to increased caseload and record-sharing policy changes made by the Colorado Department of Human Services that require additional prior research for the transfers to be approved. The CPO's funding for its contract investigator was fully expended prior to the end of FY 2023-24. The record-sharing policy is intended to improve the CPO's ability to investigate potential systemic issues in the case of child fatalities, near-fatalities, and egregious incidents.

CPO R2 Legislative policy support: The request includes an increase of \$50,000 General Fund in FY 2025-26 and ongoing for the CPO to contract for legislative policy support in response to increasing demands to monitor legislation and make recommendations in areas of policy expertise. Beyond the standard information requests other agencies respond to, the CPO also has a statutory duty to make recommendations related to the grievance resolution mechanisms and statutory, budgetary, regulatory, and administrative changes to improve the safety of and outcomes for children and families receiving child protection services. Currently this work falls within the duties of existing program staff.

RPC R1 Continue IDT funding IV-E advocates: The request includes an increase of \$1.7 million reappropriated funds in FY 2025-26 that originate as Title IV-E funds in the Colorado Department of Human Services to allow continued support for the RPC's Interdisciplinary Teams' (IDT) contract Parent Advocates, which previously received much of its funding and an allowable use of the fund. Funding would allow for recruitment and support of two classes of eight Parent Advocates and will allow for 35.0 percent of parents navigating complex child welfare cases to have access to services of which the Parent Advocates are just one component.

OPG R1 Adjustment for SB23-064 annualization: The request includes a decrease of \$485,452 total funds and 7.0 FTE in FY 2025-26, comprised of an increase of \$263,392 General Fund and a decrease of \$748,844 from the Public Guardianship Cash Fund, due to program expansion that requires more time than was anticipated by the fiscal note for S.B. 23-064. The bill converted the OPG pilot program in one judicial district into a statewide permanent program in every judicial district with a statutory implementation deadline of 2030. The fiscal note for the bill projected the program would be fully implemented between FY 2025-26 and FY 2027-28. The request delays some future costs associated with the bill for a year, creating temporary budgetary relief. The delay should not raise concern because the expansion is still projected to meet its statutory deadline.

OPG R2 Participant enrichment services: The request includes an increase of \$184,536 General Fund in FY 2025-26 and ongoing to provide Participant Enrichment Services to alleviate system gaps and barriers to services that prevent OPG clients from transitioning to less restrictive and costly placements. The funding requested is expected to provide those services to 150 clients each month and also includes funding for a fee paid on behalf of clients to a Social Security Administration Representative Payee.

Centrally appropriated line items: The request includes a net increase of \$2.0 million total funds, including \$1.9 million General Fund for centrally appropriated line items, summarized in the table below.

Centrally appropriated line items						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Salary survey	\$952,924	\$871,978	\$57,288	\$23,658	\$0	0.0
Health, life, and dental	501,519	483,225	0	18,294	0	0.0
Legal services	238,295	295,776	-57,481	0	0	0.0
Step plan	140,348	136,251	0	4,097	0	0.0
AED and SAED	100,240	96,762	0	3,478	0	0.0
Leased space	7,949	7,949	0	0	0	0.0
Paid family & medical leave insurance	6,271	6,114	0	157	0	0.0
Indirect cost assessment	4,627	0	4,627	0	0	0.0
Short-term disability	1,589	1,537	0	52	0	0.0
Total	\$1,953,762	\$1,899,592	\$4,434	\$49,736	\$0	0.0

Annualize prior year actions: The request includes a net increase of \$6.5 million total funds, including \$11.3 million General Fund offset primarily by a decrease \$5.3 million reappropriated funds, for the FY 2025-26 cost of prior year budget actions.

Annualize prior year actions						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
SB23-227 Attorney rate adjustment	\$4,784,771	\$4,777,021	\$0	\$7,750	\$0	0.0
HB24-1355 Reduce Comp Wait List	1,475,746	1,475,746	0	0	0	10.5
ADC 1331 base adjustment	895,000	895,000	0	0	0	0.0
SB23-064 Continue Off of Pub Guardianship	748,844	0	748,844	0	0	8.0
BRI JBC-SI psych assess services	236,486	236,486	0	0	0	2.1
ADC R6 Attorney fellows	26,505	26,505	0	0	0	0.2
ADC R2 Contractor process coordinator	15,788	15,788	0	0	0	0.1
HB24-1046 Child Welfare System tool	7,071	7,071	0	0	0	0.0
OCR FY25 R2 Training assistant	6,070	0	0	6,070	0	0.0
RPC FY25 R1 Compliance analyst	3,350	3,350	0	0	0	0.1
RPC JBC-SI Title IV-E - GF refinance	0	5,000,000	0	-5,000,000	0	0.0
ADC FY25 1331 Billing site dev.	-759,000	-759,000	0	0	0	0.0
RPC FY25 R3 Title IV-E adjustments	-300,000	0	0	-300,000	0	0.0
FY 2024-25 Step plan	-289,220	-276,378	0	-12,842	0	0.0
HB23-1205 Office of Jud Ombudsman	-102,124	-102,124	0	0	0	0.2
HB22-1240 Mandatory reporters	-65,000	-65,000	0	0	0	0.0
IEC FY25 R1 Web accessibility HB21-1110	-50,000	-50,000	0	0	0	0.0
OPG FY25 R2 Staff attorney	-27,858	145,969	-173,827	0	0	0.0
OPG FY25 R1 Workforce development mgr	-25,352	130,509	-155,861	0	0	0.0
HB22-1375 Child res trtmt & runaway youth	-21,458	-21,458	0	0	0	0.0
Prior year capital outlay	-20,010	-20,010	0	0	0	0.0
CPO FY25 R2 Sr client services analyst	-15,525	-15,525	0	0	0	0.1
CPO FY25 R1 Data analyst	-15,110	-15,110	0	0	0	0.1
CPO FY25 R4 IT Upgrade and support	-14,000	-14,000	0	0	0	0.0
CPO FY25 R3 Admin office specialist	-11,434	-11,434	0	0	0	0.0
Prior year salary survey	-990	-13,832	0	12,842	0	0.0
Total	\$6,482,550	\$11,349,574	\$419,156	-\$5,286,180	\$0	21.4

Issues Presented

This is a summary of the briefing issues presented to the Joint Budget Committee by their dedicated non-partisan staff.

Budget Reduction Options – Courts and Probation: The Courts and Probation (Judicial Branch) Budget Request does not include General Fund reductions. Staff identifies up to \$6.7 million in potential General Fund reductions. This brief also places agency General Fund in context with statewide General Fund experience.

Courts' Total General Fund Request: This brief provides an overview of the totality of the Courts and Probation requests – November 1 budget requests and anticipated placeholders – for General Fund. The brief offers initial JBC staff assessments of each General Fund item and suggestions on identifiable or potential savings by item.

Courts' IT Capital Requests – Referral to JTC: This brief provides an overview of the Courts and Probation budget requests for three information technology capital projects and JBC staff recommendation for referral to the Joint Technology Committee (JTC) for review.

Budget Reduction Options - Public Defender: The Office of State Public Defender (OSPD) Budget Request does not include General Fund reductions. Staff provides options for up to \$49,395 in General Fund reductions. This brief also places agency General Fund in context with statewide General Fund experience.

Public Defender Total GF Request: This brief provides an overview of the Office of State Public Defender's (OSPD) total General Fund budget request. The brief offers initial JBC staff assessments of each General Fund request item and suggestions on identifiable or potential savings by item.

The Colorado Lab Data Hub for Judicial Agencies: This brief addresses the need for a coordinated data and evidence-based initiative for Judicial Department agencies, primarily addressing independent agencies providing competency and behavioral health support services or assigned to child welfare processes.

Budget Reduction Options – Independent Agencies: The Judicial Branch Independent Agencies Budget Request does not include General Fund reductions. Staff identifies up to \$8.1 million in potential General Fund reductions. This brief also places agency General Fund in context with statewide General Fund experience.

Update on Office of Administrative Services for Independent Agencies: Senate Bill 23-228, Office of Administrative Services for Independent Agencies, created the office known as ASIA to provide central administrative and fiscal services support for the small, independent agencies added in the Judicial Department budget over recent years. This brief provides an update on implementation.

For More Information

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To read the entire briefing: Go to <http://leg.colorado.gov/content/budget/budget-documents> to use the budget document search tool. Select this department's name under *Department/Topic*, "Briefing" under *Type*, and select a *Start date* and *End date* to show documents released in November and December of 2024.

Labor and Employment

The Department of Labor and Employment is responsible for administering unemployment insurance programs, supporting the state’s system of one-stop workforce centers and workforce development programs, enforcing the state’s labor laws, regulating workers’ compensation insurance, administering vocational rehabilitation programs, inspecting a variety of industries from retail fuel locations to amusement park rides, and administering the family and medical leave insurance program. The Department’s FY 2024-25 appropriation represents approximately 1.0 percent of statewide operating appropriations and 0.2 percent of statewide General Fund appropriations.

Summary of Request

Department of Labor and Employment						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2024-25 Appropriation						
HB 24-1430 (Long Bill)	\$431,159,368	\$35,302,969	\$159,744,815	\$24,708,795	\$211,402,789	1,690.8
Other legislation	24,049,808	674,246	23,375,562	0	0	72.6
Total	\$455,209,176	\$35,977,215	\$183,120,377	\$24,708,795	\$211,402,789	1,763.4
FY 2025-26 Requested Appropriation						
FY 2024-25 Appropriation	\$455,209,176	\$35,977,215	\$183,120,377	\$24,708,795	\$211,402,789	1,763.4
R1 UI funding expand and realign	30,000,000	0	30,000,000	0	0	0.0
R2 Workers' Comp cash sweep	0	0	0	0	0	0.0
R3 PSTF spending increase	100,000	0	100,000	0	0	0.0
R4 Hospitality Edu grant reduce	-504,535	-504,535	0	0	0	-0.5
Non-prioritized decision items	209,541	4,327	181,747	505	22,962	0.0
Centrally appropriated line items	26,886,988	1,875,997	15,607,833	259,318	9,143,840	0.0
Technical adjustments	0	0	0	0	0	0.0
Annualize prior budget actions	-2,276,044	-364,057	-1,940,288	6,133	22,168	-13.2
Annualize prior year legislation	-979,109	-469,193	-2,559,182	0	2,049,266	-5.8
Indirect cost assessment	-847,486	0	-223,106	-3,257	-621,123	0.0
Total	\$507,798,531	\$36,519,754	\$224,287,381	\$24,971,494	\$222,019,902	1,743.9
Increase/-Decrease	\$52,589,355	\$542,539	\$41,167,004	\$262,699	\$10,617,113	-19.5
Percentage Change	11.6%	1.5%	22.5%	1.1%	5.0%	-1.1%

R1 Unemployment insurance funding expansion and realignment [requires legislation]: The request aims to improve implementation of unemployment insurance (UI) enterprise fund changes created by H.B. 24-1409 (Employment-Related Funding and Workforce Enterprise). The Department requests to move administrative costs from the Employment Support Fund to the Workforce Development Fund and a new UI Administration Fund, which are both enterprise funds. The Department also requests \$20.0 million in increased spending authority to the Employment and Training Technology Fund (Tech Fund) to cover increasing technology costs, and \$10.0 million in increased spending authority to the UI Administration Fund. Finally, the Department requests that the Joint Budget Committee sponsor legislation to update the allowable uses of the Tech Fund, correct for believed oversights in the drafting of H.B. 24-1409, and implement changes in this request.

R2 Worker’s compensation cash fund sweep [requires legislation]: The request includes a \$15.0 million transfer from the Major Medical Insurance Fund to the General Fund for budget balancing. This will be a one-

time transfer for FY 2025-26, with no fee impact. The fund covers claims for those injured before 1981, and is estimated to have a \$15.0 million excess reserve in 15 years.

R3 Petroleum Storage Tank Fund (PSTF) spending increase: The request includes a \$100,000 cash fund spending authority increase in FY 2025-26 and ongoing from the Petroleum Storage Tank cash fund to address rising costs due to inflation. With this request, the Department will invest in maintenance and equipment replacement for the petroleum laboratory and in FTE training within the Petroleum Inspection Program.

R4 Hospitality Education Grant Program reduction: The request includes a decrease of \$504,545 General Fund and 0.5 FTE from the Hospitality Education Grant Program for FY 2025-26 and ongoing, effectively pausing the program for budget balancing. The grant funds program development in existing high school hospitality programs. The Department believes this request will have limited state workforce impact, due to the existence of broader statewide workforce programs.

Non-prioritized decision items: The request includes an increase of \$209,541 in total funds for FY 2025-26, including a \$4,327 General Fund increase and a \$181,747 cash fund increase, to finance the annual fleet vehicle request and Office of Administrative Courts (OAC) staffing. Missing from the Department’s non-prioritized requests is the Department of Treasury’s R3 request for SecureSavings enforcement compliance, in which the Department of Labor and Employment would conduct compliance enforcement through an agreement with the Department of the Treasury.

Non-prioritized decision items						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
NP2 OAC Staffing	\$165,514	\$456	\$163,834	\$0	\$1,224	0.0
NP1 Annual Fleet Vehicle	44,027	3,871	17,913	505	21,738	0.0
Total	\$209,541	\$4,327	\$181,747	\$505	\$22,962	0.0

Centrally appropriated line items: The request includes adjustments to centrally appropriated line items for the following line items.

Centrally appropriated line items						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Leased space	\$10,738,853	\$1,095,227	\$4,675,403	\$0	\$4,968,223	0.0
Payments to OIT	8,715,060	300,000	5,357,802	139,436	2,917,822	0.0
Salary survey	3,916,935	337,803	1,961,126	24,145	1,593,861	0.0
ALJ services	1,790,328	4,934	1,772,154	0	13,240	0.0
Step plan	1,077,654	61,384	420,371	3,658	592,241	0.0
Health, life, and dental	586,166	187,566	401,259	69,152	-71,811	0.0
AED and SAED	422,103	19,472	967,812	18,562	-583,743	0.0
PERA direct distribution	214,224	15,599	234,691	4,010	-40,076	0.0
CORE operations	184,044	1,090	51,711	347	130,896	0.0
Paid family & medical leave insurance	18,993	876	43,550	836	-26,269	0.0
Short-term disability	6,332	292	14,517	279	-8,756	0.0
Capitol Complex leased space	4,937	2,023	2,249	0	665	0.0
Prior year salary survey	0	0	0	0	0	0.0
Prior year step plan	0	0	0	0	0	0.0
Legal services	-586,780	-138,597	-230,018	0	-218,165	0.0
Risk management & property	-100,967	-6,851	-33,914	-742	-59,460	0.0
Workers’ compensation	-100,894	-4,821	-30,880	-365	-64,828	0.0
Total	\$26,886,988	\$1,875,997	\$15,607,833	\$259,318	\$9,143,840	0.0

Technical adjustments: The request includes net-neutral fund source adjustments.

Annualize prior year budget actions: The request includes a net decrease of \$2.3 million total funds and 13.2 FTE to reflect the FY 2025-26 impact of prior year budget actions. This decrease is primarily the result of eliminating term-limited funding and FTE associated with the FY 2023-24 R2 request (Unemployment Insurance Fraud Prevention).

Annualize prior year budget actions						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY24-25 R4 Disability Prog Navig	\$34,172	\$0	\$5,377	\$6,133	\$22,662	0.0
FY24-25 R2 OFW Annualize	25,382	0	25,382	0	0	0.3
FY24-25 R3 Labor Stands SWEEP	3,007	0	3,007	0	0	0.2
FY23-24 BA1 Ride & Devices Prog	0	-70,000	70,000	0	0	0.0
FY23-24 R2 UI Fraud Prev	-2,044,054	0	-2,044,054	0	0	-12.0
FY23-24 BA2 Disability EFI	-288,410	-288,410	0	0	0	-2.0
FY24-25 R1 ONA Annualize	-5,513	-5,513	0	0	0	0.1
FY24-25 R5 Blind & Low Vis	-628	-134	0	0	-494	0.2
Total	-\$2,276,044	-\$364,057	-\$1,940,288	\$6,133	\$22,168	-13.2

Annualize prior year legislation: The request includes a net decrease of \$979,109 total funds and 5.8 FTE to reflect the FY 2025-26 impact of prior year legislation.

Annualize prior year legislation						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
HB23-1283 Transfer Ref Serv to ONA	\$2,049,266	\$0	\$0	\$0	\$2,049,266	0.0
HB24-1364 Edu Based Workforce Readiness	250,000	250,000	0	0	0	0.0
SB24-143 Appren Classification Annual	49,169	49,169	0	0	0	0.5
SB24-104 Tech Edu Appren Annualize	13,239	13,239	0	0	0	0.2
HB24-1439 Expand Appren Annualize	3,882	3,882	0	0	0	0.0
HB24-1280 Welcome, Rec, Int Annual	-2,421,726	0	-2,421,726	0	0	0.2
HB24-1430 Imm Legal Defense Fund	-350,000	-350,000	0	0	0	0.0
HB23-1212 Promotion Apprentice	-200,604	-200,604	0	0	0	-2.6
HB23-1198 STEM Teacher Extern	-99,564	-99,564	0	0	0	-1.1
HB24-1149 Energy Sector Career Pathway	-97,436	0	-97,436	0	0	-2.0
SB24-075 Transport Network Comp	-54,380	-54,380	0	0	0	-0.4
HB23-1360 CO Disability Opp Annualize	-40,020	0	-40,020	0	0	0.0
HB24-1129 Protect Delivery Network	-34,266	-34,266	0	0	0	-0.1
HB24-1095 Protect for Minor Workers	-23,579	-23,579	0	0	0	-0.2
HB23-1074 Study Workforce Transitions	-23,090	-23,090	0	0	0	-0.3
Total	-\$979,109	-\$469,193	-\$2,559,182	\$0	\$2,049,266	-5.8

Indirect cost assessment: The request includes adjustments to indirect costs across the Department.

Issues Presented

This is a summary of the briefing issues presented to the Joint Budget Committee by their dedicated non-partisan staff.

Budget reduction options: This issue describes the Executive budget request proposals and JBC Staff options for budget reductions and General Fund relief from the Department.

Unemployment Insurance update: This issue provides background information on recent changes to and the current status of the state's Unemployment Insurance program, including changes from H.B. 24-1409 (Employment-Related Funding & Workforce Enterprise).

Unemployment Insurance funding expansion and realignment: This issue describes the Department's R1 request, which stems from a desire to expand the available technology expenses that the Employment and Training Technology Fund can cover, move the Unemployment Insurance program's administrative costs to the enterprise, clarify recently-added statutory language, and adjust for rising operational costs and decreasing federal funds.

For More Information

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To read the entire briefing: Go to <http://leg.colorado.gov/content/budget/budget-documents> to use the budget document search tool. Select this department's name under *Department/Topic*, "Briefing" under *Type*, and select a *Start date* and *End date* to show documents released in November and December of 2024.

Law

The Attorney General is one of five independently elected constitutional officers of the State. As the Chief Executive Officer of the Department of Law, the Attorney General represents and defends the legal interests of the people of the State of Colorado and serves as the legal counsel and advisor to state agencies. The Department's FY 2024-25 appropriation represents approximately 0.3 percent of statewide operating appropriations and 0.2 percent of statewide General Fund appropriations.

Summary of Request

Department of Law						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2024-25 Appropriation						
HB 24-1430 (Long Bill)	\$146,206,541	\$26,831,326	\$25,134,947	\$90,406,059	\$3,834,209	650.4
Other legislation	1,150,245	12,532	\$0	1,137,713	0	5.1
Total	\$147,356,786	\$26,843,858	\$25,134,947	\$91,543,772	\$3,834,209	655.5
FY 2025-26 Requested Appropriation						
FY 2024-25 Appropriation	\$147,356,786	\$26,843,858	\$25,134,947	\$91,543,772	\$3,834,209	655.5
No prioritized budget requests	0	0	0	0	0	0.0
Centrally appropriated line items	5,508,054	1,205,112	621,647	3,549,124	132,171	0.0
Annualize prior year actions	591,518	92,842	29,925	467,806	945	4.5
Technical adjustments	19,166	11,153	-4,285	13,540	-1,242	1.0
Indirect cost assessment	-163,130	0	-200,276	37,784	-638	0.0
Total	\$153,312,394	\$28,152,965	\$25,581,958	\$95,612,026	\$3,965,445	661.0
Increase/-Decrease	\$5,955,608	\$1,309,107	\$447,011	\$4,068,254	\$131,236	5.5
Percentage Change	4.0%	4.9%	1.8%	4.4%	3.4%	0.8%

No prioritized budget requests: The Department neither submitted any requests for new funding, nor any requests to reduce funding in FY 2025-26.

Centrally appropriated line items: The request includes a net increase of \$5.5 million total funds, including \$1.2 million General Fund, for centrally appropriated line items summarized in the table below.

Centrally appropriated line items						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Salary survey	\$3,151,829	\$756,489	\$376,592	\$1,948,620	\$70,128	0.0
Health, life, and dental	1,385,367	180,555	210,039	947,222	47,551	0.0
AED and SAED	783,678	168,261	32,178	552,682	30,557	0.0
Step plan	487,416	101,123	57,793	324,257	4,243	0.0
PERA direct distribution	122,540	60,693	-3,300	65,147	0	0.0
Legal services	52,921	20,171	32,750	0	0	0.0
Payments to OIT	50,000	13,539	5,936	28,895	1,630	0.0
Paid family & medical leave insurance	35,265	7,571	1,448	24,871	1,375	0.0
Leased space	25,405	36,968	-8,311	-719	-2,533	0.0
Short-term disability	11,755	2,524	483	8,290	458	0.0
Workers' compensation	7,491	3,976	211	3,281	23	0.0
CORE operations	4,277	1,249	511	2,390	127	0.0

Centrally appropriated line items						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
ALJ services	34	0	34	0	0	0.0
DPS Digital trunk radio	0	926	-548	-378	0	0.0
Payments to OIT	-438,555	-106,699	-60,670	-255,764	-15,422	0.0
Risk management & property	-171,369	-42,234	-23,499	-99,670	-5,966	0.0
Total	\$5,508,054	\$1,205,112	\$621,647	\$3,549,124	\$132,171	0.0

Annualize prior year actions: The request includes a net increase of \$591,518 total funds, including \$92,842 General Fund, for the out-year cost of prior year budget actions and legislation.

Annualize prior year actions						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Sum of 2024 legislative bills with legal costs	\$3,790,624	-\$12,532	\$0	\$3,803,156	\$0	3.3
HB 20-1026 23rd Judicial District	64,912	64,912	0	0	0	0.0
FY 24-25 R1 Special prosecution rural support	25,968	25,968	0	0	0	0.5
HB 24-1054 Jail standards	25,063	25,063	0	0	0	0.2
FY 24-25 R2 Increase admin. support	22,237	0	0	22,237	0	0.3
FY 24-25 R3 Federal & Interstate Water support	18,067	18,067	0	0	0	0.2
FY 24-25 Salary survey	-1,900,796	68,675	36,974	-2,007,390	945	0.0
FY 24-25 Step Plan	-1,454,557	-97,311	-7,049	-1,350,197	0	0.0
Total	\$591,518	\$92,842	\$29,925	\$467,806	\$945	4.5

Technical adjustments: The request includes \$19,166 total funds and 1.0 FTE, including \$11,153 General Fund, for technical adjustments related to informational funds and FTE reflected in the budget related to grants received and other small fund source swaps.

Indirect cost assessment: The request includes net adjustments to indirect costs across all divisions except the Special Purpose division.

Issues Presented

This is a summary of the briefing issues presented to the Joint Budget Committee by their dedicated non-partisan staff.

Budget reduction options: The Executive Budget Request did not include reductions to the Department of Law budget. At the request of JBC Staff, the Department identified \$1.2 million General Fund that would cause the least disruption to its duties. This issue brief reviews these proposals and additional options identified by staff.

Major litigation pending against the state: Provides a summary of major litigation pending against the state that could result in at least \$5 million in liability.

For More Information

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To read the entire briefing: Go to <http://leg.colorado.gov/content/budget/budget-documents> to use the budget document search tool. Select this department's name under *Department/Topic*, "Briefing" under *Type*, and select a *Start date* and *End date* to show documents released in November and December of 2024.

Local Affairs

The Department of Local Affairs is responsible for building community and local government capacity by providing training, technical, and financial assistance to localities. The Department's FY 2024-25 appropriation represents approximately 0.9 percent of statewide operating appropriations and 0.5 percent of statewide General Fund appropriations.

Summary of Request

Department of Local Affairs						
Item	Total Funds	General Fund ¹	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2024-25 Appropriation						
H.B. 24-1430 (Long Bill)	\$379,394,624	\$70,113,196	\$166,163,764	\$18,265,146	\$124,852,518	238.9
Other legislation	1,348,235	560,989	787,246	0	0	6.9
Total	\$380,742,859	\$70,674,185	\$166,951,010	\$18,265,146	\$124,852,518	245.8
FY 2025-26 Requested Appropriation						
FY 2024-25 Appropriation	\$380,742,859	\$70,674,185	\$166,951,010	\$18,265,146	\$124,852,518	245.8
R1 Ridge View Campus operating	2,000,000	2,000,000	0	0	0	3.7
R2 Board of Assessment Appeals legal assistant	150,000	0	150,000	0	0	0.9
R3 Analytics for unhoused Coloradans	267,816	267,816	0	0	0	2.4
R4 Defense Counsel on First Appearance Prgrm	-392,159	-392,159	0	0	0	0.0
R5 Severance tax transfer	0	0	0	0	0	0.0
Non-prioritized decision items	24,199	1,277	18,127	4,795	0	0.0
Centrally appropriated line items	1,845,145	1,848,235	430,372	-591,112	157,650	0.0
Annualize prior year legislation	1,311,064	83,752	1,220,642	6,670	0	-0.1
Annualize prior year budget actions	5,090	-21,330	-46,098	59,343	13,175	0.1
Technical adjustments	-1,330	-1,330	0	0	0	-1.4
Total	\$385,952,684	\$74,460,446	\$168,724,053	\$17,744,842	\$125,023,343	251.4
Increase/-Decrease	\$5,209,825	\$3,786,261	\$1,773,043	-\$520,304	\$170,825	5.6
Percentage Change	1.4%	5.4%	1.1%	-2.8%	0.1%	2.3%

¹ Includes General Fund Exempt and amounts that are exempt from the statutory limit on state General Fund appropriations pursuant to Section 24-75-201.1 (1)(a)(III)(A), C.R.S.

R1 Ridge View Campus operating: The request includes an increase of \$2.0 million General Fund for partial first-year operating costs for the Ridge View campus, which is being renovated pursuant to S.B. 22-211 (Ridge View Campus). The former youth services facility is being renovated to provide a 198 bed transitional housing campus (five 33 bed units), a 27 bed substance abuse withdrawal management facility, and a federally qualified healthcare center that would serve both the campus and the larger community. Senate Bill 22-211 appropriated \$45.0 million in federal Coronavirus State Fiscal Recovery Funds (ARPA funds) for this purpose. This funding is available through December 31, 2026, based on changes in H.B. 24-1465 (Program Changes Refinance Coronavirus Recovery Funds), and most of the total was refinanced to General Fund in House Bill 24-1466 (Refinance Federal Coronavirus Recovery Funds).

The fiscal note for S.B. 22-211 anticipated that the program would require \$19.8 million General Fund per year for operating costs, beginning in FY 2025-26. The request for \$2.0 million in FY 2025-26 incorporates a scaled-

back operating cost estimate of \$11.5 million in annual state funds, based on a Facilities Master Plan completed in February 2024. It is also based on the expectation that: (1) the facility will not need a full year of operating funding in FY 2025-26 due to a possibly-delayed opening and residual funding from S.B. 22-211; and (2) the facility anticipates using \$3.7 million in FY 2025-26 from the Innovative Housing Incentive Program (a cash fund in the Governor’s Office of Economic Development and International Trade). The request indicates a need for \$6.69 million General Fund in FY 2026-27 with a balance of \$4.76 million again coming from the Innovative Housing Incentive Program. Beginning in FY 2027-28, \$11.5 million from the General Fund would be required.

R2 Board of Assessment Appeals legal assistant: The request includes an ongoing increase of \$150,000 from the Board of Assessment Appeals (BAA) Cash Fund to add a 1.0 FTE legal assistant to the BAA’s permanent staff of 6.0 FTE. The BAA currently has 1.0 FTE permanent legal aide on staff, but it has enhanced this by employing a series of licensed attorneys as temporary aides, first in 2019, resuming in 2022 and continuously into 2024. This has helped to prevent a decision backlog and kept the BAA caught up with its benchmark of issuing hearing decisions within 30 days of hearing. The demand for this work is not expected to dissipate, as data show appeal volume is not decreasing, but rather trending upward.

The request is to employ the new permanent position in lieu of temporary aides to provide built-in resiliency. The request notes that employing temporary aides is not a sustainable solution and possibly in violation of State Personnel Board rules. Temporary aides also cannot be employed for more than 9 out of 12 months of the year. The Department indicates that existing spending authority has not been sufficient to fully support the temporary aides, and additional spending authority is needed to add the new position.

R3 Analytics for unhoused Coloradans: The request includes \$267,816 General Fund and 2.4 FTE, increasing to \$398,343 General Fund in FY 2026-27 and ongoing, to improve the Colorado Homeless Management Information System (COHMIS). The system supports the collection, analysis, and implementation of information to better understand the nature of homelessness in Colorado and measure the success of relevant programs. The request indicates that the Department also expects to access \$420,000 in one-time cash funds (off-budget) in FY 2025-26 to cover technology and consulting costs related to improving the system.

Colorado has four regional planning bodies, Continuums of Care, that work to address homelessness in their regions under a structure mandated by the federal Department of Housing and Urban Development (HUD). HUD requires use of a homeless management information system in each region, and the Department invested funds in 2018 to create a single statewide system (COHMIS). The system was enhanced with \$2.5 million in federal State and Local Fiscal Recovery Funds (ARPA funds) via H.B. 22-1377. The Department serves as administrator for the COHMIS system and is also the lead for the “Balance of State” Continuum of Care, which represents 54 rural counties.

The Department indicates that having a statewide system allows participating agencies to track and serve people experiencing homelessness across the entire state, shapes how resources are allocated, and informs service requirements. This request is to improve the system so that the State, Continuums of Care, and providers can better track the relationship between services provided by multiple systems and meaningful *outcomes*, such as exits from homelessness. Colorado already has a very comprehensive data set on the homeless population and will shortly complete a one-time Statewide Homeless Landscape analysis, funded in H.B. 22-1377. The Department is working to further develop data sharing between COHMIS and systems operated by other agencies, including the Office of eHealth Innovation/HCPF, the Department of Human Services, and the Department of Corrections. This request will move these efforts forward by (1) increasing accountability and transparency for state-funded homeless response programs and (2) enhancing capacity to conduct long-term analysis and identify process improvements for serving this population.

R4 Defense Counsel on First Appearance (DCFA) Program: The request includes a one-time reduction of \$392,159 General Fund to the DCFA Grant Program. This program reimburses local governments for the costs of providing public defense counsel to defendants on their first appearance in municipal court if they are facing incarceration. This program was created by H.B. 18-1353 (Defense Counsel in Municipal Court Grant Program) and extended by S.B. 23-072 following a sunset review. For additional information regarding this request, see the issue included in the staff briefing document.

R5 Severance tax transfer [requires legislation]: The request proposes to transfer \$10.0 million from the Local Government Severance Tax Fund to the General Fund in FY 2025-26. Most Severance Tax revenue is distributed equally between the Departments of Local Affairs and Natural Resources. The portion directed to the Department of Local Affairs is statutorily allocated between formula distributions (30.0 percent) and Energy/Mineral Impact Assistance Fund grants for local government infrastructure, land use planning, and other projects (70.0 percent). The proposal would reduce total funds available for grants. For additional information regarding this request, see the issue included in the staff briefing document.

Non-prioritized decision items: The request includes a net increase of \$24,199, including \$1,277 General Fund, for the annual fleet vehicle request originating in the Department of Personnel.

Centrally appropriated line items: The request includes a net increase of \$1.9 million total funds, including \$1.8 million General Fund for centrally appropriated line items, summarized in the table below.

Centrally appropriated line items						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Health, life, and dental	\$550,826	\$634,768	\$14,712	-\$277,592	\$178,938	0.0
Salary survey	528,895	253,746	90,763	93,696	90,690	0.0
Legal services	383,780	449,222	-56,343	-9,099	0	0.0
CORE	240,605	67,883	118,162	38,302	16,258	0.0
Payments to OIT	229,446	-2,435	121,238	81,931	28,712	0.0
Step Plan	106,256	45,232	17,807	15,020	28,197	0.0
Capitol Complex leased space	48,861	-7,494	233,545	-78,183	-99,007	0.0
PERA direct distribution	40,379	96,050	-17,024	-45,166	6,519	0.0
AED and SAED	27,651	333,797	-95,203	-213,861	2,918	0.0
Paid family & medical leave insurance	1,244	15,021	-4,284	-9,624	131	0.0
Short-term disability	415	5,007	-1,428	-3,208	44	0.0
Indirect cost assessment	-212,767	0	-32,256	-84,761	-95,750	0.0
Leased space	-39,000	-12,825	0	-26,175	0	0.0
Risk management & property	-36,856	-17,382	19,333	-38,807	0	0.0
Workers' compensation	-21,605	-12,355	24,335	-33,585	0	0.0
Administrative law judge services	-2,985	0	-2,985	0	0	0.0
Total	\$1,845,145	\$1,848,235	\$430,372	-\$591,112	\$157,650	0.0

Annualize prior year legislation: The request includes a net increase of \$1.3 million total funds, including \$83,752 General Fund, to reflect the FY 2025-26 impact of bills passed in previous sessions, summarized in the following table.

Annualize prior year legislation						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
HB 24-1152 Accessory dwelling units	\$1,743,151	\$0	\$1,743,151	\$0	\$0	-0.2
HB 24-1219 First responder health benefits	250,000	250,000	0	0	0	0.0
HB 24-1294 Mobile homes	40,966	0	40,966	0	0	0.0
HB 24B-1001 Property tax	39,932	33,262	0	6,670	0	0.5
SB 24-111 Senior primary residence prop tax reduction	19,004	19,004	0	0	0	0.3

Annualize prior year legislation						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
SB 24-174 Affordable housing assistance	-498,475	0	-498,475	0	0	0.0
SB 24-233 Property tax	-108,413	-108,413	0	0	0	-0.5
HB 24-1313 Transit oriented communities	-65,000	0	-65,000	0	0	0.0
SB 24-183 Mobile home taxation task force	-53,995	-53,995	0	0	0	-0.2
HB 24-1302 Tax rate info to owners	-51,106	-51,106	0	0	0	0.0
SB 24-016 Tax credits intermediaries	-5,000	-5,000	0	0	0	0.0
Total	\$1,311,064	\$83,752	\$1,220,642	\$6,670	\$0	-0.1

Annualize prior year budget actions: The request includes a net increase of \$5,090 total funds, including a reduction of \$21,330 General Fund, for the out-year cost of prior year budget actions, summarized in the following table.

Annualize prior year budget actions						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 24-25 Business product manager	\$5,090	\$0	\$0	\$5,090	\$0	0.1
FY 24-25 Salary survey	0	-19,735	-6,383	14,879	11,239	0.0
FY 24-25 Step plan	0	-1,595	-39,715	39,374	1,936	0.0
Total	\$5,090	-\$21,330	-\$46,098	\$59,343	\$13,175	0.1

Technical adjustments: The request includes reductions of \$1,330 General Fund 1.4 FTE related to technical issues.

Issues Presented

This is a summary of the briefing issues presented to the Joint Budget Committee by their dedicated non-partisan staff.

Ridge View Campus Request: This issue examines the Department’s R1 request for \$2.0 million General Fund to operate the new Ridge View Campus for people experiencing homelessness, which is scheduled to open in FY 2025-26. The facility will include 198 transitional housing beds and 27 detoxification facility beds, in addition to a federally qualified health center. The Department currently estimates annual ongoing costs of \$11.5 million General Fund, which will be partially offset with available one-time funds in the first two years.

Budget Reduction Options: The request includes reductions of \$10.4 million General Fund for the Department of Local Affairs, representing 14.8 percent of the Department’s General Fund appropriations. This issue reviews these proposals, offers additional options identified by staff, and provides an overview of several discretionary grant programs within the Department.

Severance Tax transfer: The request proposes a one-time transfer of \$10.0 million from the Local Government Severance Tax Fund to the General Fund. This briefing issue provides an overview of the Department’s severance tax and federal mineral lease revenue and discusses how transferring those funds to the General Fund would affect the Energy/Mineral Impact Assistance Grant program.

Defense Counsel on First Appearance Grant Program: The Department’s R4 request proposes a one-time General Fund reduction of \$392,159 to the Defense Counsel on First Appearance Grant Program, which would leave a General Fund appropriation of \$1,113,093 available for FY 2025-26. This issue examines the program’s history, identifies grant recipients by year and amount, and proposes options including additional reductions and elimination of the program.

Rental Assistance and Voucher Programs: This issue provides an overview of funding appropriated to and administered by the Division of Housing for rental assistance and voucher programs. Rental assistance programs consist of the federal Housing Choice Voucher program and State Housing Voucher programs. There are four individual vouchers that make up the State Housing Voucher program.

Affordable Housing Programs: This issue provides an overview of funding appropriated to and administered by the Division of Housing to expand the affordable housing stock across the state. This includes various federal and state programs including voter-approved measures such as Proposition 123.

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Military and Veterans Affairs

The Department of Military and Veterans Affairs is responsible for training and maintaining Colorado’s Army and Air National Guard to protect the safety and health of Colorado’s residents and serve as a reserve force for the U.S. Armed Forces. The Department also administers state programs that assist U.S. military veterans. The Department’s FY 2024-25 appropriation represents approximately 0.4 percent of statewide operating appropriations and 0.1 percent of statewide General Fund appropriations.

Summary of Request

Department of Military and Veterans Affairs						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2024-25 Appropriation						
HB 24-1430 (Long Bill)	\$149,281,691	\$17,704,398	\$2,288,239	\$51,198	\$129,237,856	2,274.7
Total	\$149,281,691	\$17,704,398	\$2,288,239	\$51,198	\$129,237,856	2,274.7
FY 2025-26 Requested Appropriation						
FY 2024-25 Appropriation	\$149,281,691	\$17,704,398	\$2,288,239	\$51,198	\$129,237,856	2,274.7
R1 CO National Guard tuition waiver	-1,421,157	-1,421,157	0	0	0	0.0
R2 Recruiting and retention bonus expansion	500,000	500,000	0	0	0	0.0
R3 Communications manager	110,244	110,244	0	0	0	1.0
R4 IT product director	155,836	155,836	0	0	0	1.0
R5 HR information system	325,000	325,000	0	0	0	0.0
Centrally appropriated line items	1,681,424	720,346	31,201	0	929,877	0.0
Technical adjustments	0	0	25,000	-25,000	0	0.0
Indirect cost assessment	-46,011	0	-4,273	-156	-41,582	0.0
Annualize prior year budget actions	-41,426	-41,426	0	0	0	0.2
Total	\$150,545,601	\$18,053,241	\$2,340,167	\$26,042	\$130,126,151	2,276.9
Increase/-Decrease	\$1,263,910	\$348,843	\$51,928	-\$25,156	\$888,295	2.2
Percentage Change	0.8%	2.0%	2.3%	-49.1%	0.7%	0.1%

R1 Colorado National Guard tuition waiver [requires legislation]: The request includes a modification to the existing tuition assistance program for the Colorado National Guard. Currently, the Department offers Guard members up to \$5,000 per semester in tuition assistance as an incentive for recruitment. This request aims to change the program from a tuition assistance benefit to a tuition waiver benefit for National Guard members, resulting in a decrease of \$1,421,157 General Fund in FY 2025-26 and ongoing.

Under this proposal, Colorado's public universities and colleges would fully cover the tuition costs for Colorado National Guard service members. Additionally, DMVA requests that the Department of Higher Education fully absorb the cost of the tuition waiver. According to the Department, this change will streamline processes, promote program efficiency, reduce costs for the DMVA, and increase accessibility.

R2 Recruiting and retention bonus expansion: The request includes \$500,000 General Fund for fiscal year 2025-26 and ongoing to support the recruiting and retention bonus program established in fiscal year 2024-25. This program aims to attract and retain high-potential enlisted members of the Colorado National Guard whose career paths align with mission needs. It is designed to address the ongoing challenges in recruitment

and retention that the Department faces due to competition from neighboring states' Guard units that offer superior benefits, as well as competition from the private sector.

R3 Communications manager: The request includes \$110,244 General Fund and 1.0 FTE in FY 2025-26 and \$104,303 and 1.0 FTE in FY 2026-27 and ongoing to create a position dedicated to a cohesive communications strategy across the Department. This FTE would oversee and coordinate outreach efforts across all divisions in the Department with the aim of generating better awareness and utilization of services by veterans and service members.

R4 IT product director: The request includes \$155,836 General Fund and 1.0 FTE in FY 2025-26 and \$149,898 General Fund and 1.0 FTE in FY 2026-27 and ongoing to create an IT Product Director position. This position would serve as a liaison with the Office of Information Technology (OIT). The role will focus on modernizing internal IT systems, ensuring integration and security, and adhering to best information technology practices. The Department has indicated that the current IT infrastructure is hindered by poor integration and ineffective software lifecycle management, primarily due to a lack of strategic IT management and innovative direction.

R5 Human resources information system: The request includes \$325,000 General Fund for FY 2025-26 and \$30,000 for FY 2026-27 and ongoing to implement a human resources information system. This system will feature modules for personnel file management, personnel action requests, and performance management. The proposed system will utilize Hyland's OnBase platform which will be managed by the Office of Information Technology (OIT). This system is already in use by other agencies within the state. According to the Department, it will streamline HR processes, reduce administrative workloads, and provide employees with faster and more reliable HR services.

Centrally appropriated line items: The request includes a net increase of \$1.7 million total funds, including \$720,346 General Fund, for centrally appropriated line items, summarized in the table below.

Centrally appropriated line items						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Risk management & property	\$488,591	\$488,591	\$0	\$0	\$0	0.0
Salary survey	400,578	161,050	7,659	0	231,869	0.0
Health, life, and dental	352,575	-6,685	13,857	0	345,403	0.0
AED and SAED	161,646	-2,850	6,064	0	158,432	0.0
Step plan	123,286	55,488	2,289	0	65,509	0.0
Targeted provider rate increase	41,016	41,016	0	0	0	0.0
Legal services	38,468	38,468	0	0	0	0.0
Vehicle lease payments	32,746	15,531	0	0	17,215	0.0
CORE	30,235	30,235	0	0	0	0.0
Payments to OIT	29,386	29,386	0	0	0	0.0
AED and SAED	22,793	-142,344	968	0	164,169	0.0
Capitol complex leased space	15,894	15,894	0	0	0	0.0
Paid family & medical leave insurance	7,275	-128	273	0	7,130	0.0
Short-term disability	2,424	-43	91	0	2,376	0.0
DPS digital trunk radio	696	696	0	0	0	0.0
Shift differential	-56,288	0	0	0	-56,288	0.0
Workers' compensation	-9,897	-3,959	0	0	-5,938	0.0
Total	\$1,681,424	\$720,346	\$31,201	\$0	\$929,877	0.0

Technical adjustments: The request includes a decrease of \$25,000 in reappropriated funds and an increase of \$25,000 in cash funds for a budget-neutral refinance of the Grand Junction One-Stop Center.

Indirect cost assessment: The request includes net adjustments to indirect costs across all divisions resulting in a decrease of \$46,011 total funds.

Annualize prior year budget actions: The request includes a net decrease of \$41,426 General Fund for the out-year impact of FY 2024-25 budget actions.

Annualize prior year budget actions						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY24 Civil Air Patrol JROTC	-\$40,356	-\$40,356	\$0	\$0	\$0	0.1
FY24 EDO training specialist	-1,070	-1,070	0	0	0	0.1
Total	-\$41,426	-\$41,426	\$0	\$0	\$0	0.2

Issues Presented

This is a summary of the briefing issues presented to the Joint Budget Committee by their dedicated non-partisan staff.

Budget Reduction Options: This issue brief reviews budget reduction proposals and additional options identified by staff. The Executive Budget Request includes reductions of \$1.4 million General Fund for the Department of Military and Veterans Affairs, representing 8.0 percent of the Department’s FY 2024-25 General Fund appropriations. These reductions are offset by a proposed increase of approximately \$1.8 million in General Fund appropriations, resulting in a net increase of 2.0 percent General Fund in the FY 2025-26 Executive Budget Request.

R1 Colorado National Guard Tuition Waiver: The Colorado National Guard currently offers a tuition assistance program that awards Service Members in good standing up to \$5,000 in tuition assistance per semester as a recruiting and retention benefit. The program is administered by the Department of Military and Veterans Affairs (DMVA) and received a \$1.4 million General Fund appropriation for FY 2024-25. The Department states that the program's current structure leads to timing inefficiencies and uncertainty that prevents some service members from benefiting from the program. The Department seeks to modify the existing program to a tuition waiver and have the program administered by the Department of Higher Education.

For More Information

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To read the entire briefing: Go to <http://leg.colorado.gov/content/budget/budget-documents> to use the budget document search tool. Select this department's name under *Department/Topic*, "Briefing" under *Type*, and select a *Start date* and *End date* to show documents released in November and December of 2024.

Natural Resources

The Department of Natural Resources is responsible for developing, protecting, and enhancing Colorado’s natural resources for the use and enjoyment of present and future residents and visitors. The Department’s FY 2024-25 appropriation represents approximately 1.1 percent of statewide operating appropriations and 0.3 percent of statewide General Fund appropriations.

Summary of Request

Department of Natural Resources						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2024-25 Appropriation						
HB 24-1430 (Long Bill)	\$440,903,702	\$45,189,508	\$346,059,749	\$9,227,540	\$40,426,905	1,730.3
Other Legislation	57,249,623	0	57,249,623	0	0	10.1
Total	\$498,153,325	\$45,189,508	\$403,309,372	\$9,227,540	\$40,426,905	1,740.4
FY 2025-26 Requested Appropriation						
FY 2024-25 Appropriation	\$498,153,325	\$45,189,508	\$403,309,372	\$9,227,540	\$40,426,905	1,740.4
R1 Keep Colorado Wild Pass staff and op	6,590,758	0	6,590,758	0	0	31.7
R2 Outdoor Equity Grant Program	1,294,823	0	1,294,823	0	0	0.9
R3 Water commissioner job classification	119,933	119,933	0	0	0	0.0
R4 Scale dept admin support	561,273	0	0	561,273	0	5.0
R5 Implement IT product owners	991,060	0	705,287	285,773	0	6.4
R6 Digital video evidence for CPW officers	1,085,724	0	1,085,724	0	0	1.8
R7 Water plan technical update	138,751	0	138,751	0	0	0.9
R8 Wildlife conservation and management	2,314,410	0	2,314,410	0	0	11.1
R9 SLB working lands internship program	189,812	0	189,812	0	0	0.0
R10 Restructure Sev Tax Operational Fund	-10,133,236	1,657,444	-11,657,444	-133,236	0	0.0
CSFS R1 Move line items to DNR	10,360,024	10,360,024	0	0	0	0.0
CSFS R2 Forestry workforce dev internships	229,006	229,006	0	0	0	0.0
Non-prioritized decision items	2,523,357	674,149	1,835,879	8,128	5,201	0.0
Centrally appropriated line items	12,808,893	943,173	10,998,883	763,071	103,766	0.0
Indirect cost assessment	167,127	1,090,318	122,194	-1,090,318	44,933	0.0
Annualize prior year legislation	-55,838,477	-13,146	-55,818,300	-7,031	0	3.8
Annualize prior year budget actions	-1,272,185	69,371	-3,379,923	-663	2,039,030	7.3
Total	\$470,284,378	\$60,319,780	\$357,730,226	\$9,614,537	\$42,619,835	1,809.3
Increase/-Decrease	-\$27,868,947	\$15,130,272	-\$45,579,146	\$386,997	\$2,192,930	68.9
Percentage Change	-5.6%	33.5%	-11.3%	4.2%	5.4%	4.0%

R1 Keep Colorado Wild Pass staff and op: The request includes \$6.6 million cash funds from the Parks Cash Fund and 31.7 FTE to increase park operating budgets and staffing as well as expand parks to support increased visitation. The proposed staff include 10.1 FTE for park operations, 6.9 FTE for park expansion, 12.9 FTE for education and interpretation, and 1.8 FTE for administrative support. The request increases to \$6.8 million cash funds and 34.5 FTE in FY 2026-27.

R2 Outdoor Equity Grant Program: The request includes \$1.3 million cash funds, including \$640,616 from the Parks Cash Fund and the same amount from the Wildlife Cash Fund, and 0.9 FTE in FY 2025-26. This funding

will support a new grants specialist and a \$1.0 million (33.3 percent) increase in funding for grant awards. The request increases to \$1.3 million cash funds and 1.0 FTE in FY 2026-27 and ongoing.

R3 Water commissioner job classification: The request includes \$119,933 General Fund in FY 2025-26 and ongoing to reclassify 36 water commissioner positions to adjust for the increased complexity of water administration in Colorado.

R4 Scale dept admin support: The request includes \$561,273 reappropriated funds and 5.0 FTE in FY 2025-26, and \$572,302 reappropriated funds and 5.5 FTE in FY 2026-27 and ongoing. The funding would increase staff across multiple divisions in the Executive Director's Office to support the Department's growth in workload and administrative complexity.

R5 Implement IT product owners: The request includes \$705,287 cash funds from various cash funds with affected IT systems, \$285,773 reappropriated funds, and 6.4 FTE to hire seven IT product owners. These staff would provide strategic oversight of four different IT systems, including CPW public safety and wildlife data analytics, State Land Board asset management, Energy and Carbon Management Commission form and applications, administrative systems, and the Department's website. The request increases to \$736,534 cash funds, \$298,605 reappropriated funds, and 7.0 FTE in FY 2026-27.

R6 Digital video evidence for CPW officers: The request includes \$1.1 million cash funds, including \$407,147 from the Parks Cash Fund and \$678,577 from the Wildlife Cash Fund, and 1.8 FTE to implement a digital video evidence system for Colorado Parks and Wildlife Officers. The request decreases to \$1.0 million cash funds and 2.0 FTE in FY 2026-27.

R7 Water plan technical update: The request includes \$138,751 from the Colorado Water Conservation Board Construction Fund and 0.9 FTE to hire a term-limited staff member through December 2029. This individual would assist with a technical update that will inform the 2033 Water Plan Update. The request increases to \$146,672 cash funds and 1.0 FTE in FY 2026-27.

R8 Wildlife conservation and management: The request includes \$2.3 million cash funds from the Wildlife Cash Fund and 11.1 FTE to increase operational staffing for wildlife biology, aquatic species, wildlife health, and habitat improvements. The request decreases to \$2.2 million cash funds and 12.0 FTE in FY 2026-27.

R9 State Land Board (SLB) working lands internship program: The request includes \$189,812 from the SLB Trust Administration Cash Fund in FY 2025-26 and ongoing for three seasonal interns. The SLB hopes to improve land stewardship and create a talent pipeline by hiring seasonal interns to learn how to manage the land. The FY 2025-26 cost of this request is \$202,112 cash funds.

R10 Restructure Sev Tax Operational Fund [requires legislation]: The request includes changes to severance tax distribution, Severance Tax Operational Fund reserve requirements, and Severance Tax Operational Fund core and discretionary program appropriation obligations. This request is part of the Department's budget reduction strategy.

CSFS R1 Move line items to DNR: The request includes a budget-neutral adjustment that moves \$10.4 million General Fund across three line items within the Colorado State Forest Service (CSFS) in the Department of Higher Education to the Department of Natural Resources. This is reflected as an increase of \$10.4 million General Fund in the Department of Natural Resources, offset by an equal decrease in the Department of Higher Education.

CSFS R2 Forestry workforce dev internships: The request includes \$229,006 General Fund to permanently establish a forestry workforce internship program within the Colorado State Forest Service. The request annualizes to \$231,730 General Fund in FY 2026-27. The Department has indicated that this request is "Proven" per S.B. 21-284.

Non-prioritized decision items: The request includes an increase of \$2.5 million total funds, including \$674,149 General Fund, for an annual fleet vehicle adjustment that originates in the Department of Personnel.

Centrally appropriated line items: The request includes a net increase of \$12.8 million total funds, including \$943,173 General Fund, for centrally appropriated line items that are summarized in the table below.

Centrally appropriated line items						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Salary survey	\$5,624,194	\$644,204	\$4,646,768	\$154,353	\$178,869	0.0
Health, life, and dental	3,046,234	357,695	2,697,624	-44,613	35,528	0.0
Payments to OIT	1,173,595	-197,119	828,576	657,020	-114,882	0.0
AED and SAED	1,128,435	114,730	1,042,015	3,672	-31,982	0.0
Step plan	1,031,999	168,947	835,442	27,610	0	0.0
Risk management & property	570,091	-95,565	695,011	-20,830	-8,525	0.0
CORE operations	329,512	24,627	287,964	7,832	9,089	0.0
Shift differential	144,228	0	144,832	-604	0	0.0
PERA direct distribution	70,263	-19,209	95,756	-6,284	0	0.0
Depreciation-lease equivalent payment	68,232	68,232	0	0	0	0.0
Paid family & medical leave insurance	48,348	5,163	44,459	166	-1,440	0.0
Capitol Complex leased space	46,861	14,863	20,296	7,063	4,639	0.0
Leased space	45,614	21,316	17,032	218	7,048	0.0
Short-term disability	16,394	1,721	15,098	55	-480	0.0
DPS Digital trunk radio	2,796	0	2,796	0	0	0.0
Legal services	-388,397	-165,703	-219,747	-22,852	19,905	0.0
Workers' compensation	-149,506	-729	-155,039	265	5,997	0.0
Total	\$12,808,893	\$943,173	\$10,998,883	\$763,071	\$103,766	0.0

Indirect cost assessment: The request includes a net increase of \$167,127 for indirect costs across all divisions. This includes an increase of \$1.1 million General Fund that is largely offset by a \$1.1 million reduction in reappropriated funds.

Annualize prior year legislation: The request includes a net decrease of \$55.8 million total funds, including a decrease of \$13,146 General Fund, to reflect the FY 2025-26 impact of bills passed in previous sessions. This decrease is primarily due to zeroing out the Department's annual CWCB Projects Bill, resulting in a reduction of \$56.0 million cash funds.

Annualize prior year legislation						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
SB 23-255 Wolf depredation compensation	\$175,000	\$0	\$175,000	\$0	\$0	0.0
SB 23-016 GHG reduction	171,160	0	171,160	0	0	2.4
HB 24-1117 Invertebrates and rare plants	60,702	0	60,702	0	0	1.0
SB 24-212 Local gov renewable energy projects	59,106	0	59,106	0	0	0.7
SB 24-171 Restore wolverines	13,239	0	13,239	0	0	0.2
HB 23-1265 Born to be wild license plate	10,000	0	10,000	0	0	0.0
SB 24-026 Ag and nat resources public engagement	8,128	0	8,128	0	0	0.0
SB 24-229 Ozone mitigation	5,137	0	5,137	0	0	0.0
HB 23-1242 Oil and gas water conservation	162	0	162	0	0	0.0
HB 24-1435 CWCB projects bill	-55,957,500	0	-55,957,500	0	0	0.0
SB 23-059 State park funds for local access	-137,000	0	-137,000	0	0	0.0
SB 23-285 Energy carbon mgmt	-105,185	0	-105,185	0	0	-0.5
HB 23-1294 Pollution protection measures	-95,166	0	-95,166	0	0	0.0
SB 24-185 Protections for mineral owners	-20,483	0	-20,483	0	0	0.0

Annualize prior year legislation						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
SB 22-114 Fire suppression ponds	-13,146	-13,146	0	0	0	0.0
SB 23-285 Energy and carbon management	-7,031	0	0	-7,031	0	0.0
HB 23-1069 Study biochar in plugging	-5,600	0	-5,600	0	0	0.0
Total	-\$55,838,477	-\$13,146	-\$55,818,300	-\$7,031	\$0	3.8

Annualize prior year budget actions: The request includes a net decrease of \$1.3 million for the FY 2025-26 cost of prior year budget actions.

Annualize prior year budget actions						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 24-25 CPW adjust to reflect actual expenditures	\$2,405,194	\$0	\$250,000	\$0	\$2,155,194	0.0
FY 24-25 R9 Wildlife mgmt staffing	80,052	0	80,052	0	0	1.4
FY 23-24 R9 Wildlife staffing	65,135	0	65,135	0	0	0.0
FY 24-25 R2 CPW biodiversity and habitat staff	55,410	0	55,410	0	0	0.7
FY 23-24 R15 Vehicles for water admin	48,311	48,311	0	0	0	0.0
FY 24-25 R4 Park manager equitable progression	33,856	0	33,856	0	0	0.0
FY 24-25 R11 State park staffing for demand	33,850	0	33,850	0	0	0.6
FY 24-25 R10 Aquatics and hatchery ops	21,942	0	21,942	0	0	0.3
FY 24-25 R5 River ops coordinators	21,060	21,060	0	0	0	0.2
FY 23-24 R8 Manage and protect state parks	19,567	0	19,567	0	0	0.0
FY 24-25 R1 SLB biodiversity program	11,912	0	11,912	0	0	0.3
FY 22-23 R10 Records access mgmt and radios	9,286	0	9,286	0	0	0.0
FY 24-25 R8 Wildlife dam safety staffing	8,371	0	8,371	0	0	0.1
FY 24-25 R5 Inclusive recruitment	5,621	0	5,621	0	0	0.0
FY 24-25 R13 SLB outdoor rec leasing	4,496	0	4,496	0	0	0.1
FY 24-25 R6 Create CWCB grants section	2,961	0	2,961	0	0	0.1
FY 23-24 R11 Water and research projects	785	0	785	0	0	0.0
FY 24-25 CPW vendor commissions	-2,871,058	0	-2,871,058	0	0	0.0
FY 24-25 Salary survey	-907,474	0	-804,038	0	-103,436	0.0
FY 24-25 Step plan	-213,744	0	-201,016	0	-12,728	0.0
FY 24-25 BA1 CPW counter poaching K9 program	-80,339	0	-80,339	0	0	0.5
FY 23-24 R7 Winter recreation support	-13,340	0	-13,340	0	0	2.0
FY 24-25 R14 CPW admin support	-13,008	0	-13,008	0	0	0.5
FY 24-25 R7 IT infrastructure and network	-663	0	0	-663	0	0.1
FY 24-25 R12 CPW info and education	-368	0	-368	0	0	0.4
Total	-\$1,272,185	\$69,371	-\$3,379,923	-\$663	\$2,039,030	7.3

Issues Presented

This is a summary of the briefing issues presented to the Joint Budget Committee by their non-partisan staff.

Budget Reduction Options: The Executive Budget Request includes reductions of \$9.9 million General Fund for the Department of Natural Resources (Executive Director’s Office, Division of Parks and Wildlife, Colorado Water Conservation Board, and Division of Water Resources). The remainder of the divisions in the Department do not receive and have not requested General Fund. This issue brief reviews these proposals and additional options identified by staff.

DNR and the Colorado State Forest Service (CSFS): This issue brief provides an overview of the Department's relationship with the Colorado State Forest Service and two requests submitted by the Department on behalf of the CSFS.

R10 Refinance Severance Tax Operational Fund: This issue brief describes the proposed modifications to severance tax distribution, Severance Tax Operational Fund reserve requirements, and Severance Tax Operational Fund core and discretionary program appropriation obligations.

For More Information

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To read the entire briefing: Go to <http://leg.colorado.gov/content/budget/budget-documents> to use the budget document search tool. Select this department's name under *Department/Topic*, "Briefing" under *Type*, and select a *Start date* and *End date* to show documents released in November and December of 2024.

Personnel

The Department of Personnel is responsible for administering the state personnel system, which includes approximately 28,000 full time equivalent (FTE) staff, excluding the Department of Higher Education. In addition, the Department provides general support services for state agencies. The Department's FY 2024-25 appropriation represents approximately 0.6 percent of statewide operating appropriations and 0.3 percent of statewide General Fund appropriations.

Summary of Request

Department of Personnel						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2024-25 Appropriation						
HB 24-1430 (Long Bill)	\$289,399,577	\$39,393,450	\$27,791,496	\$222,214,631	\$0	519.5
Other legislation	-6,117,283	49,383	-6,204,560	37,894	0	-1.2
Total	\$283,282,294	\$39,442,833	\$21,586,936	\$222,252,525	\$0	518.3
FY 2025-26 Requested Appropriation						
FY 2024-25 Appropriation	\$283,282,294	\$39,442,833	\$21,586,936	\$222,252,525	\$0	518.3
R1 OAC staffing	292,468	0	0	292,468	0	2.8
R2 State property risk valuation	600,000	0	0	600,000	0	0.0
R3 Private lease early termination	692,189	692,189	0	0	0	0.0
R4 COWINS Partnership Agreement resources	531,675	531,675	0	0	0	3.8
R5 State Archives staffing	76,960	76,960	0	0	0	0.9
R6 Address confidentiality resources	557,619	557,619	0	0	0	3.3
R7 Annual fleet vehicle replacements	5,897,217	0	0	5,897,217	0	0.0
R8 CEO funding realignment	-653,416	-653,416	0	0	0	0.0
R9 OSA planning reduction	-992,189	-992,189	0	0	0	0.0
Centrally appropriated line items	3,801,988	625,618	386,690	2,789,680	0	0.0
Risk Management base adjustment	2,486,673	0	0	2,486,673	0	0.0
Capitol Complex Leased Space base adjustment	1,233,751	-39,703	20,281	1,253,173	0	0.0
Indirect cost assessment	156,265	0	-147,035	303,300	0	0.0
Non-prioritized requests	124,977	0	-417	125,394	0	0.0
ALJ services base adjustments	0	0	-753,371	753,371	0	0.0
Annualization of prior year actions	-2,000,660	-1,491,181	-44,300	-465,179	0	-27.0
Technical adjustments	-444,935	-327,857	-421,599	304,521	0	0.0
CORE operations base adjustments	-166,209	0	-2,611,279	2,445,070	0	0.0
Total	\$295,476,667	\$38,422,548	\$18,015,906	\$239,038,213	\$0	502.1
Increase/-Decrease	\$12,194,373	-\$1,020,285	-\$3,571,030	\$16,785,688	\$0	-16.2
Percentage Change	4.3%	-2.6%	-16.5%	7.6%	n/a	-3.1%

R1 Office of Administrative Courts (OAC) staffing: The request includes an increase of \$292,468 reappropriated funds and 2.8 FTE in FY 2025-26 to address caseload growth and retention in the Office of Administrative Courts. The OAC has experienced caseload growth in multiple types of cases, with a significant increase in Medicaid related cases; roughly half of the OAC's caseload are Medicaid cases. Due to compliance requirements issued by the Centers for Medicare and Medicaid, the Department of Health Care Policy and

Financing requires that the OAC meet 90-day turnaround times for all Medicaid related cases starting July 2025. The request increases to \$298,248 reappropriated funds and 3.0 FTE in Fiscal Year 2026-27 and ongoing.

R2 State property risk valuation: The request includes an increase of \$600,000 reappropriated funds in FY 2025-26 and ongoing. The Department reports that some of the State's property insurance carriers are requiring a valuation of all owned and leased buildings and their contents in order to fully underwrite the financial loss exposure of the State Office of Risk Management's property program. The State's property valuation has not been fully assessed in more than 20 years.

R3 Private lease early termination: The request includes a one-time increase of \$692,189 General Fund to allow for an early private lease termination and the consolidation of a state agency into excess Capitol Complex office space. The Department estimates \$1.5 million in avoided private lease payments resulting in a net savings of \$828,736, including General Fund, cash funds, and reappropriated funds.

R4 COWINS Partnership Agreement resources: The request includes an increase of \$531,675 General Fund and 3.8 FTE for FY 2025-26. The Department intends to transition one term-limited FTE to permanent staff for data management and add three additional staff to the Colorado State Employee Assistance Program. The request increases to \$2.1 million total funds, including \$1.8 million General Fund, and 4.0 FTE in FY 2026-27 and FY 2027-28. The large increase in General Fund in the out-years is due to a \$1.7 million General Fund increase for housing assistance. This request is predicated on the renegotiated COWINS Partnership Agreement (Articles 8.3 (A), 32.8, 5.2, and 24.5) that became effective September 23, 2024.

R5 State Archives staffing: The request includes an increase of \$76,960 General Fund and 0.9 FTE in FY 2025-26 to meet increases in demand for research desk services from the general public and government offices. The Department reports that research requests at the State Archives increased 39.0 percent in the past year, due largely to the successful implementation of a searchable database and an improved request management system, and have had a deleterious effect on request turnaround times. Colorado State Archives plans, manages, operates, and implements the State's archival and records management program to protect, preserve, and maintain the legal documents for Colorado territorial and state government. This unit develops and approves record retention policies and destruction schedules for all State agencies, counties, cities, school districts, and special districts regarding preservation and management of records. The unit also provides citizen and agency access to the records in its custody for legal and research purposes. The request increases to \$78,708 General Funds and 1.0 FTE FY 2026-27 and ongoing.

R6 Address confidentiality resources: The request includes an increase of \$557,619 General Fund and 3.3 FTE in FY 2025-26 to make up for the loss of federal Victims of Crime Act grant funds, adjust for increases in postage related expenses, add resources for outreach services to focus on underserved areas of the state, and convert term-limited staff to permanent status. The Address Confidentiality Program is statutorily obligated to accept all individuals who apply and qualify for admission regardless of budget or staff resources. The program is tasked with keeping addresses confidential for relocated protected health-care workers or victims of domestic violence, sexual offense, human trafficking, or stalking and to prevent the victim's assailants or potential assailants from finding the victim through public records. The request increases to \$605,529 General Fund and 4.0 FTE in FY 2026-27 and ongoing.

R7 Annual fleet vehicle replacements: The request includes an increase of \$5.9 million reappropriated funds to replace 552 vehicles in the State's fleet. Of the vehicles to be replaced, the Department has identified 470 as potential alternative fuel vehicles (AFV). Of the \$5.9 million reappropriated funds, \$0.2 million is for state fleet management operating expenses. For individual state agencies, this request will require an increase of \$7.2 million in total funds for the respective Vehicle Lease Payments line item appropriations, with an

estimated \$1.8 million increase in General Fund in FY 2025-26. The request includes non-prioritized requests affecting multiple departments statewide.

R8 Colorado Equity Office (CEO) funding realignment: The request includes a permanent budget neutral shift of \$653,416 General Fund from the Colorado Equity Office to four state departments beginning in FY 2025-26. The Colorado Equity Office was created by H.B. 22-1397 (Statewide Equity Office), which appropriated to the Department of Personnel sufficient funding for 10.0 FTE within the CEO and 9.0 FTE within four other departments: Health Care Policy and Financing, Human Services, Regulatory Agencies, and Revenue. Funding for the FTE in the four other agencies has been reappropriated from the CEO since its inception. This request seeks to directly appropriate the funding for those 9.0 FTE to the affected departments. Those direct General Fund appropriations are:

- \$74,921 to Health Care Policy and Financing for 1.0 FTE,
- \$325,979 to Human Services for 4.0 FTE,
- \$60,581 to Regulatory Agencies for 1.0 FTE, and
- \$191,935 to Revenue for 3.0 FTE.

R9 Office of the State Architect (OSA) planning reduction: The request includes a decrease of \$992,189 General Fund in FY 2025-26 to the Statewide Planning Services line item in the Office of the State Architect for budget balancing purposes. This line item funds technical and consulting services related to statewide capital master plan development for state agencies served by the OSA. The Department reports that since its inception this line has been underutilized. Additionally, the line item is granted roll-forward authority through a Long Bill footnote, allowing the Department to utilize appropriations for one additional fiscal year. The annual Long Bill appropriation is \$1.0 million General Fund. The request annualizes to a \$700,000 General Fund appropriation in FY 2026-27 and ongoing.

Centrally appropriated line items: The request includes a net increase of \$3.8 million total funds, including \$625,618 General Fund, for centrally appropriated line items, summarized in the table below.

Centrally appropriated line items						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Payments to OIT	\$1,613,002	\$382,523	\$250,000	\$980,479	\$0	0.0
Risk management & property	1,062,152	415,894	26,370	619,888	0	0.0
Salary survey	1,040,829	475,420	30,661	534,748	0	0.0
Capitol Complex leased space	195,665	115,032	-7,842	88,475	0	0.0
Step plan	188,525	47,621	1,540	139,364	0	0.0
CORE operations	154,246	59,961	4,764	89,521	0	0.0
PERA direct distribution	60,725	22,478	-1,791	40,038	0	0.0
FY 2024-25 Step Plan	7,067	30,895	2,412	-26,240	0	0.0
Shift differential	1,167	0	0	1,167	0	0.0
Paid family & medical leave insurance	3	-2,203	-1,002	3,208	0	0.0
Legal services	-221,156	-199,312	100,831	-122,675	0	0.0
Health, life, and dental	-220,836	-636,706	6,937	408,933	0	0.0
Workers' compensation	-69,650	-26,328	-3,749	-39,573	0	0.0
AED and SAED	-9,707	-58,715	-22,269	71,277	0	0.0
Short-term disability	-44	-942	-172	1,070	0	0.0
Total	\$3,801,988	\$625,618	\$386,690	\$2,789,680	\$0	0.0

Risk Management base adjustment: The request includes an increase of \$2.5 million reappropriated funds for adjustments to the Risk Management program for anticipated payments to be required by the liability, property, and workers' compensation components of the common policies. This increase is driven primarily by increases in liability claims and property policies.

Capitol Complex Leased Space base adjustment: The request includes an increase of \$1.2 million total funds, including a decrease of \$39,703 General Fund, for base adjustments to the Capitol Complex Leased Space common policy.

Indirect cost assessment: The request includes net adjustments to indirect costs across all divisions.

Non-prioritized decision items: The request includes a net increase of \$124,977 total funds for requests that originate in the Departments of Agriculture, Natural Resources, and Revenue.

Non-prioritized requests						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
NP2 DNR R1 Keep Colorado wild pass	\$54,951	\$0	\$0	\$54,951	\$0	0.0
NP6 DOR R3 Lottery	39,000	0	0	39,000	0	0.0
NP4 CDA R2 Soil health program	22,488	0	0	22,488	0	0.0
NP1 DNR R9 Wildlife conserv	18,188	0	0	18,188	0	0.0
NP3 DNR R10 State Land Board	12,767	0	0	12,767	0	0.0
NP5 Annual fleet request	-22,417	0	-417	-22,000	0	0.0
Total	\$124,977	\$0	-\$417	\$125,394	\$0	0.0

Administrative Law Judge (ALJ) services base adjustment: The request includes a refinance of \$753,371 cash funds spending authority with an equivalent amount of reappropriated funds spending authority, for base adjustments to the Administrative Law Judge services common policy.

Annualize prior year actions: The request includes a net decrease of \$2.0 million total funds, including \$1.5 million General Fund, for the out-year cost of prior year budget actions and legislation.

Annualization of prior year actions						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 23-24 R11 Empl survey vendor	\$300,000	\$300,000	\$0	\$0	\$0	0.0
FY 24-25 R3 Apprentice and skills based hiring	198,316	198,316	0	0	0	2.5
SB 14-214 PERA studies	125,000	125,000	0	0	0	0.0
HB 23-1008 Food accessibility	48,437	0	0	48,437	0	0.0
HB 24-1268 Fin assist low-income	13,825	0	0	13,825	0	0.0
FY 24-25 R1c FinOps staffing	9,660	9,660	0	0	0	0.2
FY 24-25 R1b Admin staffing	5,892	5,892	0	0	0	0.3
HB 24-1439 Incent expand apprentice	5,524	0	0	5,524	0	0.0
SB 24-179 Floodplain mgmt	4,009	4,009	0	0	0	0.2
HB 24-1340 Incent for post-sec edu	3,875	0	0	3,875	0	0.0
HB 24-1312 Careworkers incm tax crdt	3,590	0	0	3,590	0	0.0
HB 23-1272 Advance decarb	2,607	0	0	2,607	0	0.0
HB 24-1157 Employee-owned bus tax crdt	2,581	0	0	2,581	0	0.0
FY 24-25 R1c SPCO staffing	1,047	1,047	0	0	0	0.3
FY 23-24 R3 Statewide COWINS	-1,792,460	-1,792,460	0	0	0	-28.2
HB 22-1337 State personnel comp rept	-300,000	-300,000	0	0	0	0.0
FY 23-24 NPBA6 PHE funding	-270,930	0	0	-270,930	0	0.0
FY 24-25 NPBA3 PHE unwind	-209,216	0	0	-209,216	0	-2.7
SB 21-250 Elections and voting	-50,000	0	0	-50,000	0	0.0
HB 24-1360 CO Disability Opp Ofc	-41,888	0	-41,888	0	0	0.0
HB 23-1189 Employer assist home purchase	-13,610	0	0	-13,610	0	0.0
SB 23-016 GHG emission redux	-12,453	0	0	-12,453	0	0.0
FY 24-25 Salary survey	-7,067	-30,895	-2,412	26,240	0	0.0
HB 24-1052 Senior housing incm tax crdt	-6,756	0	0	-6,756	0	0.0
SB 23-172 Protect workers' rights	-6,414	-6,414	0	0	0	0.0

Annualization of prior year actions						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 24-25 R2 Central payroll staffing	-5,336	-5,336	0	0	0	0.4
HB 24-1235 Reduce aviation impacts	-2,591	0	0	-2,591	0	0.0
SB 24-016 Tax crdt for intermeds	-1,991	0	0	-1,991	0	0.0
HB 23-1309 Film incent tax credit	-1,927	0	0	-1,927	0	0.0
HB 24-1311 Family afford tax crdt	-1,078	0	0	-1,078	0	0.0
HB 23-1112 EITC	-762	0	0	-762	0	0.0
SB 22-051 Reduce emiss built enviro	-544	0	0	-544	0	0.0
Total	-\$2,000,660	-\$1,491,181	-\$44,300	-\$465,179	\$0	-27.0

Technical adjustments: The request includes a decrease of \$444,935 total funds, including a decrease of \$327,857 General Fund, related to a technical issue.

Technical adjustments						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
SB 24-214 Continuous approp	\$400,000	\$0	\$400,000	\$0	\$0	0.0
Digital storage adjustment	56,995	56,995	0	0	0	0.0
Contract escalator	1,199	1,199	0	0	0	0.0
FY 25-26 Statewide indirects	0	-209,915	0	209,915	0	0.0
Fund source corrections	0	-94,606	0	94,606	0	0.0
Depreciation lease equivalent payments	-886,629	-65,030	-821,599	0	0	0.0
Leased space correction	-16,500	-16,500	0	0	0	0.0
Total	-\$444,935	-\$327,857	-\$421,599	\$304,521	\$0	0.0

CORE operations base adjustments: The request includes a decrease of \$166,209 total funds, including a decrease of \$2.6 million cash funds and an increase of \$2.4 million reappropriated funds, for CORE operations base adjustments.

Issues Presented

This is a summary of the briefing issues presented to the Joint Budget Committee by their dedicated non-partisan staff.

Budget Reduction Options: This issue brief reviews budget reduction proposals and additional options identified by staff. The Executive Budget Request includes reductions of \$1.1 million General Fund for the Department of Personnel, representing 2.9 percent of the General Fund appropriations in this section of the budget.

Operating Common Policies Overview and Requests: The Department of Personnel administers centralized budgeting policies described as Operating Common Policies. These policies refer to an array of statewide services, including Administrative Law Judge Services, Workers' Compensation, Payment to Risk Management and Property Funds, Capitol Complex Leased Space and Utilities, CORE Operations, Vehicle Lease Payments, and the Document Solutions Group. For FY 2025-26 there are three decision items that affect the Operating Common Policies: R1 (OAC staffing), R2 (State property risk valuation), and R7 (Annual fleet vehicle replacements).

Extend Repeal Dates for Transfers and Overexpenditure Authority: Periodically, the General Assembly extends the repeal date for several parts of statute in Title 24, Article 75 that authorize intra- and inter-departmental transfers and overexpenditures in specific and limited circumstances. There are seven sections with repeal dates of September 1, 2025.

For More Information

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To read the entire briefing: Go to <http://leg.colorado.gov/content/budget/budget-documents> to use the budget document search tool. Select this department's name under *Department/Topic*, "Briefing" under *Type*, and select a *Start date* and *End date* to show documents released in November and December of 2024.

Public Health and Environment

The Department of Public Health and Environment is responsible for protecting and improving the health of the people of Colorado and ensuring the quality of Colorado's environment.

The Department's FY 2024-25 appropriation represents approximately 2.0 percent of statewide operating appropriations and 1.0 percent of statewide General Fund appropriations.

Summary of Request

Department of Public Health and Environment						
Item	Total Funds	General Fund ¹	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2024-25 Appropriation						
H.B. 24-1430 (Long Bill)	\$863,318,324	\$143,192,695	\$331,715,057	\$62,413,396	\$325,997,176	1,867.6
Other Legislation	6,823,980	5,516,133	1,307,847	0	0	20.8
Total	\$870,142,304	\$148,708,828	\$333,022,904	\$62,413,396	\$325,997,176	1,888.4
FY 2025-26 Requested Appropriation						
FY 2024-25 Appropriation	\$870,142,304	\$148,708,828	\$333,022,904	\$62,413,396	\$325,997,176	1,888.4
R1 Stationary sources sustainability and fees	717,571	0	717,571	0	0	-19.0
R2 Protecting water quality control	3,331,304	0	3,331,304	0	0	22.0
R3 Hazardous response fund solvency	1,365,730	0	1,365,730	0	0	0.0
R4 Env. agriculture program fee elim.	0	0	0	0	0	0.0
R5a Env. justice technical adjustment	0	0	0	0	0	0.0
R5b Public health technical adjustments	0	0	0	0	0	0.0
R6 Electrifying school buses grant transfer	0	0	0	0	0	0.0
R7 Nutrients and nat. disaster fund transfers	0	0	0	0	0	0.0
R8 LPHA 5% reduction	-945,220	-945,220	0	0	0	0.0
R9 Reduce coroner reimbursements	-79,500	-79,500	0	0	0	0.0
R10 HB23-1257 implementation savings	-141,880	-141,880	0	0	0	0.0
R11 Sunset disordered eating program	-91,398	-91,398	0	0	0	-1.0
R12 Sunset kidney disease task force	-86,549	-86,549	0	0	0	-0.5
Non-prioritized decision items	66,626	5,855	56,200	6,922	-2,351	0.0
Centrally appropriated line items	10,671,438	3,736,377	4,665,429	582,890	1,686,742	0.0
Annualize prior year legislation	4,960,426	-5,169,585	-3,994,989	14,125,000	0	-11.1
Indirect cost assessment	1,366,645	0	1,783,189	-52,493	-364,051	0.0
Annualize prior year budget actions	-3,265,293	-3,132,022	-262,644	126,352	3,021	-25.1
Technical adjustments	-225,180	-43,526	-116,265	0	-65,389	-1.2
Total	\$887,787,024	\$142,761,380	\$340,568,429	\$77,202,067	\$327,255,148	1,852.5
Increase/-Decrease	\$17,644,720	-\$5,947,448	\$7,545,525	\$14,788,671	\$1,257,972	-35.9
Percentage Change	2.0%	-4.0%	2.3%	23.7%	0.4%	-1.9%

¹Includes General Fund Exempt

R1 Stationary sources sustainability and fees [requires legislation]: The request includes a one-time \$14.0 million transfer from the General Fund to the Stationary Sources Control Fund (SSCF). Additionally, the Department requests an increase of \$2.8 million cash fund spending authority and a decrease of 19.0 FTE. The transfer would alleviate the budgetary shortfall in the SSCF as fee increases are phased in, with the Department projecting that the fund will reach long-term solvency in FY 2028-29. Meanwhile, the increased

spending authority from the SSCF would replace lapsing General Fund appropriations from previous legislative action.

R2 Protecting water quality control [requires legislation]: The request includes an increase of \$3.3 million cash fund spending authority and 22.0 FTE. Additionally, the Department requests the following transfers into the clean water program cash funds:

- \$111,000 from the Water Quality Improvement Cash Fund to the Drinking Water Cash Fund; and
- \$7,037,128 from the Perfluoroalkyl and Polyfluoroalkyl Substances (PFAS) Cash Fund to the clean water cash funds over two years.
 - In FY 2025-26, transfers \$3.5 million to the Clean Water Cash Fund; and
 - In FY 2026-27, transfers \$3.0 million to the Clean Water Cash Fund and \$0.5 million to the Drinking Water Cash Fund.

This request is due to the expiration of General Fund currently used to reduce the clean water permitting backlog of the Water Quality Control Division. The Environmental Protection Agency's (EPA) goal is for 75.0 percent of permits to be current, allowing a 25.0 percent backlog. Prior to FY 2023-24, the Department was only 25.0 percent current with a 75.0 percent backlog. Budget actions in FY 2023-24 reduced the backlog to 50.0 percent. However, the General Fund appropriation from FY 2023-24 was term-limited and is reduced in FY 2025-26.

R3 Hazardous substance response fund solvency [requires legislation]: The request includes a one-time \$6.0 million transfer from the General Fund to the Hazardous Substance Response Fund (HSRF) and an increase in cash fund spending authority of \$1.4 million. The HSRF was established to fund the State's hazardous material disposal needs, including management of Colorado's Superfund sites as required under the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA).

The Department requires a transfer from the General Fund to the HSRF while fees are phased in to bring the fund into solvency. Additionally, the Department has indicated that \$1.4 million in cash fund spending authority is necessary to meet its statutory obligations under Section 25-16-104.6(2), C.R.S. for maintenance of Colorado's Superfund sites.

R4 Environmental agriculture program fee elimination [requires legislation]: The request includes an elimination of the fee reversion to the Animal Feeding Operations Program. Base funding was established for the program in 2005. The fee was subsequently increased in 2009, with a 3-year fee reversion provision, which would revert fee levels to 2005 levels. Industry-supported legislation extended this fee schedule in 2012, 2015 and 2018.

The current fee is scheduled to repeal on June 30, 2025. Without legislative action, the Animal Feeding Operations Program would need to reduce staffing by approximately 50.0 percent, resulting in increased permitting backlogs, fewer field inspections, and an up to 50.0 percent increase in non-compliance.

R5a Environmental justice technical adjustment: The Department requests a Long Bill footnote to grant roll-forward authority for \$959,310 General Fund through FY 2028-29. Roll-forward authority allows the Department to retain any unspent General Fund through FY 2028-29, rather than the appropriation reverting at the end of FY 2025-26. The appropriation originates from H.B. 24-1338 (Cumulative Impacts and Environmental Justice), which granted roll-forward authority for the first year of these funds to support environmental equity and cumulative impact analysis (EECIA) studies.

R5b Public health technical adjustments: The request includes two net-zero technical adjustments to cash fund notations within the Disease Control and Public Health Response Division (DCPHR) the Center for Health and Environmental Data (CHED) to properly reflect funding used to complete public health surveys.

R6 Electrifying school buses grant program transfer [requires legislation]: The request includes a transfer of \$38.5 million from the Electrifying School Buses Grant Program Fund to the General Fund. This would be done through two transfers: a transfer of \$14.0 million in FY 2024-25 and a transfer of \$24.5 million in FY 2025-26.

The Electrifying School Buses Grant Program Cash Fund was established through S.B. 22-193 (Air Quality Improvements Investment), which appropriated \$65.0 million General Fund to the grant program. The purpose of the program is to assist school districts in transitioning from diesel-powered school buses to electric vehicles. The Department has suggested that this transfer will have minimal programmatic impact because of a concurrent federal electric school bus grant program established through the Investment Infrastructure and Jobs Act.

R7 Nutrients grant fund and natural disaster cash fund transfer [requires legislation]: The request includes a transfer of \$388,790 from two inactive water quality control fund sources to the General Fund:

- \$192,500 from the Nutrients Grant Cash Fund; and
- \$196,290 from the Natural Disaster Cash Fund.

These grant programs are currently inactive and scheduled for repeal. Consequently, transferring these funds will have no programmatic impact.

R8 LPHA 5.0 percent reduction: The request includes a reduction of 5.0 percent, or \$945,220 General Fund, in FY 2025-26 and ongoing that would decrease the Department’s distribution to Local Public Health Agencies (LPHAs). The request would reduce both Local Planning and Support Dollars as well as base funding for local environmental health services.

R9 Reduce coroner reimbursements: The request includes a reduction of \$79,500 General Fund in FY 2025-26 and ongoing that would reduce the funds available to reimburse coroners for toxicology screenings for non-natural deaths of people under 25 years old. The Department indicates that coroners have not utilized the full appropriation in FY 2022-23 and FY 2023-24.

R10 HB23-1257 implementation savings: The request includes a reduction of \$141,880 General fund due to implementation savings from H.B. 23-1257 (Mobile Home Park Water Quality). The Department was appropriated \$2.3 million for contractor services to implement the legislation. Delays in procurement resulted in savings of \$141,880 below the initial appropriation for mobile home park water quality testing.

R11 Sunset disordered eating program [requires legislation]: The request includes a reduction of \$91,398 General Fund and 1.0 FTE in FY 2025-26 and ongoing to eliminate the Disordered Eating Prevention Program. The Department indicates that all funded activities outlined in S.B. 23-014, which created the program, were completed. The bill also created an unfunded grant program, which was not implemented.

R12 Sunset kidney disease task force [requires legislation]: The request includes a decrease of \$86,549 General Fund in FY 2025-26 and ongoing as a result of an early sunset to the Kidney Disease Task Force created in H.B. 21-1171. The task force is currently scheduled to sunset in September 2026 after completion of a final report discussing a plan to raise awareness about early detection of kidney disease.

Non-prioritized decision items: The request includes a net increase of \$66,626 total funds, including \$5,855 General Fund, for requests that originate in the Department of Personnel and Health Care Policy and Financing.

Non-prioritized decision items						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
NP1 Annual fleet vehicle request	\$68,247	\$5,855	\$56,200	\$6,192	\$0	0.0
NP2 OAC staffing	730	0	\$0	730	0	0.0

Non-prioritized decision items						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
NP3 HCPF convert contractor to FTE	-2,351	0	0	0	-2,351	0.0
Total	\$66,626	\$5,855	\$56,200	\$6,922	-\$2,351	0.0

Centrally appropriated line items: The request includes a net increase of \$10.7 million total funds, including \$3.7 million General Fund, for centrally appropriated line items, summarized in the table below.

Centrally appropriated line items						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Salary survey	\$7,747,447	\$1,465,183	\$3,319,924	\$890,239	\$2,072,101	0.0
Health, life, and dental	5,636,476	1,233,144	1,362,304	926,878	2,114,150	0.0
AED and SAED	2,168,701	602,586	871,407	289,054	405,654	0.0
Step plan	1,421,008	343,403	686,650	245,252	145,703	0.0
Payments to OIT	876,624	375,746	496,144	4,734	0	0.0
CORE operations	496,988	703,545	0	-206,557	0	0.0
Paid family & medical leave insurance	95,189	24,714	39,213	13,008	18,254	0.0
Short-term disability	32,688	9,196	13,071	4,336	6,085	0.0
Digital trunk radio	9,096	9,096	0	0	0	0.0
Capitol Complex leased space	1,358	100	0	1,258	0	0.0
Prior year salary survey	-4,643,012	-398,517	-1,406,202	-396,687	-2,441,606	0.0
FY 2024-25 Step plan	-1,530,407	-194,527	-523,605	-178,676	-633,599	0.0
Legal services	-791,322	-233,752	-131,783	-425,787	0	0.0
PERA direct distribution	-355,716	-68,915	-59,842	-226,959	0	0.0
Risk management & property	-336,786	-108,767	0	-228,019	0	0.0
ALJ services	-87,389	-25,748	-1,852	-59,789	0	0.0
Workers' compensation	-69,505	-110	0	-69,395	0	0.0
Total	\$10,671,438	\$3,736,377	\$4,665,429	\$582,890	\$1,686,742	0.0

Annualize prior year legislation: The request includes a net increase of \$5.0 million total funds, including reductions of \$5.2 million General Fund and 11.1 FTE, to reflect the FY 2025-26 impact of bills passed in previous sessions, summarized in the following table.

Annualize prior year legislation						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
HB23-1194 Closed landfills	\$14,000,000	\$0	\$0	\$14,000,000	\$0	0.0
SB24-223 Gamete bank and fertility clinic program	250,000	125,000	0	125,000	0	0.0
HB24-1338 Cumulative impact and env. Justice	187,636	187,636	0	0	0	0.5
HB24-1457 Asbestos and lead paint abatement grant	160,000	0	160,000	0	0	0.5
SB24-121 Licensure of critical access hospitals	100,575	55,271	45,304	0	0	0.2
SB23-002 Medicaid reimburse for community health	28,000	28,000	0	0	0	0.0
SB23-290 Natural medicine regulation	26,138	26,138	0	0	0	0.6
SB24-037 Study green infrastructure for water quality	19,933	19,933	0	0	0	0.1
HB22-1289 Benefits for children and pregnant people	10,866	10,866	0	0	0	0.0
SB24-167 Training for entry-level healthcare workers	8,985	8,985	0	0	0	0.2
HB22-1244 Toxic air contaminants	0	-4,853,975	4,853,975	0	0	0.0
SB22-147 Behavioral healthcare for children	0	0	0	0	0	-0.3
SB24-007 Behavioral health first aid training	0	0	0	0	0	-0.1
SB24-123 Waste tire management enterprise	-8,864,536	0	-8,864,536	0	0	-7.8
HB24-1379 Regulate dredge and fill state waters	-376,718	370,921	-747,639	0	0	-4.0
HB24-1262 Maternal health midwives	-259,374	-259,374	0	0	0	0.0

Annualize prior year legislation

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
SB24-229 Ozone mitigation measure	-117,176	-753,157	635,981	0	0	-0.3
HB24-1115 Prescription drug label accessibility	-80,000	-80,000	0	0	0	0.0
SB22-182 Economic mobility program	-41,193	0	-41,193	0	0	0.0
HB23-1242 Water conservation	-32,911	0	-32,911	0	0	-0.3
SB24-142 Oral health screening in schools	-20,245	-20,245	0	0	0	-0.1
SB24-078 Outdoor nature-based preschool programs	-18,963	-18,963	0	0	0	-0.2
SB23-186 COGCC study methane	-9,951	-9,951	0	0	0	-0.1
SB24-175 Improving perinatal health outcomes	-6,670	-6,670	0	0	0	0.0
SB23-148 Illegal drug labs	-3,970	0	-3,970	0	0	0.0
Total	\$4,960,426	-\$5,169,585	-\$3,994,989	\$14,125,000	\$0	-11.1

Indirect cost assessment: The request includes net adjustments to indirect costs across all divisions.

Annualize prior year budget actions: The request includes a net decrease of \$3.3 million total funds, including a reduction of \$3.1 million General Fund, for the FY 2025-26 impact of prior year budget actions.

Annualize prior year budget actions

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 24-25 R3 Sustainable funding for facility licensing	\$591,519	-\$2,348	\$593,867	\$0	\$0	0.0
FY 24-25 R9 Office of Health Equity and Env. Justice	98,235	13,365	25,119	56,720	3,031	0.0
FY 24-25 BA1 Medicaid facility oversight	69,632	0	0	69,632	0	0.3
FY 24-25 R10 Office of Health Equity tribal relations	19,839	19,839	0	0	0	0.1
FY 23-24 R15 Denver Emissions Center leased space	7,370	0	7,370	0	0	0.0
FY 23-24 R1 Protective water quality	-2,581,661	-2,581,661	0	0	0	-26.0
FY 24-25 BA5 Waste tire program	-745,000	0	-745,000	0	0	0.0
FY 24-25 R8 Lead testing support	-326,048	-326,048	0	0	0	0.3
FY 24-25 Long Bill amendment for gametes	-229,335	-229,335	0	0	0	0.0
FY 24-25 BA2 Evidential breath testing database	-144,000	0	-144,000	0	0	0.0
FY 24-25 R4 State syphilis response	-25,834	-25,834	0	0	0	0.2
FY 24-25 NP4 HCPF convert contractor to FTE	-10	0	0	0	-10	0.0
Total	-\$3,265,293	-\$3,132,022	-\$262,644	\$126,352	\$3,021	-25.1

Technical adjustments: The request includes reductions of \$225,180 total funds and 1.2 FTE, including a reduction of \$43,526 General Fund, related to FTE adjustments and the transfer of behavioral health facility licensing responsibilities from the Department to the Behavioral Health Administration.

Issues Presented

This is a summary of the briefing issues presented to the Joint Budget Committee by their dedicated non-partisan staff.

Budget Reduction Options: This issue describes the requested proposals and JBC Staff options for budget reductions and General Fund relief from the Department. The requested reductions total \$3.2 million in General Fund relief, or 2.2 percent of the General Fund appropriation. Staff has further identified options for General Fund relief totaling \$21.1 million for FY 2025-26.

Public Health Cash Funds with Revenue Challenges: This issue brief provides an overview of two public health program areas that do not generate adequate revenue to fully support program appropriations.

- The state laboratory received \$3.7 million General Fund in FY 2024-25 to support operations, as its Laboratory Cash Fund does not generate enough fee revenue to support the laboratory's full appropriation.
- The EMS provider grant consistently distributes fewer funds than its cash fund spending authority allows due to concerns about the long-term solvency of the EMS Account.

Stationary Sources Control Fund: The Department of Public Health and Environment (CDPHE) is tasked with air pollution control, with the Stationary Sources Control Fund (SSCF) being a major source of revenue for these efforts. The SSCF is funded primarily through fees on emissions for stationary sources, with existing fees based on tonnage of emissions. In turn, these fees are used by the Department to support anti-pollution initiatives.

Under present conditions, the SSCF faces insolvency, with the fund expected to have a negative balance early in FY 2026-27. On the expenditure side, this has largely been driven by increased costs due to legislative changes and recent budgetary requests by the Department as well as increasing federal standards regarding ozone nonattainment and other forms of pollution. Meanwhile, on the revenue side, many of these legislative changes were implemented with short-term General Fund, with the expectation that the programs would become cash funded after the initial implementation phase. However, fee revenues have lagged, which has created solvency issues within the SSCF as programs transition to being fully cash funded.

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To read the entire briefing: Go to <http://leg.colorado.gov/content/budget/budget-documents> to use the budget document search tool. Select this department's name under *Department/Topic*, "Briefing" under *Type*, and select a *Start date* and *End date* to show documents released in November and December of 2024.

Public Safety

The Department of Public Safety includes its Executive Director’s Office, the Colorado State Patrol, and Division of Fire Prevention and Control, the Division of Criminal Justice, the Colorado Bureau of Investigation, and the Division of Homeland Security and Emergency Management. The Department’s FY 2024-25 appropriation represents approximately 1.7 percent of statewide operating appropriations and 1.8 percent of statewide General Fund appropriations.

Summary of Request

Department of Public Safety						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2024-25 Appropriation						
H.B. 24-1430 (Long Bill)	\$711,464,079	\$280,867,857	\$283,145,079	\$77,923,588	\$69,527,555	2,354.8
Other legislation	17,778,992	3,084,286	14,389,706	305,000	0	19.2
Total	\$729,243,071	\$283,952,143	\$297,534,785	\$78,228,588	\$69,527,555	2,374.0
FY 2025-26 Requested Appropriation						
FY 2024-25 Appropriation	\$729,243,071	\$283,952,143	\$297,534,785	\$78,228,588	\$69,527,555	2,374.0
R1 DTRS ongoing operating	30,000,000	15,000,000	0	15,000,000	0	0.0
R2 PPE stockpile	1,451,152	-179,251	0	1,630,403	0	0.0
R3 Training program for sex offender vic reps	75,000	0	75,000	0	0	0.0
R4 CSP academy dining services	792,119	0	792,119	0	0	0.0
R5 Community corrections caseload increase	6,106,748	6,106,748	0	0	0	0.0
R6 Long Bill technical clean-up	0	0	0	0	0	0.0
R7 Reduce approp to hazardous material program	-692,598	0	-692,598	0	0	0.0
R8 Sweep nuclear materials transpo. cash fund	0	0	0	0	0	0.0
R9 Sweep CO ID theft & financial fraud funds	0	0	0	0	0	0.0
R10 DFPC 1% General Fund reduction	-841,274	-467,174	0	-374,100	0	0.0
R11 DCJ 1% General Fund reduction	-110,000	-110,000	0	0	0	0.0
Crime prevention environmental design grant	3,400,000	0	3,400,000	0	0	0.9
Youth delinquency prevention grant	2,000,000	0	2,000,000	0	0	0.9
Non-prioritized decision items	3,024,335	1,357,928	1,461,439	238,757	-33,789	0.0
Centrally appropriated line items	13,870,735	4,630,406	12,549,933	-3,093,790	-215,814	0.0
Indirect cost assessment	2,513,704	-3,530,193	-2,838,555	8,568,923	313,529	0.0
Technical adjustments	0	0	287,396	-282,649	-4,747	0.0
Annualize prior year legislation	-18,866,535	-12,162,710	496,175	-7,200,000	0	5.4
Annualize prior year budget actions	-4,251,734	-5,541,420	1,178,772	74,261	36,653	9.9
Total	\$767,714,723	\$289,056,477	\$316,244,466	\$92,790,393	\$69,623,387	2,391.1
Increase/-Decrease	\$38,471,652	\$5,104,334	\$18,709,681	\$14,561,805	\$95,832	17.1
Percentage Change	5.3%	1.8%	6.3%	18.6%	0.1%	0.7%

R1 Digital Trunk Radio System (DTRS) ongoing operating: The Department requests a \$15.0 million General Fund appropriation into the Public Safety Communications Trust Fund (PSCTF) and an equal \$15.0 million in reappropriated funds spending authority from the PSCTF for FY 2025-26 and ongoing. This request states that the ongoing funding is necessary to ensure operations of the DTRS and the increased funding is primarily for a contract renewal with the service provider, as the current contract expires at the end of FY 2024-25.

R2 PPE stockpile: The Department requests a decrease of \$179,251 General Fund to the current (FY 2024-25) General Fund appropriation associated with personal protective equipment and the stockpile required by H.B.

22-1352 (Stockpile for Declared Emergencies). The request states that the reduced cost is the result of decreases in price for certain PPE since the original appropriation was made in FY 2021-22. Thus, the reduction below the current appropriation represents a decrease in cost rather than a decrease in the inventory to be maintained in the stockpile.

In the event of a declared disaster emergency, the Division of Homeland Security and Emergency Management (DHSEM) is responsible for procuring and maintaining a stockpile of essential materials and PPE that can be distributed statewide if necessary.

- The FY 2024-25 appropriation includes \$1,809,654 General Fund for this purpose; that amount was appropriated within the Office of Emergency Management Program Administration line item. The request states that the current direct appropriation of General Fund does not comply with accounting requirements related to the inventory and distribution of equipment.
- For FY 2025-26 and ongoing, the request eliminates the appropriation to the Program Administration line item and instead proposes to appropriate \$1,630,403 General Fund into the Emergency Stockpile Rotation Cash Fund for the statewide PPE stockpile, as outlined in Section 24-33.5-1621 (3)(a), C.R.S.

R3 Training for sex offender victim reps: The request includes a one-time increase of \$75,000 cash funds from the Sex Offender Surcharge Cash Fund. Its purpose is to develop and retain victim representatives in sex offender management teams. The Department wants to hire a consultant to help with local community strategic planning and recruitment. The training materials developed by the consultant would be used as a resource in future years.

R4 CSP academy dining services: The Department requests an increase of \$792,119 cash funds from the Highway Users Tax Fund (HUTF) in FY 2025-26 and ongoing to secure a long-term dining services contract for the State Patrol Academy.

- The General Assembly approved an increase of \$253,186 cash funds from the HUTF and 8.0 FTE for FY 2022-23 to support additional dining services staff. However, the Department states that it has been unable to fill those positions.
- For FY 2023-24, the General Assembly approved a one-time appropriation of \$500,000 from the HUTF to support a third-party contract for these services.
- That one-time amount was not included in the appropriation for FY 2024-25, and the Department reports that it has continued to pay for the contract through vacancy savings in the current year.
- According to the request, the full cost of the contract is \$1,045,305 per year. The requested increase represents the difference between the \$253,186 approved for FY 2022-23 (and still included in the budget) and the full contract cost.
- Staff suggests that if the Committee approves the funding to support the external contract then it should be able to reduce or eliminate the FTE (but not the funding) approved through the FY 2022-23 request.

R5 Community corrections caseload increase: The request includes an increase of \$6.1 General Fund. Its purpose is to support capacity expansions in various community corrections programs. It also supports expected growth in the community corrections population. Expanded capacity includes:

- Denver: A new 90-bed program called MOORE Center, which opened in May 2024. At the time of this request, the program had an active waitlist.
- Denver: Reopening 90-bed Dahlia facility in January 2026.
- Larimer County Community Corrections: Added 100 beds toward the end of FY 2023-24. It has an active waitlist for these beds.

- A Colorado Springs facility added an Intensive Residential Treatment Program and a facility in Lamar added a Sex Offender Supervision and Treatment Program.

R6 Long Bill technical clean-up: The Department requests several net-zero technical letternote corrections.

R7 Reduce appropriation to hazardous material program [requires legislation]: The Department requests a decrease of \$692,598 cash funds from the Highway Users Tax Fund (HUTF) Off-The-Top appropriation to the Hazardous Materials Safety Program in FY 2025-26 and beyond. The program received an additional \$2,000,000 in revenue from Senate Bill 23-280 (Hazardous Material Mitigation) from the Hazardous Material Safety Fund, from FY 2023-24 through FY 2030-31. Given the additional revenue associated with that legislation, the request states that the program can absorb the proposed reduction without significantly impacting operations. The request would make that amount of HUTF available for other uses.

R8 Sweep nuclear materials transportation cash fund [requires legislation]: The Department requests a one-time cash fund transfer of \$100,000 from the Nuclear Materials Transportation Fund (Section 42-20-511, C.R.S.), to the General Fund in FY 2025-26 as a budget balancing measure.

R9 Sweep Colorado identity theft and financial fraud funds [requires legislation]: The Department requests a one-time cash fund transfer of \$100,000 from the Colorado Identity Theft and Financial Fraud Fund (Section 24-33.5-1707, C.R.S.), to the General Fund in FY 2025-26 as a budget balancing measure.

R10 DFPC 1% General Fund reduction: The Department requests an ongoing decrease of \$467,174 General Fund for the Division of Fire Prevention and Control (DFPC), representing a 1.0 percent reduction to the Division's FY 2024-25 General Fund appropriation. The request includes a corresponding decrease of \$374,100 reappropriated funds. The request would reduce the appropriation to the Fire Investigation Cash Fund by \$374,100 (a 13.7 percent decrease, with a corresponding decrease in reappropriated funds) and reduce the appropriation to the Wildfire Emergency Response Fund by \$93,074 (a 5.2 percent decrease).

R11 DCJ 1% General Fund reduction: The request includes a decrease of \$110,000 General Fund. Its purpose is to "ensure that Colorado can make meaningful investments while maintaining a balanced budget." It reduces the DCJ Administrative Services line item by 1.0%. The request says that it may limit staff training and travel, but it will not impact services.

Crime prevention environmental design: The request includes a one-time increase of \$3.4 million from the Marijuana Tax Cash Fund. This is part of the Statewide R7 Marijuana Tax Cash Fund request. Its purpose is to decrease crime, increase safety, and improve overall quality of life.

The request adds money to the Safer Streets grant program created by S.B. 22-001 (Crime Prevention through Safer Streets). Specifically, it funds "Crime Prevention Through Environmental Design," or CPTED. Physical safety measures, natural access control, and maintenance and property management are the primary uses of these funds.

Youth delinquency prevention grant [requires legislation]: The request includes an increase of \$2.0 million from the Marijuana Tax Cash Fund and 0.9 FTE for FY 2025-26 and ongoing. This is part of the Statewide R7 Marijuana Tax Cash Fund request. Funding would be. Its purpose is to reduce violence, crime, and delinquency among youth.

The requested appropriation would fund the Delinquency Prevention and Young Offender Intervention Pilot Grant Program, created by H.B. 22-1003 (Youth Delinquency Prevention and Intervention Grants). The program received a total of \$4.2 million General Fund through FY 2022-23 and FY 2023-24. The request requires legislation because the authorizing statute from H.B. 22-1003 repealed at the end of FY 2023-24. The request also wants to increase allowable administrative costs from 7.5% to 10.0% to lower the barrier to entry for grantees.

Non-prioritized decision items: The request includes an increase of \$3.0 million total funds, including \$1,357,928 General Fund, for the fleet vehicle request from the Department of Personnel.

Centrally appropriated line items: The request includes a net increase of \$13.9 million total funds, including \$4.6 million General Fund, for centrally appropriated line items, summarized in the table below.

Centrally appropriated line items						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Salary survey	\$8,016,316	\$2,754,870	\$4,562,191	\$625,516	\$73,739	0.0
Health, life, and dental	4,438,139	1,773,597	2,214,396	571,299	-121,153	0.0
Payments to OIT	1,807,875	653,575	4,415,706	-3,261,406	0	0.0
AED and SAED	1,394,380	814,375	598,395	93,011	-111,401	0.0
Step plan	534,990	206,051	253,056	72,831	3,052	0.0
SB 18-200 PERA unfunded liability	285,861	139,401	107,704	38,756	0	0.0
Leased space	283,880	12,256	271,624	0	0	0.0
CORE operations	208,302	0	0	208,302	0	0.0
Capitol Complex leased space	172,659	82,055	86,161	4,443	0	0.0
Legal services	89,744	89,744	0	0	0	0.0
DTRS Payments common policy	69,252	10,587	33,263	42,116	-16,714	0.0
Paid family & medical leave insurance	57,405	31,305	26,928	4,185	-5,013	0.0
Short-term disability	19,643	11,048	8,976	1,290	-1,671	0.0
Risk management & property	-3,228,414	-1,905,108	0	-1,323,306	0	0.0
Workers' compensation	-151,882	0	0	-151,882	0	0.0
FY25 Step plan	-126,898	-42,833	-28,467	-18,945	-36,653	0.0
ALJ services	-517	-517	0	0	0	0.0
Total	\$13,870,735	\$4,630,406	\$12,549,933	-\$3,093,790	-\$215,814	0.0

Indirect cost assessment: The request includes \$2.5 million total funds in net adjustments to indirect costs across all divisions, including a decrease of \$3.5 million in General Fund.

Technical adjustments: The request includes a net-zero technical adjustment for dispatch services.

Annualize prior year legislation: The request includes a net decrease of \$18.9 million total funds, including a decrease of \$12.1 million General Fund, to reflect the FY 2023-24 impact of bills passed in previous sessions, summarized in the following table.

Annualize prior year legislation						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
HB 24-1353 Firearms dealer req's and permit	\$218,175	\$0	\$218,175	\$0	\$0	1.2
HB 24-1133 Criminal record seal and expunge	115,040	115,040	0	0	0	1.5
SB 24-010 Dentist and dental hygienist compact	109,273	0	109,273	0	0	0.6
HB 24-1002 Social work licensure compact	104,129	0	104,129	0	0	0.6
SB 23-013 Fire investigations	75,900	75,900	0	0	0	0.0
SB 24-018 Physician assistant license compact	51,701	0	51,701	0	0	0.3
HB 24-1219 First responder health benefits	50,000	50,000	0	0	0	0.0
HB 24-1345 Sunset Human Trafficking Council	46,364	46,364	0	0	0	0.2
SB 24-173 Regulate mortuary science jobs	35,605	0	35,605	0	0	0.2
SB 24-169 State firefighter PERA job class	15,196	7,598	7,598	0	0	0.0
HB 24-1371 Uniform massage facility regulate	7,266	0	7,266	0	0	0.0
HB 14-1203 Funding for DTRS	-14,400,000	-7,200,000	0	-7,200,000	0	0.0
SB 22-002 Resources volunteer firefighters	-5,000,000	-5,000,000	0	0	0	0.0
HB 24-1320 Educator safety task force	-146,250	-146,250	0	0	0	0.0
SB 24-003 CBI authority investigate firearms	-69,686	-69,686	0	0	0	0.9
HB 24-1432 Repeal CBI crim jus record seal	-40,020	-40,020	0	0	0	0.0
SB 24-008 Kinship foster care homes	-37,572	0	-37,572	0	0	-0.2
HB 23-1199 Forensic medical evidence	-1,656	-1,656	0	0	0	0.1
Total	-\$18,866,535	-\$12,162,710	\$496,175	-\$7,200,000	\$0	5.4

Annualize prior year budget actions: The request includes a net decrease of \$4.3 million total funds, including a decrease of \$5.5 million General Fund, to reflect the FY 2025-26 impact of prior year budget actions.

Annualize prior year budget actions						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY25 R3 Forensic resources to reduce auto theft	\$749,195	\$749,195	\$0	\$0	\$0	3.6
Prior year step plan	179,292	95,227	28,467	18,945	36,653	0.0
FY 25 R8 Resources strengthen disaster recovery	79,584	79,584	0	0	0	4.5
FY 25 R1 Auto theft prevention initiative	9,260	-5,290	14,550	0	0	0.5
FY 23 R12 Community corrections info system	6,405	6,405	0	0	0	0.0
FY 25 School security grant funding	-2,000,000	-2,000,000	0	0	0	0.0
FY 25 R6 Crime victim services funding	-2,000,000	-2,000,000	0	0	0	0.0
FY 25 R7 CO non-profit grant funding	-500,000	-500,000	0	0	0	0.0
FY 25 R13 CDPS leased space	-355,500	-355,500	0	0	0	0.0
FY 23 R1 CBI right sizing	-290,227	-290,227	0	0	0	0.0
Prior year salary survey	-68,050	-1,203,805	1,135,755	0	0	0.0
FY 25 R5 COTAK rollout	-53,966	-53,966	0	0	0	0.5
FY 25 R4 EDO Right-sizing	-7,155	-62,471	0	55,316	0	0.7
FY 25 R9 FTE for DCJ	-572	-572	0	0	0	0.1
Total	-\$4,251,734	-\$5,541,420	\$1,178,772	\$74,261	\$36,653	9.9

Issues Presented

This is a summary of the briefing issues presented to the Joint Budget Committee by their dedicated non-partisan staff.

Digital Trunked Radio System ongoing operations: This brief provides information about the Department’s request for \$15.0 million General Fund.

Budget reduction options: This brief reviews options for budget reductions in the Department of Public Safety.

Community supervision vs. prison cost comparison: This brief compares the cost of placement in the community to the cost of imprisonment in a DOC facility.

DOC inmates in the community: This brief discusses the design of the community corrections system, historically low rates of DOC inmates in the community, and previous attempts to address this issue.

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Regulatory Agencies

The Department of Regulatory Agencies (DORA) is responsible for consumer protection, which is carried out through regulatory programs that license, establish standards, approve rates, and investigate complaints. The Department enforces rules and regulations through boards, commissions, and advisory committees across a variety of professions, occupations, programs, and institutions. The Department's FY 2024-25 appropriation represents approximately 0.3 percent of statewide operating appropriations and 0.02 percent of statewide General Fund appropriations.

Summary of Request

Department of Regulatory Agencies						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2024-25 Appropriation						
HB 24-1430 Long Bill	\$141,586,119	\$3,377,772	\$128,628,210	\$7,690,316	\$1,889,821	705.1
Other legislation	3,196,274	218,767	2,977,507	0	0	21.4
Total	\$144,782,393	\$3,596,539	\$131,605,717	\$7,690,316	\$1,889,821	726.5
FY 2025-26 Requested Appropriation						
FY 2024-25 Appropriation	\$144,782,393	\$3,596,539	\$131,605,717	\$7,690,316	\$1,889,821	726.5
R1 Reductions to CCRD and DOI	-166,728	-19,954	-146,774	0	0	0.0
Non-prioritized decision items	-3,430,050	60,581	-3,430,050	-60,581	0	0.0
Centrally appropriated line items	3,748,873	230,670	2,842,118	556,237	119,848	0.0
Annualize prior year actions	-623,459	-122,240	-501,219	0	0	4.1
Indirect cost assessment	-329,528	0	-323,030	0	-6,498	0.0
Total	\$143,981,501	\$3,745,596	\$130,046,762	\$8,185,972	\$2,003,171	730.6
Increase/-Decrease	-\$800,892	\$149,057	-\$1,558,955	\$495,656	\$113,350	4.1
Percentage Change	-0.6%	4.1%	-1.2%	6.4%	6.0%	0.6%

R1 Reductions to CCRD and DOI: The request includes a base decrease of \$166,728 total funds, including a decrease of \$19,954 General Fund and a decrease of \$146,774 cash funds from the Division of Insurance Cash Fund for the purpose of General Fund savings. These reductions would impact the Colorado Civil Rights Division (CCRD) and Division of Insurance (DOI).

Non-prioritized decision items: The request includes a net decrease of \$3.4 million total funds and cash funds, including an increase of \$60,581 General Fund offset by an equivalent decrease in reappropriated funds from indirect cost recoveries.

Non-prioritized decision items						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
NP2 OAC staffing	\$17,984	\$0	\$17,984	\$0	\$0	0.0
NP3 Equity office realign	0	60,581	\$0	-60,581	0	0.0
NP4 DHS CSPD enterprise	-3,448,034	0	-3,448,034	0	0	0.0
Total	-\$3,430,050	\$60,581	-\$3,430,050	-\$60,581	\$0	0.0

Centrally appropriated line items: The request includes a net increase of \$3.7 million total funds, including an increase of \$230,670 General Fund for centrally appropriated line items, summarized in the table below.

Centrally appropriated line items

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Salary survey	\$1,560,895	\$37,265	\$1,360,963	\$129,247	\$33,420	0.0
Health, life, and dental	1,432,982	-35,512	1,168,994	273,254	26,246	0.0
AED and SAED	376,969	-41,901	297,628	98,002	23,240	0.0
ALJ services	307,833	293,924	13,909	0	0	0.0
Step plan	250,219	5,255	215,413	17,856	11,695	0.0
Vehicle lease payments	231,905	0	231,905	0	0	0.0
CORE operations	167,779	6,501	150,588	8,639	2,051	0.0
Leased space	124,347	5,271	106,823	12,253	0	0.0
PERA direct distribution	32,666	-29,794	22,151	16,326	23,983	0.0
Paid family & medical leave insurance	16,963	-1,885	13,393	4,410	1,045	0.0
Short-term disability	5,653	-629	4,464	1,470	348	0.0
Legal services	-526,975	0	-526,975	0	0	0.0
Risk management & property	-105,108	-3,538	-96,386	-3,610	-1,574	0.0
Payments to OIT	-81,005	-2,768	-78,237	0	0	0.0
Workers' compensation	-46,250	-1,519	-42,515	-1,610	-606	0.0
Total	\$3,748,873	\$230,670	\$2,842,118	\$556,237	\$119,848	0.0

Annualize prior year actions: The request includes a net decrease of \$623,459 total funds, including a decrease of \$122,240 General Fund, for the out-year cost of prior year budget actions.

Annualize prior year actions

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
SB 24-141 Out-of-state Telehealth	\$140,740	\$0	\$140,740	\$0	\$0	1.7
FY25 R1 Banking staff	101,130	0	101,130	0	0	0.4
HB 24-1370 Reduce cost of use natural gas	85,363	0	85,363	0	0	0.8
SB 24-173 Regulate Mortuary Science	73,665	0	73,665	0	0	0.8
SB 24-207 Access to distributed generation	48,833	0	48,833	0	0	0.3
SB 24-073 Max Number of Employee	44,395	0	44,395	0	0	0.4
SB 24-010 Dentist and Dental Hygienist	30,695	0	30,695	0	0	0.7
SB 24-126 Conservation Easement Tax	12,925	0	12,925	0	0	0.2
HB 24-1004 Ex-offenders Practice Reg Occup	8,575	0	8,575	0	0	0.3
HB 24-1149 Prior auth reqs alternatives	8,252	0	8,252	0	0	0.2
HB 24-1153 Physician continuing education	7,669	0	7,669	0	0	0.1
HB 24-1111 Cosmetology licensure compact	5,909	0	5,909	0	0	0.7
SB 23-195 Calc contribution cost sharing	3,635	0	3,635	0	0	0.0
HB 24-1002 Social Work Licensure Compact	2,162	0	2,162	0	0	0.4
HB 24-1045 Treatment Substance Use Disord	791	0	791	0	0	0.1
HB 24-1051 Towing carrier regulation	620	0	620	0	0	0.1
HB 23-1252 Thermal energy	-344,930	0	-344,930	0	0	-2.0
HB 24-1108 Study insurance market	-309,954	0	-309,954	0	0	-0.1
HB 24-1315 Study remediati fire prop damage	-209,955	0	-209,955	0	0	-0.1
SB 24-139 Creation of 911 Services	-107,695	-107,695	0	0	0	-0.8
SB 23-189 Increase access to repro health	-50,000	0	-50,000	0	0	0.0
SB 24-080 Transparency in Healthcare	-36,670	0	-36,670	0	0	0.0
SB 24-218 Modernize energy distrib systems	-33,350	0	-33,350	0	0	0.0
HB 24-1335 Sunset mortuary science	-27,311	0	-27,311	0	0	0.0
HB 24-1030 Railroad safety requirements	-26,680	0	-26,680	0	0	0.0
SB 23-167 Bd of Nursing Reg Cert Midwives	-20,130	0	-20,130	0	0	-0.1
HB 24-1262 Maternal health midwives	-14,545	-14,545	0	0	0	0.0
HB 22-1115 Prescription drug monitor	-9,886	0	-9,886	0	0	-0.2

Annualize prior year actions						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
HB 24-1030 Railroad safety requirements	-26,680	0	-26,680	0	0	0.0
SB 23-167 Bd of Nursing Reg Cert Midwives	-20,130	0	-20,130	0	0	-0.1
HB 24-1262 Maternal health midwives	-14,545	-14,545	0	0	0	0.0
HB 22-1115 Prescription drug monitor	-9,886	0	-9,886	0	0	-0.2
HB 24-1438 Prescription drug afford progs	-4,587	0	-4,587	0	0	-0.1
SB 24-018 Physician Assistant License	-3,125	0	-3,125	0	0	0.3
Total	-\$623,459	-\$122,240	-\$501,219	\$0	\$0	4.1

Indirect cost assessment: The request includes a net decrease of \$329,528 cash and federal funds for indirect cost assessments across all divisions.

Issues Presented

This is a summary of the briefing issues presented to the Joint Budget Committee by their desiccated non-partisan staff.

Budget Reduction Options: This issue brief reviews budget reduction proposals and presents additional options identified by staff. The request includes reductions of \$19,954 General Fund for the Colorado Civil Rights Division. Additionally, the request includes reductions of \$146,774 cash funds from the Division of Insurance Cash Fund, which represent diversions from General Fund. Both reductions total \$166,728, which is a 4.6 percent of the FY 2024-25 General Fund appropriation.

Statewide R2 Pinnacol Conversion: This issue brief provides an overview of the Governor's request to convert Pinnacol, a state-chartered insurer for worker's compensation.

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Revenue

The Department has three functional groups: the Taxation Business Group collects revenue for the state and for many local governments and assists taxpayers in tax-related matters; the Division of Motor Vehicles regulates motor vehicle safety, issues personal identification documents, and regulates commercial vehicles; and the Specialized Business Group regulates alcohol, tobacco, marijuana, horse racing and off-track betting, sports betting, limited gaming, and automobile dealers and sales persons. The Executive Director's Office supports these three groups. The Department also operates the Colorado Lottery. The Department's FY 2024-25 appropriation represents approximately 1.2 percent of statewide operating appropriations and 1.0 percent of statewide General Fund appropriations.

Summary of Request

Department of Revenue						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2024-25 Appropriation						
HB24-1430 (Long Bill)	\$525,369,300	\$156,468,782	\$358,439,946	\$9,608,440	\$852,132	1,739.4
Other legislation	2,750,495	1,796,571	953,924	0	0	9.5
Total	\$528,119,795	\$158,265,353	\$359,393,870	\$9,608,440	\$852,132	1,748.9
FY 2025-26 Requested Appropriation						
FY 2024-25 Appropriation	\$528,119,795	\$158,265,353	\$359,393,870	\$9,608,440	\$852,132	1,748.9
R1 IRS direct file implementation	617,840	617,840	0	0	0	1.8
R2 Division of taxation auditors	650,777	650,777	0	0	0	5.5
R3 Lottery optimization	14,591,731	0	14,591,731	0	0	13.8
R4 DMV Efficiency consolidation	0	0	0	0	0	0.0
R5 DMV General Fund reductions	0	-586,292	586,292	0	0	0.0
R6 Restructure license plate payment	-13,482,782	0	-13,482,782	0	0	0.0
Non priority decision items	471,287	369,724	293,498	-191,935	0	0.0
Centrally appropriated line items	8,454,789	3,175,160	5,326,842	-47,213	0	0.0
Division of Gaming true up	5,964,460	0	5,964,460	0	0	32.0
Lottery vendor fees	4,587,044	0	4,587,044	0	0	0.0
Technical adjustments	2,035,528	1,510,489	525,039	0	0	0.0
Responsible Gaming Grant Program	1,020,000	0	1,020,000	0	0	0.0
Annualize prior year budget action	811,619	468,616	343,003	0	0	1.0
Indirect cost assessment	114,709	-91,397	129,365	76,741	0	0.0
Annualize prior year legislation	-198,799	-163,408	-35,391	0	0	21.5
Total	\$553,757,998	\$164,216,862	\$379,242,971	\$9,446,033	\$852,132	1,824.5
Increase/-Decrease	\$25,638,203	\$5,951,509	\$19,849,101	-\$162,407	\$0	75.6
Percentage Change	4.9%	3.8%	5.5%	-1.7%	n/a	4.3%

R1 IRS direct file implementation resources: The request includes \$617,840 General Fund and 1.8 FTE in FY 2025-26. The cost increases to \$626,606 General Fund and 2.0 FTE in FY 2026-27. The request supports the implementation of IRS Direct File (IDF), which allows taxpayers to file federal income taxes for free directly with the IRS. The Department needs to update the state's current tax filing systems to integrate with the IDF platform. This would allow Colorado taxpayers to file their taxes through IDF beginning in 2026.

R2 Division of taxation auditors: The request includes \$650,777 and 5.5 FTE in FY 2025-26. The cost increases to \$1,113,283 and 10.0 FTE in FY 2026-27. This would allow the Department to add more auditors in the Taxation Business Group. Increasingly complex tax returns due to federal and state legislation are driving this request.

R3 Lottery optimization: The request includes \$14.6 million from Lottery Cash Fund and 13.8 FTE in FY 2025-26. The cost increases to 17.0 FTE and \$14.8 million in FY 2026-27. These funds would support marketing, the responsible gaming grant program, and vendor fees. This request is driven by large revenue growth in recent years and a related workload increase.

R4 DMV efficiency consolidation: This net-zero request would align the Long Bill with the current operational structure of the Division of Motor Vehicles (DMV). According to the Department, this will streamline administration, enhance budgetary planning, and finalize ongoing efforts to align with the existing DMV IT system and cash fund

R5 DMV General Fund reductions: The request includes a General Fund reduction of \$586,292 and an equal increase of \$586,292 cash funds across multiple line items in the Division of Motor Vehicles.

R6 Restructure license plate payment [requires legislation]: The request seeks JBC-sponsored legislation to reduce TABOR revenue by moving certain fee revenue to a TABOR-exempt enterprise cash fund. Fees for producing and distributing license plates, decals, and validating tabs are currently credited to the non-TABOR exempt License Plate Cash Fund managed by the Department of Revenue. The requested legislation would credit these fees to a TABOR-exempt enterprise fund belonging to Colorado Correctional Industries in the Department of Corrections. This change would reduce revenue subject to TABOR by about \$12.0 million in FY 2025-26.

Non-prioritized decision items: The request includes a net increase of \$471,287 total funds, including \$369,724 General Fund, for requests impacting the Department of Revenue that originate in other Departments.

Non priority decision items						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
CORE operating resources	\$443,169	\$169,068	\$274,101	\$0	\$0	0.0
DPA annual fleet vehicle	22,221	3,117	19,104	0	0	0.0
DPS Digital trunk radio	5,604	5,604	0	0	0	0.0
DOR OAC staffing	293	0	293	0	0	0.0
Equity office funding realignment	0	191,935	0	-191,935	0	0.0
Total	\$471,287	\$369,724	\$293,498	-\$191,935	\$0	0.0

Centrally appropriated line items: The request includes a net increase of \$8.5 million total funds, including \$3.1 million General Fund for centrally appropriated line items, summarized in the table below.

Centrally appropriated line items						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Salary survey	\$3,538,396	\$1,614,887	\$1,909,039	\$14,470	\$0	0.0
Health, life, and dental	2,406,360	707,326	1,736,644	-37,610	0	0.0
Payments to OIT	1,501,197	532,524	968,673	0	0	0.0
Step plan	863,127	328,160	532,804	2,163	0	0.0
AED and SAED	625,213	99,588	538,317	-12,692	0	0.0
Legal services	416,450	233,149	183,301	0	0	0.0
Vehicle lease payments	56,880	56,880	0	0	0	0.0
Shift differential	55,204	0	55,204	0	0	0.0

Centrally appropriated line items						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Risk management & property	39,132	14,879	24,253	0	0	0.0
Paid family & medical leave insurance	28,134	4,482	24,224	-572	0	0.0
ALJ services	9,524	0	9,524	0	0	0.0
Short-term disability	9,378	1,494	8,075	-191	0	0.0
Capitol Complex leased space	-886,711	-370,837	-515,874	0	0	0.0
Workers' compensation	-124,748	-47,577	-77,171	0	0	0.0
PERA direct distribution	-44,779	205	-32,203	-12,781	0	0.0
Prior year salary survey	-25,344	0	-25,344	0	0	0.0
Prior year step plan	-12,624	0	-12,624	0	0	0.0
Total	\$8,454,789	\$3,175,160	\$5,326,842	-\$47,213	\$0	0.0

Division of Gaming true up: The request includes an increase of \$5.9 million in cash funds to more closely align the Long Bill with the Gaming Commission's approved budget for the division. The Division of Gaming is continuously appropriated and is included in the Long Bill for informational purposes only.

Lottery vendor fees: The request includes an increase of \$4.6 million in Lottery Cash Funds for payments to lottery vendors. This increase aims to ensure that the Lottery Division can meet its contractual obligations to vendors, who are paid based on a percentage of Lottery ticket sales.

Technical adjustments: The request includes a \$2.1 million increase in total funds for various technical adjustments outlined in the table below.

Technical adjustments						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Document management	\$701,528	\$709,118	-\$7,590	\$0	\$0	0.0
Contract escalator fast enterprises	667,858	237,110	430,748	0	0	0.0
Joint audit program fee	221,015	221,015	0	0	0	0.0
IDS print production	164,838	164,838	0	0	0	0.0
Postage	153,694	124,492	29,202	0	0	0.0
Variable vehicle	97,333	24,654	72,679	0	0	0.0
Leased space escalator	29,262	29,262	0	0	0	0.0
Total	\$2,035,528	\$1,510,489	\$525,039	\$0	\$0	0.0

Responsible Gaming Grant Program: The request includes a \$1.0 million cash fund increase for the grant program to meet the program's statutory funding requirements. This program is financed with proceeds from gaming and sports betting tax revenue.

Annualize prior year budget actions: The request includes a net increase of \$811,619 total funds, including \$468,616 General Fund, for the out-year impact of prior year budget actions.

Annualize prior year budget action						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	FTE	
FY24 DOR space planning	\$581,238	\$370,496	\$210,742	\$0	0.0	
FY24 GenTax & DRIVES support funding	158,291	98,120	60,171	0	0.7	
FY24 DMV Fraud investigation resources	72,090	0	72,090	0	0.3	
Total	\$811,619	\$468,616	\$343,003	\$0	1.0	

Indirect cost assessment: The request includes net adjustments to indirect costs across all divisions.

Annualize prior year legislation: The request includes a net decrease of \$198,799 total funds, including a net decrease of \$163,408 General Fund and an increase of 21.5 FTE to reflect the FY 2025-26 impact of bills passed in previous sessions, summarized in the following table.

Annualize prior year legislation						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
HB 24-1353 Firearms dealer requirements	\$1,667,500	\$1,459,500	\$208,000	\$0	\$0	18.4
HB 24-1312 State income tax credit care	408,139	408,139	\$0	\$0	\$0	4.7
HB 24-1021 Motor vehicle minor education	306,120	14,656	291,464	0	0	0.0
HB 24-1340 Incentives for post-secondary ed.	293,896	293,896	0	0	0	3.6
HB 23-251 Revoke driver's license appeal	158,610	158,610	0	0	0	0.0
HB24-1268 Financial assistance for certain	158,403	158,403	0	0	0	1.6
SB 23-290 Natural medicine regulation	124,037	-1,460,596	1,584,633	0	0	3.5
HB 23-1091 Cont. child care contribution credit	85,685	85,685	0	0	0	1.5
SB 24-230 Oil & gas production fees	68,291	68,291	0	0	0	0.0
HB 24-1439 Financial incentives ex apprentice	51,617	51,617	0	0	0	0.0
HB 24-1157 Employee owned business & income	47,756	47,756	0	0	0	0.0
HB 24-1316 Middle income housing tax credit	30,842	30,842	0	0	0	0.0
HB 24-1142 Reduce income tax social security	17,229	17,229	0	0	0	0.0
HB 24-1311 Family affordability tax credit	8,740	8,740	0	0	0	0.3
SB 24-182 Immigrant identification document issuance	3,760	0	3,760	0	0	0.0
HB 24-1369 CO Agriculture license plate	2,647	0	2,647	0	0	0.0
HB 24-1105 Chicano license plate	978	0	978	0	0	0.0
SB 24-100 Commercial vehicle hwy safety	672	0	672	0	0	0.0
SB 24-192 Motor vehicle lemon law	420	0	420	0	0	0.0
HB 24-1269 Modification of recording fees	320	0	320	0	0	0.0
SB 24-210 Modification to laws regulating election	320	0	320	0	0	0.0
SB 24-065 Mobile electronic devices	140	0	140	0	0	0.0
HB 24-1319 Fire fighters plate expire upon transfer	84	0	84	0	0	0.0
SB 24-019 Remuneration ex identifying placard	61	0	61	0	0	0.0
HB 24-1135 Offenses related to op a vehicle	28	0	28	0	0	0.0
HB 23-1272 Tax policy that advance decarbonization	0	0	0	0	0	-6.4
SB 24-222 Funding to relocate two state entities	0	0	0	0	0	0.0
SB 24-214 Implement state climate goals	-1,404,795	0	-1,404,795	0	0	0.0
HB 24-1089 Vehicle electronic notifications	-637,312	0	-637,312	0	0	0.7
HB 24-1439 Firearms & ammunition excise tax	-202,872	-202,872	0	0	0	-0.4
HB 23-1008 Food accessibility	-156,590	-156,590	0	0	0	-0.3
HB 23-1189 Employer assistance for home purch	-147,352	-147,352	0	0	0	-0.9
SB 23-016 Greenhouse gas reduction measures	-120,358	-120,358	0	0	0	-0.7
HB24-1052 Senior housing income tax credit	-113,407	-113,407	0	0	0	0.0
HB 23-1309 Film industry tax credit	-108,071	-108,071	0	0	0	-0.6
HB 24-1288 Earned income tax credit data sharing	-90,257	-90,257	0	0	0	0.0
HB 22-1414 Healthy meals for all public school	-78,019	-78,019	0	0	0	-1.4
HB 24-1277 Reporting adjustments taxable income	-76,080	-76,080	0	0	0	-0.6
HB23-112 Earned income and child care tax credit	-68,840	-68,840	0	0	0	0.0
HB 23-1281 Advance use of clean hydrogen	-67,287	-67,287	0	0	0	0.0
HB 23-1240 Sales use tax exempt wildfire disaster	-56,990	-56,990	0	0	0	-0.9
SB 24-228 TABOR refund mechanisms	-52,115	-52,115	0	0	0	0.0
SB 24-016 Tax credits for cont via intermediaries	-41,641	-41,641	0	0	0	-0.4
SB 24-048 Substance use disorders recovery	-37,980	0	-37,980	0	0	-0.4
HB 24-1235 Reduce aviation impacts	-37,217	-37,217	0	0	0	0.0
SB 24-184 Support transportation infrastructure	-35,071	-35,071	0	0	0	0.0
HB 23-1265 Born to be wild license plate	-24,917	0	-24,917	0	0	0.0
SB 23-016 Greenhouse gas reduction meas	-19,699	-19,699	0	0	0	0.0

Annualize prior year legislation						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
HB 24-1041 Streamline filing sales & use tax returns	-17,200	-17,200	0	0	0	0.0
HB 23-1260 Advanced industry & semiconductor	-14,656	-14,656	0	0	0	0.0
SB 23-145 Stegosaurus fossil license plate	-10,242	0	-10,242	0	0	0.0
SB 23-025 In God we trust license plate	-8,132	0	-8,132	0	0	0.0
SB 24-231 LAG bill	-5,000	0	-5,000	0	0	0.0
SB 22-051 Policies to reduce emissions	-2,040	-2,040	0	0	0	0.0
SB 23-212 Navy Seabees license plate	-540	0	-540	0	0	0.0
HB 24-1050 Simplify processes regarding cert	-414	-414	0	0	0	0.2
Total	-\$198,799	-\$163,408	-\$35,391	\$0	\$0	21.5

Issues Presented

This is a summary of the briefing issues presented to the Joint Budget Committee by their dedicated non-partisan staff.

Budget Reduction Options: The Executive Budget Request for the Department of Revenue aims to free up \$13.5 million General Fund for other uses in FY 2025-26. The proposals include a total of approximately \$0.6 million in General Fund appropriation/expenditure reductions, representing 0.5 percent of the Department’s FY 2024-25 General Fund appropriation. However, the request also proposes \$12.9 million in revenue enhancements that would make General Fund available through other mechanisms. This brief reviews these proposals and additional options identified by staff.

R1 IRS Direct file implementation resources: This brief outlines the Department's request for resources needed to implement IRS Direct File. This service allows taxpayers to file their federal income taxes for free directly with the IRS. To facilitate the implementation of IRS Direct File, the Department of Revenue would need to program and update the state's current tax filing systems to integrate with the IRS Direct File platform. Securing this funding would enable the Department of Revenue to establish this integration, allowing Colorado taxpayers to utilize this service for filing their taxes starting in 2026.

R3 Lottery optimization: This brief outlines the Department's request for additional Lottery resources. The Colorado Lottery has experienced significant growth in recent years, but the operational support required to manage this growth has not kept pace. This request aims to address those deficiencies and provide the necessary support for sustained future growth.

For More Information

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To read the entire briefing: Go to <http://leg.colorado.gov/content/budget/budget-documents> to use the budget document search tool. Select this department's name under *Department/Topic*, "Briefing" under *Type*, and select a *Start date* and *End date* to show documents released in November and December of 2024.

State

The Secretary of State is one of five independently-elected constitutional officers and serves as the chief election official for the State of Colorado. The Department of State (DOS) is broadly responsible for overseeing elections, registering businesses, and publishing information and records for public use.

The Department’s FY 2024-25 appropriation represents approximately 0.1 percent of statewide operating appropriations and 0.02 percent of statewide General Fund appropriations.

Summary of Request

Department of State						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2024-25 Appropriation						
H.B. 24-1430 (Long Bill)	\$45,480,778	\$2,429,601	\$42,741,573	\$309,604	\$0	161.5
Other legislation	1,032,532	75,240	957,292	0	0	7.2
Total	\$46,513,310	\$2,504,841	\$43,698,865	\$309,604	\$0	168.7
FY 2025-26 Requested Appropriation						
FY 2024-25 Appropriation	\$46,513,310	\$2,504,841	\$43,698,865	\$309,604	\$0	168.7
R1 2024 HAVA election security grant match	200,000	0	200,000	0	0	0.0
R2 Modernizing the IT division budget	0	0	0	0	0	0.0
R3 Fraudulent filings solution	55,033	0	55,033	0	0	1.0
R4 Increase security public meetings	31,048	0	31,048	0	0	0.0
Non-prioritized decision items	-4,948	0	-4,948	0	0	0.0
Annualize prior year actions	1,787,904	-2,500,587	4,598,095	-309,604	0	3.8
Centrally appropriated line items	1,488,176	0	1,488,176	0	0	0.0
Technical adjustments	-1,938,886	0	-1,938,886	0	0	0.0
Indirect cost assessment	-70,780	0	-70,780	0	0	0.0
Total	\$48,060,857	\$4,254	\$48,056,603	\$0	\$0	173.5
Increase/-Decrease	\$1,547,547	-\$2,500,587	\$4,357,738	-\$309,604	\$0	4.8
Percentage Change	3.3%	-99.8%	10.0%	-100.0%	n/a	2.8%

R1 2024 HAVA election security grant match: The request includes \$200,000 in one-time DOS Cash Fund spending authority for FY 2025-26 to match the \$1.0 million federal Help America Vote Act (HAVA) grant for 2024. To retain the 2024 HAVA grant, the State must match 20.0 percent of these funds and must have the spending authority by April 10, 2026. This funding is used to support improvements in federal election administration and infrastructure. This includes the provision of grants to counties for physical and cyber security, improvements to the Statewide Colorado Registration and Election (SCORE) system, performing election audits, and cybersecurity improvements. If this request is not approved, the Department is required to return the \$1.0 million in grant funding to the US Election Assistance Commission, as well as accumulated interest.

R2 Modernizing the IT division budget: The request includes a budget neutral reorganization of the Department’s Information Technology Division. At present, the Department has three line items for IT operations: Operating Expenses, Hardware/Software Maintenance, and Asset Management. The Department argues that these budgetary categories are outdated, stating that consolidation into a single line item will

improve operational flexibility, decrease accounting complexity and bring the department’s budget structure in line with current trends in information technology products and services. Due to this, the Department requests consolidation of these line items into a single “Operating Expenses” line.

R3 Fraudulent filings solution: The request includes \$55,033 in cash funds and 1.0 FTE for FY 2025-26 and ongoing for business filing verification. Under H.B. 24-1137 (Implement Fraudulent Filings Group Recommendations), the Department is tasked with developing an alternative residency verification system for ID-deficient agents filing business registrations within Colorado. The Department was directed to meet with stakeholders to assess an alternative verification system due to a late amendment to H.B. 24-1137. Through this process, the Department has identified postal address as the means of verification. Under this plan, the agent will receive correspondence which will direct them to the Department’s website for verification through a QR code or PIN number. The adoption of this method is expected to increase workload through the delivery of letters to registered agents and an associated increase in customer engagement.

R4 Increase security public meetings: The request includes \$31,048 cash fund spending authority for FY 2025-26 and \$37,990 ongoing for increased security at public hearings and meetings. The Department coordinates security for public meetings with the Colorado State Patrol (CSP). Historically, the Department of State has been able to absorb the costs for this security through existing appropriations. However, security costs are expected to increase due to anticipated increases in hourly payment to CSP for services in FY 2025-26, as well as an increase in the number of Department meetings requiring uniformed security. The increase in costs for FY 2025-26 is driven by the following:

- H.B. 24-1283 (Secretary of State Review Municipal Campaign Fin. Complaints)
- S.B. 24-210 (Modifications to Election Law) – Creates a hearing process for complaints regarding petitions
- Continuing Legal Education (CLE) course for the public
- Title Board – Increased number and length of Title Board hearings
- Pending changes to General Policies and Administration – Potential rule change will bring a number of hearing processes in-house for the Department.

Non-prioritized decision items: The request includes a net decrease of \$4,948 cash funds for requests that originate in the Department of Personnel.

Non-prioritized decision items						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
NP2 OAC staffing	\$273	\$0	\$273	\$0	\$0	0.0
NP1 Annual fleet vehicle request	-5,221	0	-5,221	0	0	0.0
Total	-\$4,948	\$0	-\$4,948	\$0	\$0	0.0

Annualize prior year actions: The request includes a net increase of \$1.8 million total funds, including a decrease of \$2.5 million General Fund and an increase of \$4.6 million cash funds, for the out-year cost of prior year budget actions and legislation.

Annualize prior year actions						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
SB23-276 Modify election law	\$2,544,347	-\$2,190,396	\$5,044,347	-\$309,604	\$0	1.0
FY 24-25 HW/SW maint increase	147,000	0	147,000	0	0	0.0
HB24-1137 Fraudulent filings recs	-236,643	0	-236,643	0	0	2.5
HB21-1071 Ranked choice voting nonpartisan elect	-234,951	-234,951	0	0	0	0.0
FY 24-25 HAVA grant funding	-234,488	0	-234,488	0	0	0.0
SB24-072 Voting for confined eligible electors	-167,400	-75,240	-92,160	0	0	0.0
HB24-1283 SOS review municipal campaign fin complaints	-13,675	0	-13,675	0	0	0.1

Annualize prior year actions						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
HB24-1326 Bingo raffle lic sunset review	-12,632	0	-12,632	0	0	0.2
SB24-210 Modification to laws regarding elections	-3,654	0	-3,654	0	0	0.0
Total	\$1,787,904	-\$2,500,587	\$4,598,095	-\$309,604	\$0	3.8

Centrally appropriated line items: The request includes a net increase of \$1.5 million cash funds for centrally appropriated line items, summarized in the table below.

Centrally appropriated line items						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Health, life, and dental	\$461,788	\$0	\$461,788	\$0	\$0	0.0
Salary survey	422,995	0	422,995	0	0	0.0
Legal services	300,436	0	300,436	0	0	0.0
AED and SAED	220,366	0	220,366	0	0	0.0
DPA Document management	137,546	0	137,546	0	0	0.0
Leased space	57,000	0	57,000	0	0	0.0
Step plan	48,752	0	48,752	0	0	0.0
Risk management & property	10,332	0	10,332	0	0	0.0
Paid family medical leave insurance	9,917	0	9,917	0	0	0.0
PERA direct distribution	9,684	0	9,684	0	0	0.0
CORE adjustment	9,083	0	9,083	0	0	0.0
Short-term disability	3,306	0	3,306	0	0	0.0
FY 2024-25 Step plan	0	0	0	0	0	0.0
Prior year salary survey	0	0	0	0	0	0.0
Payments to OIT	-150,909	0	-150,909	0	0	0.0
ALJ services	-38,638	0	-38,638	0	0	0.0
Workers' compensation	-13,482	0	-13,482	0	0	0.0
Total	\$1,488,176	\$0	\$1,488,176	\$0	\$0	0.0

Technical adjustments: The request includes a \$1.9 million decrease in cash funds to reflect informational adjustments to the balance of the Electronic Recording Technology Fund.

Indirect cost assessment: The request includes net adjustments to indirect costs across all divisions.

Issues Presented

This is a summary of the briefing issues presented to the Joint Budget Committee by their dedicated non-partisan staff.

Budget Reduction Options: This issue brief discusses budget reduction options, which include a refinance of General Fund expenditures to the Department of State Cash Fund for H.B. 21-1071 (Ranked Choice Voting in Nonpartisan Elections), as well as a potential transfer from the Department of State Cash Fund to the General Fund.

Voting Machine Password Release: This issue brief discusses the inadvertent release of voting machine passwords through the Department's website in late October. This issue brief outlines the corrective actions taken by the Department and highlights the potential for increased legal services costs for FY 2024-25.

For More Information

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To read the entire briefing: Go to <http://leg.colorado.gov/content/budget/budget-documents> to use the budget document search tool. Select this department's name under *Department/Topic*, "Briefing" under *Type*, and select a *Start date* and *End date* to show documents released in November and December of 2024.

Transportation

The Colorado Department of Transportation (CDOT) is responsible for the construction, maintenance, and operation of the state highway system. This responsibility is overseen by the Transportation Commission, a policy-setting body with members that represent eleven districts across the state. The Department also manages other forms of transportation such as aviation, rail, and transit.

The Department's FY 2024-25 appropriation represents approximately 0.0 percent of statewide operating appropriations and 0.0 percent of statewide General Fund appropriations. However, the Department does receive transfers from the General Fund.

Summary of Request

Department of Transportation						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2024-25 Appropriation						
H.B. 24-1430 (Long Bill)	\$2,063,783,439	\$0	\$1,197,797,806	\$5,283,672	\$860,701,961	3,328.5
Total	\$2,063,783,439	\$0	\$1,197,797,806	\$5,283,672	\$860,701,961	3,328.5
FY 2025-26 Requested Appropriation						
Revenue adjustments (FY 2025-26 revenue forecast compared to FY 2024-25 forecast)						
HPTE revenue update	\$57,795,294	\$0	\$57,795,294	\$0	\$0	0.0
CTE revenue update	51,541,717	0	51,541,717	0	0	0.0
BTE revenue update	23,877,445	0	18,503,684	0	5,373,761	0.0
CM&O revenue update	14,149,458	0	64,291,335	-101,916	-50,039,961	0.0
APE revenue update	2,495,940	0	2,495,940	0	0	0.0
MMOF revenue update	1,273,866	0	1,273,866	0	0	0.0
R1 Multimodal options fund spending authority	50,412,240	0	50,412,240	0	0	0.0
R2 Continuous spending authority for CTE	0	0	0	0	0	0.0
R3 Reduce SB 21-260 transfers and extend funding	-39,000,000	0	-39,000,000	0	0	0.0
R4 Reduce road safety surcharge & update distrib.	-65,059,678	0	-65,059,678	0	0	0.0
Total revenue adjustments	\$97,486,282	\$0	\$142,254,398	-\$101,916	-\$44,666,200	0.0
FY 2025-26 revenue forecast	\$2,161,269,721	\$0	\$1,340,052,204	\$5,181,756	\$816,035,761	3,328.5
Offsetting revenue allocation adjustments						
Other common policy changes in administration						
Admin impact	\$1,821,162	\$0	\$1,821,162	\$0	0	0.0
CM&O impact	-1,821,162	0	-1,821,162	0	0	0.0
Impacts driven by other agencies in administration						
Admin impact	-57,044	0	-57,044	0	0	0.0
CM&O impact	57,044	0	57,044	0	0	0.0
Total compensation in administration						
Admin impact	824,293	0	824,293	0	0	0.0
CM&O impact	-824,293	0	-824,293	0	0	0.0
Net impact of offsetting expenditure adjustments	\$0	\$0	\$0	\$0	\$0	0.0
Total	\$2,161,269,721	\$0	\$1,340,052,204	\$5,181,756	\$816,035,761	3,328.5
Increase/-decrease	\$97,486,282	\$0	\$142,254,398	-\$101,916	-\$44,666,200	0.0
Percentage change	4.7%	n/a	11.9%	-1.9%	-5.2%	0.0%

Revenue adjustments (FY 2025-26 revenue forecast compared to FY 2024-25 forecast)

High Performance Transportation Enterprise (HPTE) revenue update: The request includes a revenue forecast increase of \$57.8 million cash funds to the High Performance Transportation Enterprise (HPTE) from user fees generated on corridors owned by the HPTE in FY 2025-26. The increase is due to new tolled lanes coming online.

Clean Transit Enterprise (CTE) revenue update: The request includes a revenue forecast increase of \$51.5 million cash fund to the Clean Transit Enterprise from clean transit retail delivery fees in FY 2025-26.

Bridge and Tunnel Enterprise (BTE) revenue update: The request includes a revenue forecast increase of \$23.9 million total funds to the Bridge and Tunnel Enterprise (BTE) from the bridge and tunnel impact fee in FY 2025-26.

Construction, Maintenance, and Operations (CM&O) revenue update: The request includes a revenue forecast increase of \$14.1 million total funds for Construction, Maintenance, and Operations in FY 2025-26.

Air Pollution Enterprise (APE) revenue update: The request includes a revenue forecast increase of \$2.5 million cash funds for the Nonattainment Area Air Pollution Mitigation Enterprise in FY 2025-26.

Multimodal Transportation and Mitigation Options Fund (MMOF) revenue update: The request includes a revenue forecast increase of \$1.3 million cash funds for the Mitigation Options Fund (MMOF) in FY 2025-26. Of the revenue to this fund, 85.0 percent is granted out to local entities and 15.0 percent is retained by the state. The state portion of MMOF funding is currently allocated to Bustang operations.

R1 Multimodal Options Fund (MMOF) spending authority [requires legislation]: The request includes an increase of \$50.4 million cash funds from the Multimodal Mitigation Options Fund (MMOF) in FY 2025-26. This amount increases to \$51.5 million in FY 2026-27. The request includes three components described below.

- An increase in cash fund spending authority of \$50.4 million to reflect forecasted MMOF revenue expected to support awards to local governments for projects that are not yet completed.
- The Joint Budget Committee sponsor legislation to remove annual appropriation authority of the General Assembly and continuously appropriate the MMOF cash fund to the Department.
- Extend the spending authority for funds that originated as federal stimulus funds from the American Rescue Plan Act of 2021 (ARPA) in S.B. 21-260 by one year. Spending authority currently expires on June 30, 2025. The Department reports that 69.8 percent of the original \$161.3 million appropriation is encumbered.

R2 Continuous spending authority for Clean Transit Enterprise (CTE) Cash Fund [requires legislation]: The request includes a statutory change with no fiscal impact submitted by the Department on behalf of the Clean Transit Enterprise (CTE) Board. The Department and the Board request that the Joint Budget Committee sponsor legislation to remove annual appropriation authority of the General Assembly and continuously appropriate the CTE Cash Fund to the Department. The cash fund was created in S.B. 21-260.

Senate Bill 24-230 (Oil and Gas Production Fees) created three new continuously appropriated cash funds in the CTE, including the Local Transit Operations Fund, the Local Transit Grant Program Fund, and the Rail Funding Program Fund. The request would continuously appropriate the already existing CTE cash fund to align with the three newly created cash funds and allow funds to be spent across multiple fiscal years.

R3 Reduce S.B. 21-260 transfers and extend the funding [requires legislation]: The request includes a decrease of \$39.0 million cash funds from the State Highway Fund in FY 2025-26 and \$24.5 million in FY 2026-

27. The Department requests that the Joint Budget Committee sponsor legislation to reduce annual General Fund transfers to the State Highway Fund from S.B. 21-260.

The reductions would provide one-time General Fund savings for FY 2025-26 and FY 2026-27. However, reductions would be repaid through increased transfers in future years as described below.

- \$100.0 million each year from FY 2029-30 to FY 2031-32 (instead of the current \$82.5 million per year); and
- An additional \$11.0 million in FY 2032-33 to fully fund the \$63.5 million reduced in FY 2025-26 and FY 2026-27.

R4 Reduce Road Safety Surcharge and Update Distribution [requires legislation]: The request includes a decrease of \$65.1 million cash funds from the State Highway Fund in FY 2025-26 and \$66.2 million in FY 2026-27. The Department requests that the Joint Budget Committee sponsor legislation to reduce to all weight-based tiers of the Road Safety Surcharge by \$11.10 to decrease FASTER revenue subject to TABOR. The Department anticipates that the reduction can be absorbed without impacting local governments, but will impact the Department’s capital construction program.

Offsetting Revenue Allocation Adjustments

The request reflects offsetting adjustments that move expenditures from one division to another without altering the Department total. The FY 2025-26 request includes an increase of \$2.6 million cash funds for Administration, offset by an equal reduction to Construction, Maintenance, and Operations. These offsetting expenditures include employee compensation and other common policy changes and do not reflect any changes to total appropriations.

Other common policy changes in Administration: The request includes an increase of \$1.8 million to Administration for the following operating common policy adjustments, decreasing revenue for Construction, Maintenance, and Operations by the same amount.

Other common policy changes in administration						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Payments to OIT (Admin impact)	\$1,122,753	\$0	\$1,122,753	\$0	\$0	0.0
Risk management & property (Admin impact)	365,424	0	365,424	0	0	0.0
Legal services (Admin impact)	330,041	0	330,041	0	0	0.0
CORE operating resources (Admin impact)	65,447	0	65,447	0	0	0.0
Capitol complex leased space (CM&O impact)	39,017	0	39,017	0	0	0.0
ALJ services (CM&O impact)	29,654	0	29,654	0	0	0.0
Workers’ compensation (CM&O impact)	23,486	0	23,486	0	0	0.0
Payments to OIT (CM&O impact)	-1,122,753	0	-1,122,753	0	0	0.0
Risk management & property (CM&O impact)	-365,424	0	-365,424	0	0	0.0
Legal services (CM&O impact)	-330,041	0	-330,041	0	0	0.0
CORE operating resources (CM&O impact)	-65,447	0	-65,447	0	0	0.0
Capitol complex leased space (Admin impact)	-39,017	0	-39,017	0	0	0.0
ALJ services (Admin impact)	-29,654	0	-29,654	0	0	0.0
Workers’ compensation (Admin impact)	-23,486	0	-23,486	0	0	0.0
Total	\$0	\$0	\$0	\$0	\$0	0.0

Non-prioritized decision items: The request includes a decrease of \$57,044 cash funds for Administration and a corresponding increase of \$57,044 cash funds from CM&O for requests that originate from other agencies and the Department’s indirect cost assessment.

Non-prioritized decision items						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Indirect cost assessment (CM&O impact)	\$57,276	\$0	\$57,276	\$0	\$0	0.0
OAC staffing (Admin impact)	232	0	232	0	0	0.0
Indirect cost assessment (Admin impact)	-57,276	0	-57,276	0	0	0.0
OAC staffing (CM&O impact)	-232	0	-232	0	0	0.0
Total	\$0	\$0	\$0	\$0	\$0	0.0

Total compensation in Administration: The request includes an increase of \$824,293 cash funds for Administration for changes in employee compensation as shown in the table below. Revenue allocated to the CM&O is reduced by the same amount.

Total compensation in administration						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Salary survey (Admin impact)	\$428,473	\$0	\$428,473	\$0	\$0	0.0
Health, life, and dental (Admin impact)	277,339	0	277,339	0	0	0.0
FY 2024-25 step plan (Admin impact)	90,387	0	90,387	0	0	0.0
AED (Admin impact)	27,187	0	27,187	0	0	0.0
Paid family & medical leave ins. (Admin impact)	1,223	0	1,223	0	0	0.0
PERA direct distribution (CM&O impact)	724	0	724	0	0	0.0
Short-term disability (Admin impact)	408	0	408	0	0	0.0
Salary survey (CM&O impact)	-428,473	0	-428,473	0	0	0.0
Health, life, and dental (CM&O impact)	-277,339	0	-277,339	0	0	0.0
FY 2024-25 step plan (CM&O impact)	-90,387	0	-90,387	0	0	0.0
AED (CM&O impact)	-27,187	0	-27,187	0	0	0.0
Paid family & medical leave ins. (CM&O impact)	-1,223	0	-1,223	0	0	0.0
PERA direct distribution (Admin impact)	-724	0	-724	0	0	0.0
Short-term disability (CM&O impact)	-408	0	-408	0	0	0.0
Total	\$0	\$0	\$0	\$0	\$0	0.0

Issues Presented

This is a summary of the briefing issues presented to the Joint Budget Committee by their dedicated non-partisan staff.

Budget Reduction Options: The Executive Branch Budget Request for the Department of Transportation includes proposals that it assumes would make an additional \$104.1 million General Fund available for other uses in FY 2025-26. The proposals include \$39.0 million associated with cash fund fee reductions, and \$65.1 million in reduced General Fund transfers. This issue brief reviews these proposals and additional options identified by staff. There was no General Fund appropriated to the Department in FY 2024-25.

For More Information

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To read the entire briefing: Go to <http://leg.colorado.gov/content/budget/budget-documents> to use the budget document search tool. Select this department's name under *Department/Topic*, "Briefing" under *Type*, and select a *Start date* and *End date* to show documents released in November and December of 2024.

Treasury

The State Treasurer is one of five independently elected constitutional officers of the state. The Department of the Treasury consists of three sections: Administration, Unclaimed Property Program, and Special Purpose. The Department's FY 2024-25 appropriation represents approximately 2.2 percent of statewide operating appropriations and 3.0 percent of statewide General Fund appropriations.

Summary of Request

Department of the Treasury						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2024-25 Appropriation						
HB 24-1430 (Long Bill)	\$952,481,612	\$466,724,057	\$403,938,602	\$81,818,953	\$0	61.5
Other Legislation	108,971	108,971	0	0	0	0.5
Total	\$952,590,583	\$466,833,028	\$403,938,602	\$81,818,953	\$0	62.0
FY 2025-26 Requested Appropriation						
FY 2024-25 Appropriation	\$952,590,583	\$466,833,028	\$403,938,602	\$81,818,953	\$0	62.0
R1 Administration staff	752,100	752,100	0	0	0	5.5
R2 UP division staff	374,380	0	374,380	0	0	3.0
R3 SecureSavings enforcement	0	0	0	0	0	0.0
R4 Admin Div tech and related	348,450	315,700	32,750	0	0	0.0
R5 UP Div tech and related expenses	411,052	0	411,052	0	0	0.0
R6 CoreLogic contract	2,459,187	2,459,187	0	0	0	0.0
R7 CO Household financial recovery	200,000	200,000	0	0	0	0.0
Centrally appropriated items	960,495	535,895	424,600	0	0	0.0
Technical adjustments	-10,367,616	-12,017,711	1,650,095	0	0	0.0
Annualize prior year budget actions	-2,303,217	-2,259,869	-43,348	0	0	0.0
Annualize prior year legislation	-200,000	-1,327,873	0	1,127,873	0	0.0
Total	\$945,225,414	\$455,490,457	\$406,788,131	\$82,946,826	\$0	70.5
Increase/-Decrease	-\$7,365,169	-\$11,342,571	\$2,849,529	\$1,127,873	\$0	8.5
Percentage Change	-0.8%	-2.4%	0.7%	1.4%	0.0%	0.1

R1 Administration staff: The request includes \$752,100 General Fund in FY 2025-26 and \$672,655 General Fund in FY 2026-27 and ongoing for the Administration Division. Funding would support 5.5 FTE spread across multiple units including accounting, cash management, SecureSavings, debt management, and department administration. The request also includes funding for salary increases in two units, recognition and retention awards, and training and travel expenses.

R2 UP division staff: The request includes \$374,380 Cash Funds in FY 2025-26 and \$358,014 Cash Funds in FY 2026-27 and ongoing for the Unclaimed Property (UP) Division. Funding would support the hiring of 3.0 FTE including two administrative positions and an audit position. Additionally, the request includes funds for anticipated promotions, employee recognition, salary adjustments, and team building and development within the Division.

R3 SecureSavings enforcement: On behalf of the Department of Labor and Employment (CDLE), the Department of Treasury requests funding to support 6.0 FTE in FY 2025-26 and 5.0 FTE in FY 2026-27 and ongoing. Total costs for this request, which were not included in Treasury totals, amount to \$738,857 General Fund in FY 2025-26 and \$544,667 General Fund in FY 2026-27 and ongoing. In partnership with Treasury, the new positions at CDLE would carry out enforcement efforts related to the SecureSavings program. Funding for the positions would be appropriated to the Department of Labor and Employment.

R4 Administration Division technology and related expenses: The request includes \$348,450 total funds, including \$315,700 General Fund and \$32,750 Cash Funds in FY 2025-26, and \$305,600 General Fund and \$32,750 Cash Funds in FY 2026-27 and ongoing for various technology and technology-related expenditures. Funding would support Bloomberg PORT (\$150,000) for the Investments unit, DebtBook software (\$70,000) for the Debt Management unit, and ongoing cybersecurity penetration testing (\$50,000), a financial wellness provider contract (\$45,000) to support the SecureSavings and Colorado Household Financial Recovery Program (CHFR), travel and training (\$27,600), as well as costs related to other administrative services and subscriptions.

R5 Unclaimed Property Division technology and related expenses: The request includes \$411,052 Cash Funds in FY 2025-26 and \$449,452 Cash Funds in FY 2026-27 and ongoing for the Unclaimed Property Division. Funding would support the KAPS contract which assists with the swift return of unclaimed property (\$192,000), proactive check mailings (\$101,400), printing, postage, shipping costs, and costs related to auction mailings (\$97,232), as well as various operating expenses. .

R6 CoreLogic contract: The request includes \$2,459,187 General Fund in FY 2025-26 and \$2,631,330 General Fund in FY 2026-27 to support the CoreLogic contract renewal and enhancement. This represents a \$251,841 increase over the current CoreLogic contract amount. CoreLogic is the third party administrator responsible for the creation and management of the expanded deferred property tax program.

R7 CO Household financial recovery pilot program: The request includes \$200,000 General Fund to meet contract obligations for the Colorado Household Financial Recovery (CHFR) Program. Impact Development Fund is the third party vendor that administers the CHFR Program’s funds. The program offers access to financial and banking services to eligible individuals or households to support long-term financial stability.

Centrally appropriated line items: Changes to centrally appropriated line items included in the request are reflected in the chart below:

Centrally appropriated items						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
CORE	\$404,936	\$182,221	\$222,715	\$0	\$0	0.0
Salary survey	296,774	193,934	102,840	0	0	0.0
Health, life, and dental	181,173	110,247	70,926	0	0	0.0
Step plan	143,099	96,146	46,953	0	0	0.0
AED and SAED	85,095	58,336	26,759	0	0	0.0
Payments to OIT	68,330	40,998	27,332	0	0	0.0
Leased space	29,962	9,333	20,629	0	0	0.0
PERA direct distribution	12,249	8,469	3,780	0	0	0.0
Capitol Complex leased space	3,491	2,082	1,409	0	0	0.0
Workers’ compensation	2,345	2,345	0	0	0	0.0
Paid family & medical leave Insurance	1,234	1,195	39	0	0	0.0
Short-term disability	354	367	-13	0	0	0.0
Prior year salary survey	-153,814	-100,411	-53,403	0	0	0.0
Prior year step plan	-102,735	-57,369	-45,366	0	0	0.0
Risk management & property	-11,998	-11,998	0	0	0	0.0

Centrally appropriated items						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Total	\$960,495	\$535,895	\$424,600	\$0	\$0	0.0

Technical adjustments: Technical adjustments related to revenue forecast result in a decrease of \$12,017,711 General Fund offset by an increase of \$1,650,095 Highway Users Tax Cash Fund related to changes in the OSPB revenue forecast in September 2024.

Annualize prior year budget actions: Changes related to the annualization of prior year budget actions are reflected in the chart below:

Prior year budget actions						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY24-25 CoreLogic for deferred prop. tax prog	-\$2,207,346	-\$2,207,346	\$0	\$0	\$0	0.0
FY24-25 R3 Administration technology	-95,871	-52,523	-43,348	0	0	0.0
Total	-\$2,303,217	-\$2,259,869	-\$43,348	\$0	\$0	0.0

Annualize prior year legislation: Changes related to the annualization of prior year legislative actions are reflected in the chart below:

Prior year legislation						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
SB 18-200 PERA Unfunded liability	\$0	-\$1,127,873	\$0	\$1,127,873	\$0	0.0
HB 22-1359 CO Household financial recovery	-200,000	-200,000	0	0	0	0.0
Total	-\$200,000	-\$1,327,873	\$0	\$1,127,873	\$0	0.0

Issues Presented

This is a summary of the briefing issues presented to the Joint Budget Committee by their dedicated non-partisan staff.

Budget Reduction Options: This issue brief reviews JBC staff proposals for General Fund relief in this Department. The Department of the Treasury did not include proposals for General Fund relief in its request. However, the request includes General Fund reductions related to the Homestead exemption. These reductions reflect the OSPB September forecast and will change with future forecasts. The Department’s request includes an increase in General Fund for staffing and technology within the Department which offsets the reductions.

Informational Brief: State Financing: The State of Colorado continues to pay down Certificates of Participation which are the primary financing tool for capital projects across the state. Colorado first issued Certificates of Participation (COPs) in 1979 to finance the construction of regional facilities for the developmentally disabled. Between 1979 and 2002, the state issued eight more COPs and repaid most of them using funds from statewide lottery proceeds. Since 2005, the State issued an additional 13 COPs. In FY 2024-25, the State appropriated approximately \$348.9 million for debt service on COP funded projects.

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Capital Construction

The capital construction section of the Long Bill includes appropriations to state departments and institutions of higher education for controlled maintenance, capital renewal and recapitalization, and capital expansion. Capital construction appropriations are typically supported by General Fund transfers to the Capital Construction Fund (CCF). The FY 2024-25 General Fund transfers related to Capital Construction represent 1.0 percent of General Fund expenditures, based on the September 2024 Legislative Council Staff forecast.

Summary of Request

Capital Construction								
Item		Total Funds	General Fund/ CCF	Cash Funds	Reapprop. Funds	Federal Funds		
FY 2024-25 Appropriation								
HB 24-1430 Long Bill		\$367,677,785	\$262,215,419	\$103,554,776	\$0	\$1,907,590		
SB 24-222 State funding relocate two state entities		5,783,931	1,933,931	2,250,000	1,600,000	0		
HB 24-1231 State funding for higher education projects ¹		246,936,092	0	246,936,092	0	0		
Total		\$620,397,808	\$264,149,350	\$352,740,868	\$1,600,000	\$1,907,590		
FY 2025-26 State-Funded OSPB Request								
Priority	OSP	CCHE						
1			Controlled Maintenance Level 1	\$85,578,759	\$85,578,759	\$0	\$0	\$0
2			DOC: Electronic Security Improvements, DRDC (CR)	21,333,662	21,333,662	0	0	0
3			DHS: Kitchen Replacement, CMHIP phase 2/2	24,098,508	24,098,508	0	0	0
4		2	IHE: Auraria Campus Safety Center phase 2/2	16,075,891	16,075,891	0	0	0
5			CDA: State Fair Gate 5 Ticket Booths and Office Buildings	2,378,608	2,378,608	0	0	0
6			DPA: Capitol Grounds Renovation phase 1//3 (CR)	1,238,206	1,238,206	0	0	0
			Subtotal - State-funded, recommended	\$150,703,634	\$150,703,634	\$0	\$0	\$0
FY 2025-26 Cash-Funded OSPB Request								
7			History CO: Collections Care Facility	\$7,149,761	\$0	\$7,149,761	\$0	\$0
8			DHS: Depreciation Fund for Regional Center Group Homes	960,292	0	960,292	0	0
9			DMVA: Field Artillery Readiness Center	3,750,000	0	937,500	0	2,812,500
10			DNR: Property acquisition and Improvements	12,100,000	0	12,100,000	0	0
11			DNR: Infrastructure and Property Maintenance	39,750,950	0	39,750,950	0	0
12			DPA: Capitol Complex Renovation & Footprint Reduction phase 2/4	16,047,739	0	16,047,739	0	0
			Subtotal - Cash-funded, recommended	\$79,758,742	\$0	\$76,946,242	\$0	\$2,812,500
			FY 2025-26 OSPB total request	\$230,462,376	\$150,703,634	\$76,946,242	\$0	\$2,812,500
			Increase/-Decrease	-\$389,935,432	-\$113,445,716	-\$275,794,626	-\$1,600,000	\$904,910
			Percentage Change	-62.9%	-42.9%	-78.2%	-100.0%	47.4%

(CR) indicates the project is capital renewal.

¹ The FY 2024-25 cash funds appropriation includes \$246,936,092 shown for informational purposes to reflect funding received and spent by higher education institutions through the COPs issued pursuant to H.B. 24-1231.

Issues Presented

This is a summary of the briefing issues presented to the Joint Budget Committee by their dedicated non-partisan staff.

Project Descriptions: This section describes each of the six state-funded (General Fund/Capital Construction Fund) projects included in the Governor's Office of State Planning and Budgeting (OSPB) November 1st request.

Budget Reduction Options: This issue discusses the limited options the General Assembly has for budget reductions related to Capital Construction. Options include not funding the OSPB-recommend list of projects and transferring interest earnings on the Capital Construction Fund to the General Fund.

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IT Capital

The *Information Technology Projects* or “IT Capital” section of the Long Bill includes appropriations to state departments and institutions of higher education for information technology projects. In 2020, the JBC approved the addition of a separate *Information Technology Projects* section of the Long Bill for the 2021 Long Bill.

This section’s FY 2024-25 appropriation represents approximately 0.4 percent of statewide appropriations and 0.5 percent of statewide General Fund appropriations.

Summary of Request

FY 2025-26 Information Technology Projects - Governor's Prioritized Request					
	Total Funds	Capital Constr'n Fund	Cash Funds	Reapprop. Funds	Federal Funds
FY 2024-25 Appropriation					
FY 2024-25 Long Bill (HB 24-1430)	\$158,354,132	\$86,836,669	\$14,255,934	\$0	\$57,261,529
Total	\$158,354,132	\$86,836,669	\$14,255,934	\$0	\$57,261,529

OSP Prior.		FY 2024-25 OSPB Prioritized GF Requests					
1	PER	Payroll Modernization	\$13,731,158	\$13,731,158	\$0	\$0	\$0
2	COR	Offender Records Management System (DeCORuM)	3,023,613	3,023,613	0	0	0
3	PubSaf	Records Utilization Upgrade	1,635,581	1,635,581	0	0	0
4	PubHea	Stationary Sources Solution Modernization	3,936,306	3,936,306	0	0	0
5	PubHea	COWIC Continuation	1,933,648	581,657	0	0	1,351,991
6	HCPF	CBMS Reprocurement	9,618,906	1,805,083	0	0	7,813,823
7	HCPF	OeHI Colorado Social Health Information Exchange (CoSHIE)	8,139,343	1,203,920	0	0	6,935,423
8	HED1	Auraria Campus Network Infrastructure Modernization Proj.	3,457,666	3,457,666	0	0	0
9	HED2	Colorado Northwestern Community College South Campus Redundancy Upgrade	571,162	571,162	0	0	0
10	PER	OAC Court Management System	3,375,426	0	3,375,426		
11	EDU	School Finance Placeholder	3,000,000	3,000,000	0	0	0
Subtotal - OSPB Prioritized GF Requests			\$52,422,809	\$32,946,146	\$0	\$3,375,426	\$16,101,237

CCHE Priority	FY 2024-25 CCHE Prioritized Requests Beyond OSPB						
2	HED	Mines Network Modernization Refresh	\$4,845,605	\$3,585,748	\$1,259,857	\$0	\$0
4	HED	CC Aurora Campus Technology Modernization	1,999,000	1,819,090	179,910	0	0
5	HED	Otero Campus Security and Device Upgrades	505,050	425,050	80,000	0	0
5	HED	Northeastern Junior College Camera Upgrade	548,035	548,035	0	0	0
7	HED	Red Rocks CC Safety and Security	1,170,015	1,170,015	0	0	0

FY 2025-26 Information Technology Projects - Governor's Prioritized Request

	Total Funds	Capital Constr'n Fund	Cash Funds	Reapprop. Funds	Federal Funds
Subtotal - CCHE Prioritized Requests Beyond OSPB Prioritized	\$9,067,705	\$7,547,938	\$1,519,767	\$0	\$0
Total - All IT Capital Requests	\$61,490,514	\$40,494,084	\$1,519,767	\$3,375,426	\$16,101,237
Total Increase/-Decrease	-\$96,863,618	-\$46,342,585	-\$12,736,167	\$3,375,426	-\$41,160,292
Percentage Change	-61.2%	-53.4%	-89.3%	n/a	-71.9%
Total OSPB Prioritized Increase/- Decrease	-\$105,931,323	-\$53,890,523	-\$14,255,934	\$3,375,426	-\$41,160,292
Percentage Change	-66.9%	-62.1%	-100.0%	n/a	-71.9%

PER Payroll Modernization: The Department of Personnel (DPA) requests \$13,731,158 in Capital Construction Funds in FY 2025-26 for the final phase of the statewide payroll modernization project. The Department has taken an agile-phased approach to modernizing the State’s payroll system. The project was appropriated \$6.0 million in Capital Construction Funds in FY 2022-23, \$14,249,288 in FY 2023-24, and \$17,203,705 in FY 2024-25. The work to date includes establishing the payroll modernization implementation team, completing the procurement process to select the vendor and award the contract, and implementing the foundational technology and processes for upcoming data migration. The current focus is configuring the new system. The final funding request provides the necessary State and vendor personnel and technology to support data extraction, data quality validation, and thorough testing by users to be certain the appropriate data are migrated and calculations are working as expected in order to pay all State employees timely and accurately from the new payroll system.

COR Offender Records Management System (DeCORuM): The Department of Corrections requests \$3,023,613 General Fund for the continuation and completion of the ongoing systems replacement project for its offender management information system. The Department of Corrections Offender Records Management (DeCORuM) Project was initiated in 2015. The requested funds are intended to fund the Governor’s Office of Information Technology (OIT) staffing, vendor project management, software maintenance and support fees, database software licensing fees, virtual server costs, and development and deliverable costs.

PubSaf Records Utilization Upgrade: The Department of Public Safety (DPS) requests \$1,635,581 Capital Construction Funds in FY 2025-26 for the second phase of the Records Utilization Upgrade project. The Colorado State Patrol (CSP) submitted an IT capital project request to the Joint Technology Committee (JTC) in July 2023. Phase One was approved and funded at \$525,000 General Fund for FY 2024-25 due to the limited 6.0 percent growth cap for the CSP’s portion of the Highway Users Tax Cash Fund (HUTF) Off-the-Top funding. This request seeks funding for Phase Two for a total of \$1,635,581 Capital Construction Funds in FY 2025-26, for Phase Three for a total of \$2,232,619 HUTF funding for FY 2026-27, and for Phase Four for a total of \$305,550 HUTF funding in FY 2027-28.

PubHea Stationary Sources Solution Modernization: The Air Pollution Control Division (APCD) in the Department of Public Health and Environment requests \$3,936,306 in General Fund for FY 2025-26 for Phase III of the Stationary Sources Solution Modernization project to replace the current outdated (circa 1995) Stationary Sources Program (SSP) data systems used primarily for stationary source regulatory and management purposes. The project is categorized as a System Enhancement Regulatory Compliance project since it is focused on new functionality, improved business processes, and improved efficiency, as well as public expectation for transparent and simple access to air quality information.

PubHea COWIC Continuation: The Special Supplemental Nutrition Program for Women, Infants, and Children in Colorado (COWIC) in the Prevention Services Division in the Department of Public Health and Environment requests \$581,657 Capital Construction Fund in FY 2025-26 following the \$500,000 Capital Construction Fund received in FY 2024-25. This is the final of two state funds requests for a system replacement that support the modernization of Colorado's WIC program by facilitating a transition to a new participant-centered Management Information System (MIS) intended to better address programmatic and participant needs. WIC MIS encompasses the database and related systems responsible for compliance, reporting, integration, and service delivery for WIC participants throughout the state.

HCPF CBMS Reprocurement: The Department of Health Care Policy and Financing (HCPF), in partnership with the Office of eHealth Innovation (OeHI), the Office of the Lieutenant Governor, and the Behavioral Health Administration (BHA) requests \$8,139,343 total funds, including \$1,203,920 in Capital Construction Funds, 5.5 HCPF FTE, and 2.0 Office of Information Technology (OIT) FTE in FY 2025-26; and \$4,049,989 total funds, including \$743,838 Capital Construction Funds, 5.5 HCPF FTE, and 2.0 OIT FTE in FY 2026-27 to support the continued expansion and implementation of a technical infrastructure that enables prescribers and community partners to facilitate access to health improvement supports and Colorado Social Health Information Exchange (CoSHIE).

HED Auraria Campus Network Infrastructure Modernization Project: This continuation project is Phase II of core component updates of the Auraria Campus Institutions' combined networking infrastructure. Every program offered by the Community College of Denver (CCD), University of Colorado Denver (CU Denver), and Metropolitan State University of Denver (MSU Denver) within 36 buildings on the Auraria Campus will be impacted by the project upgrades. The project includes modernizing system-wide network infrastructure and replacing aging wired and wireless network equipment and ethernet cabling throughout the shared classroom and office buildings. In addition to providing a more stable and reliable foundation for the combined enterprise networks, updating to a modern network platform will offer greater monitoring capabilities and security measures for increased cyber security aimed at improving technological resources for students, staff, and faculty for all institutions on campus.

HED Colorado Northwestern Community College (CNCC) South Campus Redundancy Upgrade: The request includes an increase of \$571,162 Capital Construction Funds in FY 2025-26 to enhance redundancy at the Rangley Campus. New uninterrupted power supplies (UPS) equipment will be purchased and then installed by CNCC's IT department. Repeated power failures have killed almost all campus UPS's backup capabilities. Power failures and related power surges when services are restored are a reoccurring problem with CNCC's rural location and extreme wind/weather. CNCC's aged UPS are no longer fully functional and are unable to handle power surges. Due to the replacement expense, regular surge protectors are being used. Storms regularly knock out power to Rangely's south side, and brownouts can occur where power rapidly goes up and down. Without UPS protection, this has and will destroy network switches.

PER OAC Court Management System: The Department of Personnel (DPA) requests \$3,375,426 reappropriated funds for a new case management system and supporting term-limited FTE and operating costs for the duration of the 3-year appropriation. Replacement of the current system will allow Coloradans to more easily file, receive, and view electronic pleadings with the Office of Administrative Courts (OAC) while creating efficiencies and improving accuracy for staff by reducing manual entries. A new system will also create a more effective document storage solution for all cases that have exceeded storage limits.

EDU School Finance Placeholder: The request includes a placeholder of \$3,000,000 in FY 2025-26, with an anticipated \$6,000,000 for FY 2026-27 from the Capital Construction Fund for a forthcoming request related to School Finance.

HED Mine Network Modernization Refresh: Colorado School of Mines (Mines) requests state funding totaling \$3,585,748 to replace their network infrastructure. Since their FY 2024-25 request was not funded during the last proposal cycle, Mines has adjusted the project scope and phases. Those changes are reflected within this updated request.

HED CC Aurora Campus Technology Modernization: The Community College of Aurora (CCA) is requesting support in the amount of \$1,999,000, to be utilized for technology upgrades at the CentreTech campus. The upgrades will enable the Information Technology Department and the Division of Academic Success to modernize classroom infrastructure and adopt new technology that will enhance the teaching and learning experience. CCA will provide a 9.0 percent cash investment of \$179,910, which will be funded by Student Technology Fees. The plan will allow the installation of digital room scheduling panels, integrated large digital display solutions, upgraded paging speakers, and the creation of a new eco-system that will link up to the Emergency Notification System. These projects will be ADA compliant, ensuring equitable access for students and instructors.

HED Otero Campus Security and Device Upgrades: Otero College requests \$425,050 Capital Construction Funds and \$80,000 from institutional sources to enhance campus security technology. Funding will allow replacement of 90 security cameras around campus and upgrade 25 hardline connections. Cameras targeted for replacement are over 12 years old and produce very low-quality security images. The hardline connections are impacted by weather conditions and need to be updated and hardened.

HED Northeastern Junior College Camera Upgrade: Northeastern Junior College requests \$548,035 Capital Construction Funds to replace the aging camera system on its campus. Northeastern Junior College's camera system is at end of life, and significant deficiencies and blind spots on campus have been identified. This creates a safety issue for students, faculty, and staff. The cameras are frequently utilized for Title IX complaints and other issues on campus for investigation purposes. This request will replace all existing cameras on campus and will be able to utilize existing cabling. The equipment to be installed is fully supported by the developer, and the cybersecurity of the IT systems/devices is up to industry standards.

HED Red Rocks CC Safety and Security: Red Rocks Community College (RRCC) requests \$1,170,015 Capital Construction Funds for the RRCC Safety and Security project aimed at upgrading the current video surveillance infrastructure and implementing cell phone repeaters across both the Lakewood and Arvada campuses to enhance safety and security measures for students, faculty, staff, and visitors.

Issues Presented

This is a summary of the briefing issues presented to the Joint Budget Committee by their dedicated non-partisan staff.

Other IT Projects Recommended for Referral to the Joint Technology Committee: This issue presents several options from the Office of Information Technology and from JBC Staff to enhance General Fund in FY 2025-26.

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Statewide Compensation and PERA

Statewide compensation refers to state employee salary and benefit costs. Compensation common policies are funded through a group of centrally appropriated line items generally found in each department's Executive Director's Office. The annual budget request for total compensation is driven by employee salaries, benefit elections, requested policy changes, and statutory contributions for PERA payments for the unfunded liability. The statewide FY 2024-25 appropriation for: the estimated salary base represents approximately 8.8 percent of statewide operating General Fund appropriations; standard PERA and Medicare represent approximately 1.2 percent of statewide operating General Fund appropriations; compensation common policies represents approximately 2.4 percent of statewide operating General Fund appropriations; and PERA payments for the unfunded liability (AED, SAED, and PERA Direct Distribution) represent approximately 1.1 percent of statewide operating General Fund appropriations.

Summary of Request

Salary Base, Compensation Common Policies, and PERA Payroll Components

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds
FY 2024-25 Appropriation					
Base salary estimate	\$2,564,593,004	\$1,404,844,396	\$602,479,877	\$275,834,706	\$281,434,025
PERA	305,010,405	168,398,173	71,571,033	32,311,865	32,729,334
Medicare (FICA)	36,172,562	19,698,118	8,501,356	3,877,904	4,095,184
Shift differential	33,231,000	27,981,403	1,932,384	2,262,289	1,054,924
Salary survey	193,027,309	109,017,890	43,984,039	20,217,682	19,807,698
Minimum wage	114,578	15,317	89,605	4,144	5,512
Health, life, dental	458,180,656	253,044,436	107,469,482	42,610,045	55,056,693
Short-term disability	4,058,811	2,234,415	940,724	431,527	452,145
Paid family leave and medical insurance	12,399,070	6,794,353	2,843,136	1,294,506	1,467,074
AED	135,293,667	74,480,472	31,357,485	14,384,190	15,071,520
SAED	135,293,667	74,480,472	31,357,485	14,384,190	15,071,520
PERA direct distribution	57,054,571	32,011,581	17,337,557	3,429,374	4,276,059
Total	\$3,934,429,301	\$2,173,001,026	\$919,864,163	\$411,042,422	\$430,521,689
FY 2025-26 Request/Recommendation					
Base salary estimate	\$2,736,914,019	\$1,493,386,391	\$659,488,485	\$290,432,958	\$293,606,185
PERA	326,245,117	179,484,570	78,430,989	34,071,031	34,258,527
Medicare (FICA)	39,685,319	21,654,157	9,562,590	4,211,278	4,257,294
Shift differential	37,948,879	28,616,615	2,297,917	2,647,416	4,386,931
Salary survey	95,604,504	51,919,480	23,216,914	10,712,424	9,755,686
Minimum wage	0	0	0	0	0
Health, life, dental	498,569,233	275,730,720	119,761,940	48,775,121	54,301,452
Short-term disability	4,296,407	2,360,852	1,023,043	453,359	459,153
Paid family leave and medical insurance	12,889,221	7,082,559	3,069,125	1,360,073	1,377,464
ULAED	286,427,134	157,390,191	68,202,790	30,223,839	30,610,314
PERA direct distribution	60,352,598	33,277,612	16,346,600	8,291,801	2,436,585
Total	\$4,098,932,431	\$2,250,903,147	\$981,400,393	\$431,179,299	\$435,449,592
Increase/-Decrease	\$164,503,130	\$77,902,120	\$61,536,230	\$20,136,877	\$4,927,903
Percent Change	4.2%	3.6%	6.7%	4.9%	1.1%

FY 2025-26 Total Compensation Request

The FY 2025-26 total compensation request is estimated to be \$4.10 billion total funds, including \$2.25 billion General Fund, an increase of \$164.5 million over the prior year appropriation, which represents a 4.2 percent increase in total compensation-related appropriations.

Salary Base					
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds
FY 2024-25 Appropriation					
Base salary estimate	\$2,564,593,00	\$1,404,844,396	\$602,479,877	\$275,834,706	\$281,434,025
PERA	305,010,405	168,398,173	71,571,033	32,311,865	32,729,334
Medicare (FICA)	36,172,562	19,698,118	8,501,356	3,877,904	4,095,184
Total	\$2,905,775,97	\$1,592,940,687	\$682,552,266	\$312,024,475	\$318,258,543
FY 2025-26 Request/Recommendation					
Base salary estimate	\$2,736,914,01	\$1,493,386,391	\$659,488,485	\$290,432,958	\$293,606,185
PERA	326,245,117	179,484,570	78,430,989	34,071,031	34,258,527
Medicare (FICA)	39,685,319	21,654,157	9,562,590	4,211,278	4,257,294
Total	\$3,102,844,45	\$1,694,525,118	\$747,482,064	\$328,715,267	\$332,122,006
Increase/-Decrease	197,068,484	101,584,431	64,929,798	16,690,792	13,863,463
Percent Change	6.8%	6.4%	9.5%	5.3%	4.4%

Base salary estimate: The request includes a base salary estimate of \$2.7 billion total funds, including \$1.5 billion General Fund, for FY 2025-26 employee salaries.

PERA: The request includes an estimate of \$326.2 million total funds, including \$179.5 million General Fund, for employer payroll-related contributions to PERA.

Medicare (FICA): The request includes an estimate of \$39.7 million total funds, including \$21.7 million General Fund, for employer payroll-related contributions to Medicare.

Other Salary Related Adjustments					
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds
FY 2024-25 Appropriation					
Shift differential	\$33,231,000	\$27,981,403	\$1,932,384	\$2,262,289	\$1,054,924
Salary survey	193,027,309	109,017,890	43,984,039	20,217,682	19,807,698
Minimum wage	3,539,838	179,490	3,183,053	156,203	21,092
Total	\$229,798,147	\$137,178,783	\$49,099,476	\$22,636,174	\$20,883,714
FY 2025-26 Request/Recommendation					
Shift differential	\$37,948,879	\$28,616,615	\$2,297,917	\$2,647,416	\$4,386,931
Salary survey	95,604,504	51,919,480	23,216,914	10,712,424	9,755,686
Minimum wage	1,409,954	136,392	1,203,991	64,197	5,374
Total	\$134,963,337	\$80,672,487	\$26,718,822	\$13,424,037	\$14,147,991
Increase/-Decrease	-94,834,810	-56,506,296	-22,380,654	-9,212,137	-6,735,723
Percent Change	41.3%	41.2%	-45.6%	-40.7%	-32.3%

Shift differential: Shift differential funds are used for adjustments to some employee wages for work that is performed outside of standard 8:00 a.m. to 5:00 p.m. business hours. Shift differential is requested at 100 percent of prior year actual expenditures. The request includes \$37.9 million total funds, including \$28.6 million General Fund.

Salary survey: The request includes \$95.6 million total funds, including \$51.9 million General Fund. The request includes a 2.5 percent across-the-board increase as agreed upon in the COWINS Partnership Agreement.

Minimum wage: The request includes \$1.4 million total funds, including \$136,392 General Fund, for adjustments to wages for those employees who earned less than \$16.22 per hour. This is not a statutory minimum wage. Instead, it reflects a 2.0 percent increase from \$16.22 – the current minimum wage pursuant to the Colorado Overtime and Minimum Pay Standards Order (COMPS Order) #38 – in accordance with the newly signed Partnership Agreement.

Insurance Benefits					
Item	Total Funds	General Fund	Cash Funds	Reapprop Funds	Federal Funds
FY 2024-25 Appropriation					
Health, life, dental	\$458,180,656	\$253,044,436	\$107,469,482	\$42,610,045	\$55,056,693
Short-term disability	4,058,811	2,234,415	940,724	431,527	452,145
Paid family leave and medical insurance	12,399,070	6,794,353	2,843,136	1,294,506	1,467,074
Subtotal - Benefits	\$474,638,538	\$262,073,205	\$111,253,342	\$44,336,079	\$56,975,912
FY 2025-26 Request/Recommendation					
Health, life, dental	\$498,569,233	\$275,730,720	\$119,761,940	\$48,775,121	\$54,301,452
Short-term disability	4,296,407	2,360,852	1,023,043	453,359	459,153
Paid family leave and medical insurance	12,889,221	7,082,559	3,069,125	1,360,073	1,377,464
Subtotal - Benefits	\$515,754,861	\$285,174,131	\$123,854,109	\$50,588,552	\$56,138,069
Increase/-Decrease	41,116,323	23,100,926	12,600,766	6,252,473	-837,843
Percent Change	8.7%	8.8%	11.3%	14.1%	-1.5%

Health, life, dental: The request includes \$498.6 million total funds, including \$275.7 million General Fund, for employee health, life, and dental benefits elected by employees as of July 2024. Additional adjustments may be included in a budget amendment based on new actuarial recommendations received in December. The base adjustment request reflects an increase of \$40.4 million total funds, including \$22.7 million General Fund, in FY 2025-26.

Short-term disability: Short term disability (STD) is requested at a rate of 0.15 percent of revised base salaries. STD is estimated at \$4.3 million total funds, including \$2.4 million General Fund.

Paid family and medical leave insurance: The request includes \$12.9 million total funds, including \$7.1 million General Fund for FY 2025-26. Pursuant to H.B. 22-1133 (Family and Medical Leave Insurance Fund), the State’s portion of the insurance premium was to be prepaid until the balance in the Family and Medical Leave Insurance (FAMLI) Fund reached zero. However, in the 2023 legislative session, the General Assembly passed S.B. 23-324, which transferred the remaining balance in the FAMLI Fund back to the Restoration Loss Cash Fund. The bill also ended the State prepayment of premiums at the end of FY 2023-24. As a result, starting July 1, 2024, departments and employees began paying the premiums for the FAMLI program. These premiums are 0.9 percent of wages per employee, split evenly between the state and employees.

PERA Payments for Unfunded Liability (non-benefit components)					
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds
FY 2024-25 Appropriation					
AED	\$135,293,667	\$74,480,472	\$31,357,485	\$14,384,190	\$15,071,520
SAED	135,293,667	74,480,472	31,357,485	14,384,190	15,071,520
PERA direct distribution	57,054,571	32,011,581	17,337,557	3,429,374	4,276,059
Total	\$327,641,904	\$180,972,525	\$80,052,527	\$32,197,754	\$34,419,099

PERA Payments for Unfunded Liability (non-benefit components)

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds
FY 2025-26 Request/Recommendation					
ULAED	\$286,427,134	\$157,390,191	\$68,202,790	\$30,223,839	\$30,610,314
PERA direct distribution	60,352,598	33,277,612	16,346,600	8,291,801	2,436,585
Total	\$346,779,732	\$190,667,803	\$84,549,390	\$38,515,640	\$33,046,899
Increase/-Decrease	19,137,828	9,695,278	4,496,863	6,317,886	-1,372,200
Percent Change	5.8%	5.4%	5.6%	19.6%	-4.0%

ULAED: Unfunded Liability Amortization Equalization Disbursement (ULAED) is a simplified combination of AED and SAED, which are both set at a statutory rate of 5.0 percent of the revised base salary. ULAED is therefore 10.0 percent of the revised base salary and is estimated to be \$286.4 million total funds, including \$157.4 million General Fund.

PERA direct distribution: In FY 2019-20, a common policy allocation to state agencies was added for the state's \$225.0 million statutory PERA direct distribution payment. This allocation was added to common policies to charge cash and federal funds sources for what would otherwise be a General Fund payment. The PERA direct distribution totals \$60.4 million, including \$33.3 million General Fund in FY 2025-26.

The following table outlines all PERA payments included in total compensation.

All PERA Payments					
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds
FY 2024-25 Appropriation					
PERA (standard employer contrib.)	\$305,010,405	\$168,398,173	\$71,571,033	\$32,311,865	\$32,729,334
AED	135,293,667	74,480,472	31,357,485	14,384,190	15,071,520
SAED	135,293,667	74,480,472	31,357,485	14,384,190	15,071,520
PERA Direct Distribution	57,054,571	32,011,581	17,337,557	3,429,374	4,276,059
Subtotal - Benefits	\$632,652,309	\$349,370,698	\$151,623,560	\$64,509,619	\$67,148,433
FY 2025-26 Request/Recommendation					
PERA (standard employer contrib.)	\$326,245,117	\$179,484,570	\$78,430,989	\$34,071,031	\$34,258,527
ULAED	286,427,134	157,390,191	68,202,790	30,223,839	30,610,314
PERA Direct Distribution	60,352,598	33,277,612	16,346,600	8,291,801	2,436,585
Subtotal - Benefits	\$673,024,849	\$370,152,373	\$162,980,379	\$72,586,671	\$67,305,426
Increase/-Decrease	40,372,540	20,781,675	11,356,819	8,077,052	156,993
Percent Change	6.4%	5.9%	7.5%	12.5%	0.2%

Issues Presented

Budget Reduction Options: This issue brief provides options for General Fund relief, including:

- Salary Base Reductions, which would reduce the salary base for each department by a certain percentage.
- Eliminating the State Employee Reserve Fund, which would return \$12.9 million to the General Fund

COWINS Partnership Agreement: The Colorado Partnership for Quality Jobs and Services Act requires the State to enter into a partnership agreement with certified employee organizations, defines the duties of the parties, and sets standards and procedure related to disputes. The new agreement was signed on September 23, 2024 and remains in effect until July 31, 2027.

PERA Update: An informational PERA update based on PERA's 2023 Comprehensive Annual Financial Report and related documents. PERA experienced an investment return of 13.4 percent in 2023, compared with negative 13.4 percent in 2022. The net investment income of the plan in 2023 was \$8.3 billion. Member contributions totaled \$1.6 billion and employer contributions totaled \$2.5 billion.

Critical Staffing Incentive Funding: This issue brief provides an overview of critical staffing incentive request amounts and recommends that the Committee ask for request documents from the Departments of Corrections, Human Services, and Public Safety to justify the need for this incentive pay.

Statewide R-03 Eliminate State Employee Reserve Fund: This issue brief discusses the repeal of the State Employee Reserve Fund and the transfer of approximately \$12.9 million in the fund to the General Fund.

For More Information

JBC Staff Analyst:

Mitch Burmeister

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To read the entire briefing: Go to <http://leg.colorado.gov/content/budget/budget-documents> to use the budget document search tool. Select this department's name under *Department/Topic*, "Briefing" under *Type*, and select a *Start date* and *End date* to show documents released in November and December of 2024.

Other Statewide Issues

The Joint Budget Committee received two briefings on statewide budget issues described below.

Marijuana Policy Overview

This briefing was presented on November 12, 2024.

The ongoing varying projections of marijuana tax revenues for FY 2024-25 and FY 2025-26 necessitate a cautious approach to appropriations from the Marijuana Tax Cash Fund (MTCF) for FY 2025-26. Due to declining revenue, the planned \$20.0 million transfer to the Public School Capital Construction Assistance Fund— which supports the Building Excellent Schools Today (BEST) program in the Department of Education— looks unfeasible under either of the most recent forecasts.

The Office of State Planning and Budgeting (OSPB) projects that Marijuana Tax Cash Fund revenue will be about \$22.2 million higher over the next two fiscal years compared to the forecast from Legislative Council Services (LCS). The extent to which marijuana tax revenue aligns with the OSPB forecast will determine the feasibility of the Governor’s new MTCF funded budget requests for FY 2025-26. If the revenue follows the more conservative LCS forecast, programs that have historically received funding from the Marijuana Tax Cash Fund may experience budget reductions. Therefore, staff recommends basing all actions related to the MTCF on the March 2025 revenue forecast selected for balancing the FY 2025-26 budget.

Tobacco Revenue Policy

This briefing was presented on November 12, 2024.

Colorado receives annual TABOR-exempt tobacco revenue from three sources.

- 1 The Tobacco Master Settlement Agreement (MSA), a 1998 legal settlement between tobacco manufacturers and states that sued manufacturers to recover Medicaid and other health-related costs incurred by treating smoking-related illnesses.
- 2 A 2004 constitutional amendment (Amendment 35), imposing tobacco and cigarette taxes through Section 21 of Article X of the Colorado Constitution.
- 3 House Bill 20-1427 (Cigarette Tobacco and Nicotine Products Tax), which referred a tobacco, cigarette, and nicotine product tax to the ballot (Proposition EE). This measure was approved by the voters and took effect January 1, 2021.

Amendment 35 and MSA dollars are distributed via formula, while Proposition EE revenue distribution is largely specified in H.B. 20-1427. Long Bill appropriations are determined based on the forecasted revenue provided by Legislative Council Staff.

For More Information

JBC Staff Analyst:

Jon Catlett (Marijuana Revenue Policy)

(303) 866-4386

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Kelly Shen (Tobacco Revenue Policy)

(303) 866-5434

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To read the entire briefing: Go to <http://leg.colorado.gov/content/budget/budget-documents> to use the budget document search tool. Select this department's name under *Department/Topic*, "Briefing" under *Type*, and select a *Start date* and *End date* to show documents released in November and December of 2024.

Appendix A: Approved 2024 Interim Supplemental Changes

FY 2024-25 Interim Supplemental *Operating* Requests Approved by the JBC

Department	Request Title	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Local Affairs	Firefighter heart and circulatory malfunction benefit	\$3,000,000	\$0	\$0	\$3,000,000	\$0	0.0
Local Affairs	Senior primary residence property tax reduction appropriation	132,828	132,828	0	0	0	0.0
Judicial	Office of Alternate Defense Counsel, operating expenses	895,000	895,000	0	0	0	0.0
Judicial	Courts Administration, Information Technology infrastructure	200,000	200,000	0	0	0	0.0
Public Safety	MCPCI Grant Program spending authority	1,123,826	0	1,123,826	0	0	0.0
State	Initiative and referendum	54,000	0	54,000	0	0	0.0
Total		\$5,405,654	\$1,227,828	\$1,177,826	\$3,000,000	\$0	0.0

FY 2022-23 Interim Supplemental *Capital* Requests Approved by the JBC

Department	Request Title	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds
Corrections	Critical Living Unit shower/drain and toilet room improvements, Arkansas Valley Correctional Facility, Phase 1, Capital Renewal (project scope change, no appropriation impact)	\$0	\$0	\$0	\$0	\$0

Appendix B: JBC Staff Contacts and Assignments

The Joint Budget Committee (JBC) main office telephone number is 303-866-2061. Each staff member may be reached at the main number or by dialing 303-866- and the extension number shown below.

Administrative/Statewide Topics	Staff	Ext.	Email
<u>Office Administration</u>			
Staff Director	Craig Harper	3481	craig.harper@coleg.gov
Administrator IV	Jessi Neuberg	2061	jessi.neuberg@coleg.gov
Administrative Assistant II	Trudie Richardson	2587	trudie.richardson@coleg.gov
Administrative Assistant II	Sara Shahzad	2587	sara.shahzad@coleg.gov
<u>Appropriations Committee Coordinators</u>			
House	Emily Pope	4961	emily.pope@coleg.gov
Senate	Mitch Burmeister	3147	mitch.burmeister@coleg.gov
<u>Capital Construction</u>			
Information Technology Projects	Scott Thompson	4957	scott.thompson@coleg.gov
<u>Controlled Maintenance</u>			
Capital Renewal and Recapitalization, and Capital Expansion: State facilities, including higher education	Andrea Uhl	4956	andrea.uhl@coleg.gov
Community Provider Rate Common Policy	Justin Brakke	4958	justin.brakke@coleg.gov
Marijuana Tax Policy	Jon Catlett	4386	jon.catlett@coleg.gov
Tobacco Master Settlement Agreement	Kelly Shen	5434	kelly.shen@coleg.gov
State Agencies	Staff Analyst	Ext.	Email
Agriculture	Phoebe Canagarajah	2149	phoebe.canagarajah@coleg.gov
Corrections	Justin Brakke	4958	justin.brakke@coleg.gov
Early Childhood	Louellen Lowe	2981	louellen.lowe@coleg.gov

State Agencies	Staff Analyst	Ext.	Email
<u>Education</u>			
(1) Management & Admin.	Amanda Bickel	4960	amanda.bickel@coleg.gov
(2) Statewide Assessment Program			
(3) School District Operations <i>Except</i> (A)&(B)			
(4) Educator Talent			
(5) Student Learning			
(6) School Quality and Support			
(7) Student Pathways			
(8) Library Programs			
(9) School for The Deaf and The Blind			
(10) Charter School Institute			
(3) School District Operations	Andrea Uhl	4956	andrea.uhl@coleg.gov
(A) Public School Finance			
(B) Categorical Programs			
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<u>Governor</u>			
(1) Office of the Governor	Mitch Burmeister	3147	mitch.burmeister@coleg.gov
(2) Office of the Lieutenant Governor			
(4) Economic Development Programs			
(3) Office of State Planning and Budgeting	Eric Kurtz	4952	eric.kurtz@coleg.gov
(5) Office of Information Technology	Scott Thompson	4957	scott.thompson@coleg.gov
<i>OIT Common Policies</i>			
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<u>Health Care Policy & Financing</u>			
(1) Executive Director's Office	Eric Kurtz	4952	eric.kurtz@coleg.gov
(2) Medical Services Premiums			
(5) Indigent Care Program			
(6) Other Medical Services			
(3) Behavioral Health Community Programs	Emily Pope	4961	emily.pope@coleg.gov
(4) Office of Community Living	Tom Dermody	4963	tom.dermody@coleg.gov
(7) DHS Medicaid-funded Programs:			
(C) Office of Economic Security			
(F) Office of Adults, Aging & Disability Svcs			

State Agencies	Staff Analyst	Ext.	Email
<u>Health Care Policy & Financing continued</u>			
(7) DHS Medicaid-funded Programs: (A) Executive Director's Office <i>Indirect Cost line items</i> (B) Office of Children, Youth, and Families Division of Child Welfare Division of Youth Services (D) Behavioral Health Administration (E) Office of Behavioral Health	Emily Pope	4961	emily.pope@coleg.gov
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<u>Higher Education</u>			
(3) Colorado Commission on Higher Education Financial Aid	Amanda Bickel	4960	amanda.bickel@coleg.gov
(4) College Opportunity Fund Program			
(5) Governing Boards			
(6) Local District College Grants Pursuant to Section 23-71-301, C.R.S.			
(7) Division of Occupational Education (C) Area Technical Colleges			
(1) Department Administrative Office	Louellen Lowe	2981	louellen.lowe@coleg.gov
(2) Colorado Commission on Higher Education and Higher Ed. Special Purpose Programs			
(7) Division of Occupational Education (A) Administrative Costs (B) Distribution of State Assistance for Career and Technical Education Pursuant to Section 23-8-102. C.R.S. (D) Sponsored Programs (1) Administration & (2) Programs (E) Colorado First Customized Job Training			
(8) Auraria Higher Education Center			
(9) History Colorado			

State Agencies	Staff Analyst	Ext.	Email
<u>Human Services</u>			
(1) Executive Director's Office <i>Indirect Costs (lead)</i>	Emily Pope	4961	emily.pope@coleg.gov
(2) Administration and Finance			
(3) Office of Children, Youth, and Families Administrative Review Unit (in Administration and Finance) Administration Division of Child Welfare Division of Youth Services			
(5) Behavioral Health Administration			
(6) Office of Behavioral Health Office of the Ombudsman for Behavioral Health Access to Care (in EDO)			
(4) Office of Economic Security	Tom Dermody	4963	tom.dermody@coleg.gov
(7) Office of Adults, Aging, and Disability Services			
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<u>Judicial</u>			
(1) Supreme Court and Court of Appeals	Alfredo Kemm	4549	alfredo.kemm@coleg.gov
(2) Courts Administration			
(3) Trial Courts			
(4) Probation and Related Services			
(5) Office of State Public Defender <i>Correctional Treatment Cash Fund (lead)</i>			
Judicial Independent Agencies:	Scott Thompson	4957	scott.thompson@coleg.gov
(6) Office of Alternate Defense Counsel			
(7) Office of The Child's Representative			
(8) Office of The Respondent Parents' Counsel			
(9) Office of The Child Protection Ombudsman			
(10) Independent Ethics Commission			
(11) Office of Public Guardianship			
(12) Commission On Judicial Discipline			
(13) Statewide Behavioral Health Court Liaison			

State Agencies	Staff Analyst	Ext.	Email
(14) Office of Administrative Services for Independent Agencies			
(15) Office of The Judicial Discipline Ombudsman			
Labor & Employment	Phoebe Canagarajah	2149	phoebe.canagarajah@coleg.gov
Law (Attorney General's Office) <i>Legal Services Common Policy</i>	Scott Thompson	4957	scott.thompson@coleg.gov
Legislature	Craig Harper	3481	craig.harper@coleg.gov
<u>Local Affairs</u>			
<i>Federal Mineral Lease Revenues (lead)</i>	Amanda Bickel	4960	amanda.bickel@coleg.gov
	Michelle Curry	2062	michelle.curry@coleg.gov
	Connor Alcorn	4955	connor.alcorn@coleg.gov
Military & Veterans Affairs	Jon Catlett	4386	jon.catlett@coleg.gov
<u>Natural Resources</u>			
(1) Executive Director's Office	Kelly Shen	5434	kelly.shen@coleg.gov
(5) Division of Parks & Wildlife			
(6) Colorado Water Conservation Board			
(7) Division of Water Resources			
(2) Division of Reclamation, Mining & Safety	Mitch Burmeister	3147	mitch.burmeister@coleg.gov
(3) Energy and Carbon Management Commission			
(4) State Board of Land Commissioners <i>Severance Tax Policy</i>			
<u>Personnel</u>			
(1) Executive Director's Office	Tom Dermody	4963	tom.dermody@coleg.gov
(2) Division of Human Resources			
(3) Personnel Board			
(4) Division of Central Services			
(5) Division of Accounts and Control			
(6) Administrative Courts			
(7) Division of Capital Assets <i>Operating Common Policies</i>			
<i>Compensation Common Policies (including PERA)</i>	Mitch Burmeister	3147	mitch.burmeister@coleg.gov

State Agencies	Staff Analyst	Ext.	Email
<u>Public Health & Environment</u>			
(1) Administration and Support	Andrew McLeer	4959	andrew.mcleer@coleg.gov
(4) Air Pollution and Control Division			
<u>Public Health & Environment continued</u>			
(5) Water Quality Control Division			
(6) Hazardous Materials and Waste Mgmt. Div.			
(8) Div. of Environmental Health & Sustainability			
(2) Center for Health & Environ. Information	Kelly Shen	5434	kelly.shen@coleg.gov
(3) Disease Control & Public Health Response			
(7) Office of HIV, Viral Hepatitis and STI's			
(9) Prevention Services Division			
(10) Health Facilities & Emerg. Medical Services			
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<u>Public Safety</u>			
(2) Colorado State Patrol (<i>HUTF off-the-top limit</i>)	Alfredo Kemm	4549	alfredo.kemm@coleg.gov
(3) Division of Fire Prevention and Control			
(5) Colorado Bureau of Investigation School Safety Resource Center (in EDO)			
(6) Div. of Homeland Security & Emerg. Mgmt. <i>Disaster Emergency Fund (lead)</i>			
(1) Executive Director's Office	Justin Brakke	4958	justin.brakke@coleg.gov
(4) Division of Criminal Justice			
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Regulatory Agencies	Michelle Curry	2062	michelle.curry@coleg.gov
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Revenue <i>Limited Gaming revenues (lead)</i>	Jon Catlett	4386	jon.catlett@coleg.gov
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State	Andrew McLeer	4959	andrew.mcleer@coleg.gov
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Transportation	Michelle Curry	2062	michelle.curry@coleg.gov
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Treasury <i>Unclaimed Property Trust Fund (lead)</i>	Louellen Lowe	2981	louellen.lowe@coleg.gov
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