



Joint Budget Committee Staff

Memorandum

To: Joint Budget Committee
From: Name, JBC Staff (303-866-4960)
Date: March 12, 2025
Subject: Inadvertent Reversion of H.B. 23-1246 (Support In Demand Career Workforce) appropriation

Problem Identified

OSPB informed JBC staff and committee members on March 8, 2024 that they had identified a significant error in state accounting for H.B. 23-1246 (Support In Demand Career Workforce).

Money that was supposed to roll forward from FY 2023-24 to FY 2024-25 based on statutory provisions had instead reverted to the General Fund at the end of FY 2023-24. This has caused:

- A \$30.0 million over-statement of money available in the General Fund reserve at the end of FY 2023-24; and
- Anticipated restrictions on \$30.0 million in appropriations for the Colorado Community College System which was authorized to spend these funds through FY 2025-26.

Recommendation

Staff recommends that the Committee include a supplemental add-on to the Long Bill to:

- Reduce the FY 2023-24 appropriations for the two programs by the amounts that reverted at the end of FY 2023-24: \$24,999,282 for the In-Demand Short-term Credentials Program and \$4,951,514 for the Nursing Expansion program
- Provide new FY 2024-25 appropriations for the affected programs in the same amount.

H.B. 23-1246 Appropriations and Expenditures			
	FY 2023-24 Appropriation (General Fund)	FY 2023-24 Expenditures= Revised Appropriation for FY 2023-24	Balance that SHOULD have rolled forward= New Appropriation for FY 2024-25
In-Demand Short-term Credentials	\$38,600,000	\$13,600,718	\$24,999,282
Nursing Expansion	5,000,000	48,486	4,951,514
Total	\$43,600,000	\$13,649,204	\$29,950,796

Analysis

H.B. 23-1246 required the Department of Higher Education to pass-through \$38,600,000 General Fund to the Colorado Community College System (CCCS) to administer the In-Demand Short-Term Credentials Program, and to pass-through \$5,000,000 General Fund to CCCS for the development of two new nursing programs at community and technical colleges. As outlined in the bill (Section 23-60-1201(6)(b) and Section 23-60-214 (1), C.R.S.), money that was unspent at the end of FY 2023-24 was to be rolled forward for use in FY 2024-25 or FY 2025-26 without further appropriation.

To effectuate the statutory roll-forward, the Department of Higher Education needed to file paperwork with the Office of the State Controller before the close of FY 2023-24. It failed to do so. As a result, the unspent funds reverted. The Office of the State Controller indicates that there is no administrative mechanism for restoring the amount that was classified as reverted. Instead a new appropriation is required.

To avoid further distorting the record of the appropriation for this program, staff recommends splitting the appropriation into two components, so that money spent in FY 2023-24 remains appropriated in FY 2023-24, but that the unspent amount is reduced from the FY 2023-24 appropriation and authorized as a new appropriation in FY 2024-25.

Additional Program Background: Cost components outlined in the bill and fiscal note, with additional information from CCCS, were for the following activities.

In-Demand Short-term Credential Program. \$38,134,000 was to cover student tuition, fees, books and material supplies for eligible programs. The bill allowed 1 percent, or \$386,000, of the \$38.6 million to be used for administrative costs and \$80,000 for marketing.

Nursing degree program development. The bill provided \$5,000,000 to develop two new short-term degree programs for nursing students. These programs are being developed at Red Rocks Community College and the Community College of Aurora.

In response to staff questions about the status of spending, CCCS reported the following:

Context on Scholarship portion: The program is still paying out for late start Spring classes and summer registration will open March 10th. Project to fully spent by end of Fall 25 term. We continue to publicize and counsel students on the availability of these monies.

Context on the Nursing Expansion portion: RRCC (\$2.5 million allocation) has been waiting on their facility remodel to finish in order to accommodate additional students and are currently on-boarding nursing faculty/staff for a Fall 25 Start. As of the end of FY 24, they had spent

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\$48,485 and project to spend \$496,529 in FY 25. The remainder will fund new faculty staff through the end of calendar year 2026, upon which the program will be self-supporting.

At CCA (\$2.5 million allocation), while they have not spent any of the funds yet (at least that have been recorded yet), they just signed a long-term (10-year) lease and are investing their own cash funds to remodel the space to accommodate allied health programs, including their new nursing program. They are finalizing their application to the Board of Nursing this week. They have spent or encumbered \$792,386 for the new lease. Once the remodel is complete (and all program start up requirements are met), they will start spending the grant funds on faculty. The lease commitment is large and they are counting on this \$2.5 million to get their program off the ground and become self-sustaining over the next several years.