

MEMORANDUM



JOINT BUDGET COMMITTEE

TO Members of the Joint Budget Committee
FROM Amanda Bickel, JBC Staff (303-866-4960)
DATE February 5, 2024
SUBJECT Overview of Staff Supplemental ARPA Recommendations

The following tables summarize the recommendations included in a packet of memos from staff regarding Executive Branch requests for roll-forwards and reductions to existing appropriations of ARPA funds.

As shown on the attached tables, staff has recommended most, but not all, of these requests.

ROLLFORWARDS: The request identified \$370.1 million in roll-forwards. The recommendation is for \$345.1 million. **If details of these figures related to the *amount* to roll forward requires further adjustment, staff requests permission to incorporate these adjustments in the bill draft that will exchange federal ARPA funds for state-funds for expenditures after December 31, 2024.** Under normal circumstances, roll-forward authority is provided for “unexpended and unencumbered” amounts, but the amounts that will be swapped will require more precision, and some dollar amounts could change.

REDUCTIONS: As reflected in the table and attached memos, JBC staff is not recommending all of the reduction amounts proposed by the Executive Branch. Staff is currently recommending a total of \$42.8 million in reductions, compared to the \$58.4 million in reductions proposed by the Executive Branch.¹ As discussed in the January 16, 2023 memo, appropriations are a ceiling and not a floor, and the General Assembly’s mechanisms for forcing the Executive Branch to make expenditures may be limited.

- As a first step, if the Committee concurs with staff recommendations or opposes other Executive Branch restrictions, the Committee could consider a letter to the Governor’s Office identifying the items of disagreement and proposing that the Executive Branch lift the restriction. In some cases the Executive Branch position may change based on negotiations with the General Assembly or if the JBC is also proposing statutory changes that would facilitate program spending that was anticipated to be a challenge (as for the Finish What You Started program).
- If the Executive Branch is not willing to lift the restriction, the Committee could consider other legal action, in consultation with OLLS, to attempt to force expenditures, possibly leading to a separation of powers issue to be determined in the courts. Alternatively, the General Assembly could decide not to fight this battle at this time, in which case the Committee should include these reductions in its calculations for balancing ARPA funds and the General Fund.

¹ The Committee does not need to take action on an additional \$12.4 million that has already reverted. The \$58.4 million plus the \$12.4 million already reverted brings the total for “reinvestment” to \$70.8 million.

FEB 5, 2024

- The Executive requests tied reductions to “reinvestments” (other uses of one-time funds). **As previously noted, staff does not recommend tying reductions and “reinvestments” together because of the related complexity.** However, staff has included the proposed “reinvestment” list below, for additional background. ***Staff has recommended against \$15.6 million of the total reductions proposed.*** To the extent money is not reduced consistent with the Governor’s proposals, it will affect overall statewide balancing, which could affect funding for some of the projects below. Staff notes that the General Assembly has limited ability to force the Governor to expend appropriations. At the same time, the Governor also cannot force the General Assembly to “reinvest” funds in the ways proposed.

GOVERNOR JAN 2, 2024 PROPOSAL FOR "REINVESTMENTS"	
<i>G.A. Action Taken</i>	
HB23B-1001 Emergency Rental Assistance Grant Program	\$14.9
DPS Migrant Support Interim Supplemental for FY 2023-24	5.0
Action Taken by G.A. to use federal ARPA - no change recommended	\$19.9
<i>Action Taken by G.A. Already as General Fund Items</i>	
Summer EBT (SB 23B-002)	0.3
Supp. Capital Construction additional inpatient beds at CMHIFL	11.4
<i>Pending Budget Requests/Decision Items</i>	
Public Health Infrastructure Continuation (CDPHE R1)	2.6
DOC Recidivism Budget Amendment Placeholder	0.8
ESSER Staff Closeout (CDE R6)	0.5
<i>Pending Bill Placeholders</i>	
Behavioral Health-care Continuum Gap Grant Program (grants & capital)	8.0
Strengthening Treatment for High-Acuity Youth	5.2
School-based Behavioral Health Support (ed workforce training by nonprofit)	2.5
Apprenticeship Expansion Grant and Tax Credit Bills	6.1
Middle Income Housing	1.0
Migrant Support - funding for nonprofits	2.5
Unspecified "JBC Placeholder"	10.0
Total	<u>70.8</u>
Reverted Funds	12.4
Reduced Funds	58.4

JBC Staff	Dept	REDUCTION Project Name	Recapture Reinvestment Amount (\$)	Updated State Bill	Appropriation Clause Citation	JBC Staff Recommendation
Emily	CDHS	Mental Health Transitional Living Homes Capital (Increase Residential Behavioral Health Beds - Contract Beds)	\$11,400,000	HB 22-1303	Section 5 (1)(c)	\$11,400,000
Emily	CDHS	OCFMH Office of Behavioral Health Transitional Housing Capital Construction (Round 1: State Capital Facilities Project Funding)	\$2,300,000	HB 22-1329	PAGE 298- HOUSE BILL 22-1329 CAPITAL CONSTRUCTION, Office of Behavioral Health Transitional Housing	\$2,341,663
Abby	CDPHE	Health Statistics and Vital Records, Personal Services (Department of Public Health and Environment Revenue Replacement for FY 2023-24)	\$1,000,000	SB 23-214	PAGE 217- SENATE BILL 23-214	\$1,203,409
Abby	CDPHE	Healthcare Workforce Recruitment and Re-engagement Effort	\$3,880,000	SB 22-226	Section 12(1)(b)	\$3,880,000
Amanda	CDHE	COSI Back to Work	\$663,719	SB 21-232	Section 2 (1)	\$663,719
Emily	CDHS	Survivor Capacity at Culturally Specific Community Organizations	\$495,000	SB 22-183	Section 6 (4)(b)	\$495,000
Emily	CDHS	OCYF In-home and Residential Respite Care / In-Home and Residential Respite Care Services for Foster Care Children and Youth	\$7,800,000	HB 22-1283	Section 7	\$7,800,000
Maddie	DOLA	SLFRF Emergency Rental Assistance	\$8,000,000	SB 23-124	Section 2 (2)	\$0
Emily	BHA	I Matter Program	\$480,000	HB 22-1243	Section 4 (4)	\$480,000
Amanda	CDHE	Colorado Opp. Scholarship- Finish What You Started	\$5,647,030	HB 21-1330	Section 16 (1)	\$699,719
Emily	CDHS	Mental Health Transitional Living Homes Operations (roll forward request also)	\$10,879,818	HB 22-1303	Section 5 (1)(c)	\$10,899,160
Emily	CDHS	Behavioral Health Care Workforce: Behavioral Health Aide (roll forward request also)	\$1,700,000	SB 22-181	Section 6 (1)(d)(f)	\$1,719,334
Louellen	CDEC	Employer-Based Child Care	\$1,530,000	SB 22-213	Section 8 (1)(b)	\$0
Louellen	CDEC	CDEC Recruitment and Retention	\$2,580,000	SB 22-213	Section 8 (1)(c)	\$0
Abby	CDLE	State Employee Insurance Premiums	\$0	HB22-1133	Section 3 (4)(a)	\$1,200,000
Total			\$58,355,567			\$42,782,004

JBC Staff	Dept	ROLLFORWARD Project Name	Rollforward Amount (\$)	Updated State Bill	Appropriation Clause Citation	Staff Recommendation
Emily	CDHS	Round 2: Additional Funding to Anti-Domestic Violence Organizations	\$1,489,788	SB 22-183	Section 6 (4)(b)	\$0
Emily	BHA	Behavioral Health Care Workforce: Innovative Recruitment Strategies & Retention Grants	\$3,300,000	SB 22-181	Section 6(1)(b)	\$3,300,000
Emily	BHA	Substance Use Workforce Stability Grant Program	\$10,500,000	HB 22-1281	Section 4 (1) (b)	\$10,500,000
Emily	CDHS	Crime Victims Services, Round Two Flexible Financial Assistance for Survivors of Domestic Violence	\$3,623,098	SB 22-183	Section 6 (4)(b)	\$0
Emily	CDHS	Accessible, Culturally Responsive, and Trauma-Informed (ARCTI) Training	\$260,000	SB 22-183	Section 6 (4)(b)	\$0
Emily	BHA	Criminal Justice Intervention Detection & Redirection Grant Program	\$32,000,000	SB 22-196	Section 12(1)(a)(b)	\$31,913,485
Emily	BHA	Behavioral Health Continuum Gap Community Investment Grants	\$21,100,000	HB 22-1281	Section 4 (1) (a)	\$21,100,000
Emily	BHA	Behavioral Health Care Workforce: Learning Academy	\$4,900,000	SB 22-181	Section 6(1)(g)(i)	\$4,856,674
Emily	BHA	Residential Substance Use Treatment Beds for Children and Youth	\$2,200,000	HB 22-1283	Section 8(1)(a)	\$2,200,000
Emily	BHA	Children Youth and Family Behavioral Services Grants	\$25,200,000	HB 22-1281	Section 4 (1) (a)	\$25,200,000
Emily	BHA	Round 2: Care Coordination Infrastructure	\$12,200,000	SB 22-177	Section 3	\$12,200,000
Emily	BHA	Fentanyl Accountability And Prevention, Technical Assistance to Jails For Medication Assisted Treatment	\$1,400,000	HB 22-1326	Section 56 (1)(f)	\$1,400,000
Emily	BHA	Round 2: Crisis System for Colorado Residents	\$1,200,000	HB 22-1283	Section 8(1)(a)	\$1,200,000
Emily	BHA	Colorado Land-Based Tribe Behavioral Health Services Grant Program	\$5,000,000	SB 22-148	Section 3	\$5,000,000
Louellen	CDHE	Teacher Stipends (Removing Barriers to Educator Prep)	\$20,500,000	HB 22-1220	Section 9 (2)(a)	\$20,500,000
Louellen	CDHE	Behavioral Health Workforce Credential Pathways \$15 million from SB 22-181, which is a pass-through to CCCS by way of CDHE was added to our rollover list	\$15,000,000	SB 22-181	Section 8 (1)	\$15,000,000
Emily	CDHS	Mental Health Transitional Living Homes Operations (Also a reduction amount)	\$22,700,000	HB 22-1303	Section 5 (1)(c)	\$11,185,761
Emily	CDHS	Youth And Family Behavioral Health Care, Neuro-Psych Facility at Fort Logan	\$31,400,000	HB 22-1283	Section 9/10	\$30,697,384
Emily	CDHS	Increase Residential Behavioral Health Beds, Behavioral Health Beds-Fort Logan	\$11,800,000	HB 22-1303	Section 4/6/7	\$11,800,000

JBC Staff	Dept	ROLLFORWARD Project Name	Rollforward Amount (\$)	Updated State Bill	Appropriation Clause Citation	Staff Recommendation
Emily	CDHS	Increase Residential Behavioral Health Beds, Increase Residential Behavioral Health Beds-State Facilities	\$9,400,000	HB 22-1303	Section 4/Section 5 (1)(a)(b)/Section 8	\$9,281,361
Emily	BHA	Behavioral Health Care Workforce: Behavioral Health Aide	\$1,800,000	SB 22-181	Section 6 (1)(d)(f)	\$1,796,130
Emily	BHA	Behavioral Health Care Workforce: Peer Support Professionals	\$6,000,000	SB 22-181	Section 6(1)(e)	\$5,928,337
Emily	BHA	Behavioral Health Care Workforce: Workforce Expansion	\$16,400,000	SB 22-181	Section 6(1)(a)(b)(c)(d)(f)(h)	\$16,368,697
Abby	CDLE	State Employee Insurance Premiums	\$7,300,000	HB22-1133	Section 3 (4)(a)	\$500,000
Justin	DNR	Republican and Rio Grande Basin Groundwater Sustainability	\$60,000,000	SB 22-028	Section 3(1)	\$60,000,000
Justin	DNR	Wildfire Prevention Watershed Restoration	\$15,000,000	HB 22-1379	Section 1(I thr V)	\$15,000,000
Alfredo	JUD	IT Infrastructure	\$20,000,000	HB 22-1335	Section 3 transfer	\$20,000,000
Alfredo	JUD	Adult Diversion	\$2,200,000	SB 22-196	Section 12 (2)	\$2,200,000
Louellen	CDHE	Pediatric Psychiatry Consultation (submitted 1/30/23)	\$4,400,000	SB22-147, HB 22-1283		\$4,400,000
Emily	DPS	Colorado Criminal Justice Information System (submitted 1/30/23)	\$1,800,000	SB21-196/SB 23-214		\$1,618,836
Total			\$370,072,886			\$345,146,665

MEMORANDUM



JOINT BUDGET COMMITTEE

TO Members of the Joint Budget Committee
FROM Amanda Bickel, JBC Staff (303-866-4960)
DATE February 2, 2024
SUBJECT Supplemental ARPA Roll-forward and Reduction Requests

On January 17, 2023, Staff presented the Staff Budget Briefing and Supplemental Common Policy Recommendations FY 2023-24 for Federal Coronavirus State Fiscal Recovery Funds¹, which addressed:

- 1 Proposals for spending down federal Coronavirus State Fiscal Recovery Funds (ARPA funds as quickly as possible for personal services in FY 2023-24 and “swapping” resulting General Fund savings to support the many ARPA-funded programs created by members of the General Assembly over the last three years.
- 2 Executive Branch proposals to authorize some existing programs that were created with ARPA dollars to continue to spend for additional years (requests for roll-forward authority).
- 3 Executive Branch proposals to “recapture and reinvest” some of the amounts originally committed for ARPA-funded programs.

On January 17, 2024 the JBC authorized staff to work on a bill draft for Item #1, which is in progress. Staff also committed to return with memos from individual staff to address the roll-forward requests (#2) and the proposals to *reduce* amounts for existing programs (#3) (though not to address proposed new uses for funds that have been reduced). The Committee indicated that its common policy would be to approve roll-forward requests when statutory provisions reflected legislative intent to extend a program past the existing appropriation deadline. All other requests for roll-forwards and reductions to existing ARPA appropriations would be considered on a case-by-case basis. The attached memos, organized by department and presented by individual JBC staff, will provide the Committee the opportunity to address these items on a case-by-case basis. The attached memos address items in the following departments.

The Department of Early Childhood	p. 2
The Department of Higher Education	p. 5
The Department of Human Services	p. 12
The Judicial Department	p. 28
The Department of Labor and Employment	p. 30
The Department of Natural Resources	p. 32
The Department of Public Safety	p. 34
The Department of Local Affairs	p. 36

¹ <https://leg.colorado.gov/sites/default/files/arpa-01-16-24.pdf>

MEMORANDUM



JOINT BUDGET COMMITTEE

To Members of the Joint Budget Committee

FROM Louellen Lowe, JBC Staff (303-866-2981)

DATE January 31, 2024

SUBJECT Supplemental ARPA Request(s) for Department of Early Childhood

BACKGROUND – SUPPLEMENTAL CHANGES TO ARPA APPROPRIATIONS

Colorado received \$3.8 billion in federal Coronavirus State and Local Fiscal Recovery Funds from the American Rescue Plan Act of 2021 (ARPA funds) that under federal law must be obligated by December 31, 2024 and expended by December 31, 2026. The Governor’s Office has proposed multiple budget changes in the 2024 legislative session, including requests to roll-forward and/or reduce spending authority for some ARPA programs.¹ This memo discusses components of the request that relate to this department. JBC common policy is to approve roll-forward requests when statutory provisions reflect legislative intent to extend a program past the existing appropriation deadline. Staff may recommend exceptions. All other requests for roll-forwards and reductions to existing ARPA appropriations will be considered on a case-by-case basis.

REDUCTIONS TO ARPA APPROPRIATIONS FOR DEPARTMENT OF EARLY CHILDHOOD

Appendix 3 to the Governor’s January 2, 2024, letter proposes that the following programs for which there is ARPA funds spending authority in FY 2023-24 or future years should have their funding redirected to other uses. Staff is bringing these items to the Committee so that the Committee can decide whether to reduce appropriations or transfers in these amounts.

PROJECT NAME	REDUCTION AMOUNT	BILL
Employer-Based Child Care Facility Grants	\$1,530,000	S.B. 22-213 Child Care Support Programs
Early Care and Education Recruitment and Retention Grants	\$2,580,000	S.B. 22-213 Child Care Support Programs

S.B. 22-213 CHILD CARE SUPPORT PROGRAMS, EMPLOYER-BASED CHILD CARE FACILITY GRANTS:

This program provides funding to employers to construct, remodel, renovate, or retrofit a child care center on or near an employer’s property to provide licensed child care services to employees. According to the Department, since the implementation of the grant program grantees have faced permitting delays, supply chain issues, and construction delays which has slowed the pace of expenditures. However, its list of awards suggests that in some cases, the program has been quite successful.

¹ Funding that is rolled-forward beyond the December 31, 2024 obligation deadline will be converted to General Fund through separate action.

At the first sign of program struggles related to construction delays and matching fund hurdles, the Department added an Employer Based Design Lab to help potential applicants work through the details of a project before applying for the grant funds. The lab assists potential applicants to prepare sufficiently in advance to more expeditiously expend the funds on the planned project. The Department is on Round 3 of grant awards and continues to prioritize construction-ready projects.

The program has received approximately \$21.7 million total funds for this program over the past 3 years. In 2021, S.B. 21-236 appropriated \$8.7 million General Fund for the employer-based child care facility grant program; in FY 2022-23, the program received \$10.0 million in SLRF funding; and in FY 2023-24, the JBC added \$3.0 million in one-time General Fund for this program in FY 2023-24. According to the Department, the decision to target \$1.5 million of these funds to recapture and reinvest is due primarily to the additional funding provided by the legislature and secondarily by the time-intensive nature of this program resulting from construction timelines and delays.

According to the Department's SMART Act presentation on January 17, 2024, the Department has awarded 26 grants across 17 counties through the program for a total of \$15.4 million. Through the grant-funded projects, the Department estimates 2,314 child care slots will be opened, and 288 educators and at least 50 staff are estimated to be hired. According to the slides, the Department has identified an additional twelve recipients of funds in Rounds 3 and 4 of grant awards.

Staff Recommendation: **Staff does not recommend the recapture and reinvestment of \$1,530,000 of the ARPA SLFRF funding originally slated for employer-based child care facility grants based on the success of the program and its ability to expend the funds. However, staff agrees with the justification that the program has received additional funds from other funding streams and may be a reasonable target for recapture to address other, more pressing budgetary needs.** Despite a slower rollout, the program appears to have found its stride and provides a layer of assistance to working parents in need of workable child care solutions. It's unclear at this time how these funds would be otherwise utilized; therefore, staff finds it difficult to evaluate whether another need may be more pressing than child care for working families.

Section 26.5-3-804, C.R.S., stipulates the appropriation of \$10.0 million SLFRF for the program and provides the Department through December 31, 2026 to expend the appropriation. Therefore, statutory change would be needed to modify this appropriation.

S.B. 22-213 CHILD CARE SUPPORT PROGRAMS, EARLY CARE AND EDUCATION RECRUITMENT AND RETENTION GRANTS: The Early Care and Education Recruitment and Retention Program aims to increase the number of qualified individuals serving as early childhood educators in licensed programs. Grants provided support an assortment of activities aimed at easing the burden towards credentialing and licensing, including but not limited to access to professional development courses, scholarships, and loan forgiveness.

The program received \$15.0 million in SLRF funds in FY 2022-23 through S.B. 22-213. It received an additional \$7.5 million federal Child Care Development Fund (CCDF) ARPA supplemental discretionary funds through footnote authority which allowed the Department to transfer underspent funds to this program from other stimulus-funded programs. Additionally, JBC action on the Department's emergency supplemental request (1331) in September 2023, allowed the Department to allocate more unspent federal CCDF ARPA supplemental discretionary funds to this program. The Department and Governor's office indicate that the increased funding for the program provides an opportunity to recapture the ARPA SLRF funds to meet other budgetary needs.

According to an September 2023 issue brief on the program released by the Colorado Evaluation & Action Lab at Denver University², as of Fall 2022, the program had awarded 2,175 recruitment and retention scholarships, and approximately 5,000 participants had enrolled in free, Early Childhood Education 1011 and 1031 courses (the count is duplicated where students enrolled in both courses). The report indicates that due to the timing of program funding, institutions focused on retention efforts over recruitment efforts initially and that the program may have benefitted from a universal application. It's clear through the report that the collaborative effort between the Department of Early Childhood and the Department of Higher Education produced positive results to increase the early childhood workforce. The report also indicates that the program may have benefitted from a universal application process and greater focus on recruitment versus retention; however, officials from the institutions indicate that the timing of the funding as well as the fluid information regarding federal restrictions on the funding precipitated the heavy focus on retention where leaders knew the funding could be swiftly and appropriately utilized.

In a report on the program published on the Department’s website, it touts that “in the first two rounds of loan forgiveness, over 2,800 early childhood education professionals holding a total of \$50 million in student loan debt applied for awards...[and the program] has been able to provide \$5,000 awards to 300 individuals totaling \$1.5 million; however, professionals in the ECE field still hold a significant amount of student loan debt...” The report states that the workforce has exhibited slow regrowth, and while this is encouraging, demand for these recruitment and retention strategies remains high.³ It should be noted that the Department indicates on this website that it is working on extending many existing programs funded through SLFRF funding and that announcements are pending.

Staff recommendation: Staff does not recommend the recapture and reinvestment of \$2,580,000 of the ARPA SLFRF funding originally slated for Recruitment and Retention efforts in the early childhood field based on the success of the program and its ability to expend the funds. However, staff agrees with the justification that the program has received additional funds from other funding streams and may be a reasonable target for recapture to address other, more pressing budgetary needs. The Department indicated in its discussion of its emergency supplemental (1331) request in June 2023, that the program funding can be swiftly encumbered and expended due to the nature of the program. Furthermore, the results of the program so far suggest that it has been successful and, in conjunction with additional funding provided through the institutions of higher education for related purposes, could have significant positive impacts on the field. It's unclear at this time how these funds would be otherwise utilized; therefore, staff finds it difficult to evaluate whether another need may be more pressing than aiding in the increase of the early childhood workforce.

Section 26.5-3-805, C.R.S., stipulates the appropriation of \$15.0 million for the program and provides the Department through December 31, 2026 to expend the appropriation. Therefore, statutory change would be needed to modify this appropriation.

The Governor has proposed that the savings from the reductions above be redirected to other specific purposes.⁴ Potential alternative uses are not addressed in this write-up.

² [Recruitment & Retention Scholarship Program, and Free 1011 and 1031 Coursework \(coloradolab.org\)](https://coloradolab.org)

³ Investing in Early Childhood - Workforce Recruitment and Retention Program ([google.com](#))

⁴ January 2, 2024, budget request letter, Attachment 3, pages 3 and 4
<https://drive.google.com/file/d/1Gq-oEW1445vrME8q0dM-s2TY71RUm2Ha/view>

MEMORANDUM



TO Members of the Joint Budget Committee

FROM Louellen Lowe and Amanda Bickel, JBC Staff (303-866-2981)

DATE February 2, 2024

SUBJECT Supplemental ARPA Request(s) for Department of Higher Education

BACKGROUND – SUPPLEMENTAL CHANGES TO ARPA APPROPRIATIONS

Colorado received \$3.8 billion in federal Coronavirus State and Local Fiscal Recovery Funds from the American Rescue Plan Act of 2021 (ARPA funds) that under federal law must be obligated by December 31, 2024 and expended by December 31, 2026. The Governor’s Office has proposed multiple budget changes in the 2024 legislative session, including requests to roll-forward and/or reduce spending authority for some ARPA programs.¹ This memo discusses components of the request that relate to this department. JBC common policy is to approve roll-forward requests when statutory provisions reflect legislative intent to extend a program past the existing appropriation deadline. Staff may recommend exceptions. All other requests for roll-forwards and reductions to existing ARPA appropriations will be considered on a case-by-case basis.

ROLL-FORWARD REQUEST(S) FOR DEPARTMENT OF HIGHER EDUCATION

Statewide Supplemental Request S1 included the following requests for the Department of Higher Education:

PROJECT NAME	REQUESTED ROLL- FORWARD AMOUNT	BILL	CURRENT APPROPRIATION DEADLINE	REQUESTED APPROPRIATION DEADLINE
Teacher Stipends (Removing Barriers to Educator Prep)	20,500,000	H.B. 22-1220	December 30, 2024	June 2025
Behavioral Health Workforce Credential Pathways (Pass-through to CCCS)	15,000,000	S.B. 22-181	December 30, 2024	June 2025
Colorado Pediatric Psychiatry Consultation and Access Program (CoPPCAP)	4,400,000	S.B. 22-147	December 30, 2024	Unknown

¹ Funding that is rolled-forward beyond the December 31, 2024 obligation deadline will be converted to General Fund through separate action.

H.B. 22-1220, TEACHER STIPENDS (REMOVING BARRIERS TO EDUCATOR PREP): The bill created the student educator stipend program, the educator test stipend program, and a temporary educator loan forgiveness program. The student educator stipend program awards funds to eligible students to reduce the financial barriers of participating in required clinical practice as a student educator. Students placed in a 16-week academic residency may receive a stipend of \$11,000, and an eligible student placed in a 32-week academic residency may receive a stipend of \$22,000. The educator test stipend awards funds to approved programs of preparation to reduce financial barriers for eligible students preparing for the assessment of professional competencies for licensure and each required endorsement area. The temporary loan forgiveness program exists to pay the qualified loans of an educator who is hired for a hard-to-staff educator position. Roll forward authority is being requested specifically for the stipends portion of the bill.

According to the Department, in FY 2022-23, approximately 831 students received residency stipends, and 748 students received test stipends. To be eligible, a student must be enrolled in an approved program of preparation and be eligible for financial assistance based on family contribution limitations.² To date, approximately \$17 million in residency stipend funds have been awarded, and \$1.0 million has been awarded for completion of licensure requirement. Recipients' responses to survey suggest the program has been successful in reducing the burden on students who are pursuing a teaching career.

Staff Recommendation: **Staff recommends roll forward authority of any unexpended balances for the Removing Barriers to Educator Prep, Teacher Stipends program.** The Department anticipates it will fully expend the funds by June 2025.

S.B. 22-181, BEHAVIORAL HEALTH WORKFORCE CREDENTIAL PATHWAYS: In a bill packaged with a larger set of objectives and appropriations regarding behavioral health, the Department of Higher Education was appropriated funds which would flow to the Community College and Occupational Education Systems to create, enhance, and promote behavioral health-care educational programs in the state with the aim of growing the behavioral health workforce. The Department received \$15,193,018 from the behavioral and mental health cash fund created with ARPA funds, \$15.0 million of which was to be allocated to the state board for community colleges and occupational education state system community colleges.

The authorizing legislation outlines a large-scale systems transformation workforce development initiative which the Colorado Community College System (CCCS) indicates has required significant time for planning and development. Because of the extensive collaboration with external stakeholders and moving parts, implementation and expenditure of the funds has been slow to start. In 2023, CCCS focused primarily on program research, design, and finalization of stackable trainings, micro-credentialing, curriculum, and hiring to support implementation of the plans. Foundations have been laid for implementation and steps have been taken towards internal and external communication. Future plans include adjustments to the programs to streamline timelines and trainings for advancement within behavioral healthcare pathways. The CCCS anticipates submitting a Bachelor of Applied Science in Behavioral Health program in Fall 2025. Extension of the funding is needed to fully implement the behavioral health workforce pathways developed as a result of extensive collaboration and planning.

Staff Recommendation: **Staff recommends roll forward authority of any unexpended balances for the Behavioral Health Workforce Credential Pathways program.** Having completed the planning and development process, the CCCS anticipates it can expend the funds by the timeline originally set out in statute, December 31, 2026.

² The student's expected family contribution does not exceed three hundred percent of the maximum federal Pell-eligible expected family contribution.

S.B. 22-147 COLORADO PEDIATRIC PSYCHIATRY CONSULTATION AND ACCESS PROGRAM (CoPPCAP): This program supports primary care providers and school-based health centers in the identification and treatment of pediatric behavioral health conditions through peer-to-peer consultations between providers and integrated behavioral health clinicians. It expands coverage of the existing Colorado Pediatric Psychiatry Consultation & Access Program at the University of Colorado by 33% through expanded call center capacity and hiring staff to travel across Colorado in support of rural areas. According to the Governor's office, the program reports expenditures of \$185,931 as of December 31, 2023.

Roll forward authority is requested to expend the remaining \$4.4 million which would include hiring positions critical to the success of the program. Additionally, the program planned to launch new educational programs, marketing initiatives, and travel in the current year, 2024. Statute requires the program to obligate funds no later than December 31, 2024, and to expend the funds by December 31, 2026.

Staff Recommendation: **Staff recommends roll forward authority of any unexpended balances for the Colorado Pediatric Psychiatry Consultation and Access Program (CoPPCAP).** As the program seems to be ramping up to full steam currently, the program has laid plans to fully expend the appropriation within the timeline laid out in statute.

REDUCTIONS TO ARPA APPROPRIATIONS FOR DEPARTMENT OF HIGHER EDUCATION:

Appendix 3 to the Governor's January 2, 2024, letter proposes that the following programs for which there is ARPA funds spending authority in FY 2023-24 or future years should have their funding redirected to other uses. Staff is bringing these items to the Committee so that the Committee can decide whether to reduce appropriations or transfers in these amounts.

PROJECT NAME	REDUCTION AMOUNT	BILL
Colorado Opportunity Scholarship- Finish What you Started	\$5,647,030	H.B. 21-1330
COSI Back to Work	\$663,719	S.B. 21-232

H.B. 21-1330, COSI FINISH WHAT YOU STARTED: The bill allocates funding to public institutions of higher education for the purpose of providing financial assistance and support services to students who have some postsecondary credits but stopped attending before obtaining a credential, and to first-time students who were admitted to an institution for the 2019-20 or 2020-21 academic year but did not enroll for the 2020-21 academic year. The assistance was designed to decrease student debt and increase student enrollment, retention, and completion of credentials. The program was slightly modified in S.B. 22-192. The Department indicates that it identified the funds as available for recapture as part of a review of expenditure plans. The legislation repeals this distribution of federal money July 1, 2026.

Staff Recommendation: **Staff does not recommend the proposed reduction of \$5,647,030 and instead recommends a reduction of \$699,719, related to institutions that have chosen not to participate.** This includes \$521,426 for the allocation initially provided to the Colorado School of Mines and \$178,293 for the allocation originally provided to Colorado Northwestern Community College. Furthermore, staff recommends that the Committee consider proactive action to reduce the restrictions on the use of funds to be expended in FY 2024-25 and FY 2025-26. Specifically, **staff suggests adding language to statute, potentially through the omnibus "ARPA swap" bill to clarify that the use of funds does not need to**

comply with federal uses of Coronavirus State and Local Fiscal Recovery Funds or other restrictions related to the use of federal funds effective July 1, 2024.³

Background - Statute: H.B. 21-1330, codified at Section 23-3.3-1006, C.R.S., allocated \$49,000,000 in ARPA funds for this program, which was dubbed “Finish What You Started”. The program prioritizes individuals who experienced an economic loss due to the pandemic, undergraduates, and in-state students who:

- Earned some postsecondary credits from a public or private higher education institution but did not complete a credential requiring thirty credits or more before deciding not to enroll for two or more consecutive semesters or
- Were admitted to a public institution of higher education as a first-time student for the 2019-2020 or 2020-2021 academic year but did not enroll at any institution for the 2020-2021 academic year.

The statute required the COSI Advisory Board to allocate the funds appropriated following a specific allocation formula.

- 50% based on each institution’s headcount enrollment for the 2019-2020 academic year of undergraduate, in-state students whose expected family contribution did not exceed 250% of Pell-eligibility.
- 50% based on each institution’s full-time equivalent enrollment for the 2019-2020 academic year of undergraduate, in-state students whose expected family contribution did not exceed 250% of Pell eligibility.

The board utilized \$46.55 million for institutions and \$2.45 million for program administration. In 2022-23, 30 public institutions of higher education participated in the program. Colorado School of Mines elected not to participate in the program.

Institutions were required to submit student assistance plans about their use of the funds as part of their application to the COSI board and each year through the end of the grant term. These plans must be approved by the COSI board. The bill required that institutions use more funds for direct financial support than indirect student support services and describe their goals for increasing eligible student enrollment, persistence, completion, and reduce student loan debt. The bill indicated the funds would be allocated over two years, FY 2021-22 and FY 2022-23, though there was the potential for the funds to be expended over a longer time period.

Implementation Challenges:

- According to Department staff, *at the time of application for the program when it started*, the 31 institutions of higher education submitted projections of students to be served and completions for their individual grant terms. Combined, the number of students anticipated to be served was approximately 13,959, and completions were projected to be 8,801.
- According to the program’s annual report, *as of June 2023*, two years after the program’s enactment and **40% of the way through the five years allowed for the program**, a cumulative total of 3,559

³ As described below, staff does not believe that current state statute requires the program to be implemented in a manner as restrictive as has been applied. However, this is the way the Executive Branch has implemented it, and there seems to be agreement that some statutory clarification would therefore be helpful if the General Assembly wants a change.

students had been served (**24.1 percent of the original goal**), and 732 credentials completed (**8.3 percent of the original goal**).⁴

In response to staff questions, **COSI staff attributed the slow spend-rate for the program in part to disruptions caused by changes in federal rules and how these rules were implemented at the state level.** When the program was initially envisioned and launched during the 2021 legislative session, the Department of Higher Education expected that the funds would be spent and managed much like state allocations of General Fund, leaving considerable flexibility in the hands of the individual institutions. However, in response to new federal rules and direction from the Governor’s Office and the Controller, the program subsequently added various administrative hoops.

After the federal government issued its final rule for Coronavirus State and Local Fiscal Recovery Funds on January 27, 2022 (effective April 1, 2022), the Executive Branch determined that the program would be held closely to the requirement that the funds should be used “to respond to the public health emergency or its negative economic consequences” and, associated with this, **imposed additional requirements beyond those specified in the bill itself. In particular, institutions were required to collect information from each participant to demonstrate that he/she qualified on the basis of economic need, as demonstrated by the federal or state need-based aid application (FAFSA or CASFA) or were economically impacted by the pandemic. This was in addition to the original statutory requirements** that participants have some college but no degree or have been accepted but not enrolled for FY 2020-21. CDHE first notified program participants of the new program requirements on February 27, 2023.

This was one of multiple issues, but seems to have added substantial bureaucracy. As reflected in the December 2023 report on the program:

- The final federal rules continued to have impacts into 2022-2023, and the economically impacted definition required that institutions re-verify the eligibility of all participants.
- Changes in reporting requirements in 2022-2023 created an additional workload for institutions already experiencing programming challenges.”⁵

This report also noted the following issues diving slow uptake and implementation:

- “...an unintended consequence [of the multiple new financial aid programs approved by the General Assembly] is that it has created a competing candidate pool of eligible recipients through multiple programs. In addition, it has created an undue burden on institutions of higher education (particularly their financial aid staff), who are responsible for strategically braiding the funding streams without duplicating benefits or services.
- Institutions continued to encounter challenges in securing and maintaining staff. Fourteen of the 30 Finish What You Started programs were impacted by staffing changes....”⁶

⁴ Colorado Department of Higher Education, Finish What you Started Legislative Report, 2023, https://higher.ed.colorado.gov/publications/Reports/Legislative/1330/CDHE_FWYS_Legislative_Report_2022-2023_Final.pdf

⁵ Ibid.

⁶ Ibid.

Will the Programs Spend the Funds?

- JBC Staff understands that OSPB's proposed cut of \$5,647,030 for the program is based on the rate of spending for each of the institutions thus far. Because funds cannot be reallocated (based on formula allocations in the bill), OSPB has been concerned about reversions.
- In hearing responses submitted January 2024, the institutions all asserted that they would fully expend their funds. As described in COSI's December 2023 report for the program, four of the 30 programs expected to close out at the end of FY 2023-24, 13 expected to close out in FY 2024-25, and 13 in FY 2025-26, when the program ends.
- Staff asked COSI staff to speculate how program operations would change if statute were clarified to specify that the program does not need to comply with restrictions related to the use of federal funds, effective July 1, 2024. The Department responded that:
"The program would continue to follow the student eligibility as outlined in statute, but the limitation of the SLFRF economic impact eligibility would no longer affect the program, and we anticipate an increase in the number of students eligible to participate.
Increasing the number of eligible students will, in turn, increase financial and programmatic spending with the expectation that the full \$46.55M of institutional funds will be spent." [Emphasis added]

General Observations

JBC Staff notes that the program's overall performance thus far has been disappointing, in terms of numbers of students served and credentials produced. This generally poor performance could be used as a rationale for cutting the program, if the General Assembly wishes to reallocate funds. **On the other hand, the goal of the program—helping students with some credits but no degree to complete--is something that the Executive and Legislative Branches have repeatedly highlighted as a problem the State should address.** Given this, the staff recommendation is to maintain most of the funding while encouraging the Executive Branch to eliminate some of the restrictions and bureaucracy that have plagued the program thus far.

H.B. 21-232, COSI BACK TO WORK: This bill appropriated \$15.0 million from the Workers, Employers, and Workforce Centers Cash Fund (ARPA funds) for the Displaced Workers Grant program. The program was codified in H.B. 22-1192, and the appropriation that remained at the end of FY 2020-21 (\$13,050,000) was appropriated through the end of FY 2023-24, when the statutory authority also repeals. This program supports Coloradans displaced by the pandemic, including those laid off or furloughed, experienced decreased earnings, had job offers rescinded, or were unable to enter the workforce because of negative economic conditions. The Department indicated in a response to hearing questions that it does not anticipate obligating the remaining funding by December 31, 2024. Additionally, the Department indicates that these funds go primarily to foundations and nonprofits.

Staff Recommendation: **Staff recommends the proposed reduction of \$663,719 ARPA funds.** The Department indicates that this reflects cash currently in hand that is not in contracts/being used by programs for students. The program first received funding in the middle of FY 2020-21 and repeals effective July 1, 2024. The General Assembly did not intend to continue the program beyond FY 2023-24. The goal of the program was to help individuals who had lost their job due to the pandemic; ultimately, employment rebounded far more quickly after 2020 than anyone had anticipated. If funding is projected to revert at the end of FY 2023-24, it is reasonable to reduce the appropriation for this program now to help ensure that ARPA funds are fully utilized before the federal deadline.

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The Governor has proposed that the savings from the reductions above be redirected to other specific purposes.⁷ Potential alternative uses are not addressed in this write-up.

⁷ January 2, 2024, budget request letter, Attachment 3, pages 3 and 4
<https://drive.google.com/file/d/1Gq-oEW1445vrME8q0dM-s2TY71RUm2Ha/view>

MEMORANDUM



JOINT BUDGET COMMITTEE

TO Members of the Joint Budget Committee
FROM Emily Hansen, JBC Staff (303-866-4961)
DATE February 2, 2024
SUBJECT Supplemental ARPA Requests for the Department of Human Services

BACKGROUND – SUPPLEMENTAL CHANGES TO ARPA APPROPRIATIONS

Colorado received \$3.8 billion in federal Coronavirus State and Local Fiscal Recovery Funds from the American Rescue Plan Act of 2021 (ARPA funds) that under federal law must be obligated by December 31, 2024 and expended by December 31, 2026. The Governor's Office has proposed multiple budget changes in the 2024 legislative session, including requests to roll-forward and/or reduce spending authority for some ARPA programs.¹ This memo discusses components of the request that relate to the Department of Human Services.

JBC common policy is to approve roll-forward requests when statutory provisions reflect legislative intent to extend a program past the existing appropriation deadline. Staff may recommend exceptions. All other requests for roll-forwards and reductions to existing ARPA appropriations will be considered on a case-by-case basis.

EXPENDITURE AND REQUEST SUMMARY BY BILL

BILL	APPROPRIATION*	EXPENDED	ENCUMBERED	ROLL FORWARD	REDUCTION	REMAINDER**
SB 22-148	\$5,000,000	\$0	\$0	\$5,000,000	\$0	\$0
SB 22-177	12,200,000	31,730	0	12,200,000	0	(31,730)
SB 22-181	36,806,984	532,535	2,632,610	32,249,839	1,719,334	2,305,276
SB 22-183	4,750,000	232,556	625,821	Withdrawn	495,000	4,022,444
SB 22-196	50,700,000	126,798	24,677,942	31,913,485	0	18,659,717
HB 22-1243	6,000,000	5,513,936	425,671	0	480,000	6,064
HB 22-1281	90,000,000	323,241	52,765,082	56,800,000	0	32,876,759
HB 22-1283	54,667,949	1,241,718	7,723,299	34,097,884	7,800,000	11,528,347
HB 33-1303	57,844,419	684,350	6,323,329	32,267,122	22,299,160	2,593,787
HB 22-1326	3,000,000	116,960	2,838,040	1,400,000	0	1,483,040
HB 22-1329	2,341,663	0	0	0	2,341,663	0
TOTAL	\$323,311,015	\$8,803,825	\$98,011,795	\$205,928,330	\$35,135,157	\$73,443,703

*Appropriations only reflect amounts for BHA and DHS.

**Remainder reflects appropriation less expenditures, roll-forward, and reductions. Encumbrances may or may not overlap with roll-forward requests and account for the remainder.

Expenditures and encumbrances provided in the table reflect Executive Branch reports as of September 30, 2023. Actual expenditures and encumbrances have changed since that time. The Executive Branch is preparing updated data as of December 31, 2023 to be reported in February. The Committee could consider whether the requested roll-forward amounts should be adjusted from the January request to reflect more up to date data once it is available.

¹ Funding that is rolled-forward beyond the December 31, 2024 obligation deadline will be converted to General Fund through separate action.

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The request addresses all behavioral health ARPA legislation from the 2022 Legislative Session except for H.B. 22-1386, which supported private hospital inpatient competency restoration beds and is expected to be fully expended by the end of the current fiscal year. The request does not include any legislation from 2021, which the Department prioritized spending before 2022 legislation and is therefore assumed to be fully expended without additional roll-forward authority. ARPA legislation in the Department of Human Services not included in the request is provided in the table below.

DHS ONE-TIME ARPA LEGISLATION NOT INCLUDED IN THE REQUEST				
BILL	APPROPRIATION	EXPENDED	ENCUMBERED	REMAINDER
SB 21-027 Emergency family supplies	\$5,000,000	\$4,674,692	\$0	\$325,308
SB 22-137 BH Recovery	90,050,000	44,436,086	14,550,000	31,063,914
SB 21-292 Victim's services	4,750,000	556,370	343,901	3,849,729
HB 22-1259 CO Works	25,000,000	5,513,936	2,291,318	17,194,746
HB 22-1380 Critical services low income households	6,000,000	116,960	0	5,883,040
HB 22-1386 Competency contract beds	29,362,828	16,501,348	12,719,480	142,000
HB 23-1153 BH Pathways	140,000	0	0	140,000
TOTAL	\$160,302,828	\$71,799,392	\$29,904,699	\$58,598,737

ROLL-FORWARD REQUESTS FOR THE DEPARTMENT OF HUMAN SERVICES

Statewide Supplemental Request S1 includes roll-forward for ten bills and 21 individual projects with ARPA appropriations to the Department of Human Services, including the Behavioral Health Administration (BHA) as detailed in the table below. For federal compliance, the Executive Branch tracks spending by project rather than bill or appropriation, and many appropriations clauses support multiple projects. Staff has worked with the Executive Branch to refine and adjust amounts provided in the original S1 request, and recommends approval of the updated request to allow the BHA and DHS to honor existing contracts for grants and capital projects.

DHS S1 STATEWIDE ROLL-FORWARD REQUEST BY PROJECT						
	PROJECT NAME	S1 REQUEST	UPDATED REQUEST	BILL	CURRENT DEADLINE	REQUESTED DEADLINE
BHA	Colorado Land-Based Tribe Behavioral Health Services Grant Program	\$5,000,000	\$5,000,000	SB 22-148	Dec. 30, 2024	Dec. 31, 2026
BHA	Round 2: Care Coordination Infrastructure	12,200,000	12,200,000	SB 22-177	Dec. 30, 2024	Dec. 31, 2026
BHA	Behavioral Health Care Workforce: Innovative Recruitment Strategies & Retention Grants	3,300,000	3,300,000	SB 22-181	Dec. 30, 2024	Dec. 31, 2026
BHA	Behavioral Health Care Workforce: Learning Academy	4,860,000	4,856,674	SB 22-181	Dec. 30, 2024	Dec. 31, 2026
BHA	Behavioral Health Care Workforce: Behavioral Health Aide	1,800,000	1,796,130	SB 22-181	Dec. 30, 2024	Dec. 31, 2026
BHA	Behavioral Health Care Workforce: Peer Support Professionals	5,930,000	5,928,337	SB 22-181	Dec. 30, 2024	Dec. 31, 2026
BHA	Behavioral Health Care Workforce: Workforce Expansion	16,400,000	16,368,697	SB 22-181	Dec. 30, 2024	Dec. 31, 2026
BHA	Criminal Justice Intervention Detection & Redirection Grant Program	32,000,000	31,913,485	SB 22-196	Dec. 30, 2024	Dec. 31, 2026

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DHS S1 STATEWIDE ROLL-FORWARD REQUEST BY PROJECT						
	PROJECT NAME	S1 REQUEST	UPDATED REQUEST	BILL	CURRENT DEADLINE	REQUESTED DEADLINE
BHA	Behavioral Health Continuum Gap Community Investment Grants	21,100,000	21,100,000	HB 22-1281	Dec. 30, 2024	Dec. 31, 2026
BHA	Children Youth and Family Behavioral Services Grants	25,200,000	\$25,200,000	HB 22-1281	Dec. 30, 2024	Dec. 31, 2026
BHA	Substance Use Workforce Stability Grant Program	10,500,000	10,500,000	HB 22-1281	Dec. 30, 2024	Dec. 31, 2026
BHA	Residential Substance Use Treatment Beds for Children and Youth	2,200,000	2,200,000	HB 22-1283	Dec. 30, 2024	June 30, 2026
BHA	Round 2: Crisis System for Colorado Residents	1,200,000	1,200,000	HB 22-1283	Dec. 30, 2024	Dec. 31, 2026
BHA	Fentanyl Accountability And Prevention, Technical Assistance to Jails For Medication Assisted Treatment	1,400,000	1,400,000	HB 22-1326	Dec. 30, 2024	Dec. 31, 2026
<i>BHA Subtotal</i>		<i>\$143,090,000</i>	<i>\$142,963,323</i>			
DHS	Round 2: Additional Funding to Anti-Domestic Violence Organizations	\$1,489,788	\$0	SB 22-183	None	Dec. 31, 2024
DHS	Crime Victims Services, Round Two Flexible Financial Assistance for Survivors of Domestic Violence	3,623,098	0	SB 22-183	None	Dec. 31, 2024
DHS	Accessible, Culturally Responsive, and Trauma-Informed (ARCTI) Training	260,000	0	SB 22-183	None	Dec. 31, 2024
DHS	Youth And Family Behavioral Health Care, Neuro-Psych Facility at Fort Logan	31,400,000	30,697,884	HB 22-1283	Dec. 30, 2024	Dec. 31, 2026
DHS	Mental Health Transitional Living Homes Operations	22,700,000	11,185,761	HB 22-1303	Dec. 30, 2024	Dec. 31, 2026
DHS	Increase Residential Behavioral Health Beds, Behavioral Health Beds-Fort Logan	11,800,000	11,800,000	HB 22-1303	Dec. 30, 2024	Dec. 31, 2026
DHS	Increase Residential Behavioral Health Beds, Increase Residential Behavioral Health Beds-State Facilities	9,400,000	9,281,361	HB 22-1303	Dec. 30, 2024	Dec. 31, 2026
<i>DHS Subtotal</i>		<i>\$80,672,886</i>	<i>\$62,965,006</i>			
TOTAL		\$223,762,886	\$205,928,329			

While there are some exceptions discussed in the following sections by bill, many of the original bills included the following elements:

- 1 Statutory repeal dates for the program in 2026 or 2027.
- 2 A statutory clause that states funds must be expended or obligated by December 30, 2024, and any funds not spent by 2024 must be spent by December 30, 2026.
- 3 Appropriations clauses with spending authority through December 30, 2024, which assumed that ARPA funds had to be spent by 2024.
- 4 A fiscal note that assumes expenditures would end by 2024, or continue with General Fund beginning in FY 2024-25.

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In many cases, the Department interprets the repeal date as legislative intent that the programs were expected to continue spending through 2026 and the spending authority through 2024 provided in the appropriations clause is a technical error. The Department has also prioritized spending direct federal awards and state bills that included earlier spending deadlines first, assuming the programs included in the roll-forward request could spend through 2026. Staff does not agree that the original spending authority was a technical error, but instead reflects the assumption of non-partisan staff that funds would need to be expended by 2024.

JBC common policy is to approve roll-forward requests when statutory provisions reflect legislative intent to extend a program past the existing appropriation deadline. Staff has evaluated legislative intent based on existing statutory repeal dates, spending authority in existing appropriations clauses, and the out-year impacts outlined in the final fiscal note for the bill. Staff's understanding of general legislative intent is that programs were expected to spend quickly both to directly address the impacts of COVID-19, as well as to adhere to federal spending timelines. In most cases, grant awards have been made in the full amount of the appropriation and two years of additional spending authority are required to allow awardees to spend those funds.

If roll-forward authority is not approved, grant awardees and ongoing capital projects would only have until the end of the fiscal or calendar year to spend and any unexpended funds would revert without additional legislative action. Importantly, all expenditures after FY 2023-24 are expected to be swapped with one-time General Fund to continue the programs through 2026 while still adhering to federal spending timelines for ARPA funds. The specifics of each bill are discussed below.

[S.B. 22-148 \(COLORADO LAND-BASED TRIBE BEHAVIORAL HEALTH SERVICES GRANT PROGRAM\)](#)

BHA S.B. 22-148 (LAND-BASED TRIBE BEHAVIORAL HEALTH GRANT)						
PROJECT	APPROPRIATION	EXPENDITURE	ENCUMBERED	ROLL FORWARD	REDUCTION	REMAINDER
Behavioral health services grant	\$5,000,000	\$0	\$0	\$5,000,000	\$0	\$0

Statutory Authority: Section 27-60-114, C.R.S.

Repeal Date: July 1, 2027

Existing Spending Authority: December 30, 2024

Requested Roll-forward: December 31, 2026

Fiscal note assumes ongoing General Fund: No

Discussion: The bill includes an appropriation of \$5.0 million from the Behavioral and Mental Health Cash Fund to the BHA for the Colorado Land-Based Tribes Grant Program. The program was intended to support capital expenditures for the renovation or building of a behavioral health facility. The request indicates that the grant supports substance use treatment, but that is not the specified purpose of the bill.

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The bill states that the Department must distribute funds to grant recipients within thirty days of making an award, and no later than December 30, 2024. The grant recipient is required to spend or obligate all money awarded by December 31, 2024, and any money not spent by that date must be spent by December 31, 2026.

The BHA indicates that there has been extensive discussion with the Southern Ute and Mountain Ute tribes to develop a 20 bed facility called Healing Village intended to be accessible to both tribes. An award of the full \$5.0 million has been made to the Southern Ute tribe, but final contract execution has been delayed as the BHA continues to collaborate with the tribes on the project scope and use of funds. The contract is currently out for signature and funds will be encumbered once signed, expected in Q3 of FY 2023-24. Therefore, roll-forward authority is required to allow expenditure of those funds by the grant awardee beyond FY 2023-24.

Recommendation: Staff recommends approval of the request so that the BHA can honor existing contracts and funds can be distributed to the tribes as intended by the General Assembly. The fiscal note did not anticipate costs beyond FY 2023-24, but the request aligns with the statutory repeal date for the program.

[S.B. 22-177 \(INVESTMENTS IN CARE COORDINATION INFRASTRUCTURE\)](#)

BHA S.B. 22-177 (CARE COORDINATION INFRASTRUCTURE)						
PROJECT	APPROPRIATION	EXPENDITURE	ENCUMBERED	ROLL FORWARD	REDUCTION	REDUCTION
Care coordination infrastructure	\$12,200,000	\$31,730	\$0	\$12,200,000	\$0	(31,730)

Statutory Authority: Section 27-60-204, C.R.S.

Repeal Date: None

Existing Spending Authority: December 30, 2024

Requested Roll-forward: December 31, 2026

Fiscal note assumes ongoing General Fund: Yes, for administrative costs only.

Discussion: The bill includes an appropriation of \$12.2 million from the Behavioral and Mental Health Cash Fund to the BHA, of which \$30,730 is expended and no additional amount is encumbered. The bill requires that the BHA work with the Department of Health Care Policy and Financing (HCPF) to develop a cloud-based care coordination system no later than July 1, 2024. The BHA states that they prioritized spending of SB 21-137, which had an earlier spend deadline of June 2024, compared to the December 2024 deadline in SB 22-177.

The BHA indicates that the deadlines in the bill do not align with the timeline of implementing Behavioral Health Administration Service Organizations (BHASOs). Without roll-forward authority, the BHA will not be able to onboard BHASOs to the care coordination system. The BHA indicates that they have established an OwnPath Care Directory using SB 21-137 funds, and are utilizing an

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agile technology approach to continue to build out the care coordination project based on provider feedback with funding from S.B. 22-177.

The fiscal note assumed that \$5.8 million would be spent in FY 2022-23 and FY 2023-24 to develop the care coordination system, and \$330,000 in ongoing General Fund would be required for 3.0 FTE to support the system beginning in FY 2024-25.

Recommendation: There is no repeal date associated with the legislation, but the fiscal note outlines a defined project timeline ending in FY 2023-24. Staff finds that this demonstrates legislative intent for ARPA funds to be fully expended by 2024, but extending the program does not appear to be in conflict with existing statutory authority. To the extent that funding is available, staff finds that approving roll-forward authority more closely aligns with legislative intent than denying the request and determining a new purpose for those funds. Further, it is not unusual for the Committee, JTC, and the General Assembly to consider extended spending timelines for capital and IT capital projects. Staff therefore recommends approval of the request.

[S.B. 22-181 \(BEHAVIORAL HEALTHCARE WORKFORCE\)](#)

BHA S.B. 22-181 (BEHAVIORAL HEALTHCARE WORKFORCE)						
PROJECT	APPROPRIATION	EXPENDED	ENCUMBERED	ROLL FORWARD	REDUCTION	REMAINDER
Workforce expansion	\$17,786,654	\$140,000	\$2,230,000	\$16,368,697	\$0	\$1,277,957
Peer support	5,928,337	0	0	5,928,337	0	0
Learning academy	4,856,674	0	0	4,856,674	0	0
Retention grants	4,500,000	370,000.00	260,000.00	3,300,000	0	830,000
Aide program	3,735,319	20,000	150,000	1,796,130	1,719,334	199,855
TOTAL	\$36,806,984	\$530,000	\$2,640,000	\$32,249,838	\$1,719,334	\$2,307,812

Statutory Authority: Section 27-60-302, C.R.S.

Repeal Date: **September 1, 2024**

Existing Spending Authority: December 30, 2024

Requested Roll-forward: December 31, 2026

Fiscal note assumes ongoing General Fund: Yes, for administrative costs only.

Discussion: The bill includes a total appropriation of \$72.0 million cash from the Behavioral and Mental Health Cash Fund. Of this amount, \$36.8 million is appropriated to the BHA, while \$20.0 million is appropriated to the Department of Public Health and Environment (CDPHE), and \$15.2 million is appropriated to the Department of Higher Education. The bill provides spending authority through June 30, 2024. For the BHA section, the Executive Branch reports \$532,535 has been expended and \$2.6 million is encumbered. The Office of State Planning and Budgeting has identified \$1.7 million from the bill to be reduced and used for other purposes.

The BHA indicates that 24 grant awards have been issued under the bill, and contracts are currently under negotiation. Without extended spending authority, awardees will only have until the end of the

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current fiscal or calendar year to spend awards. The bill does not include a timeline for expenditures, but all but one section of the appropriations clause is tied to statute that repeals September 1, 2024 (Section 27-60-305, C.R.S.).

Approval of the request will require a statutory change to extend the repeal date of the program. Because the request extends beyond the repeal date, the roll-forward request does not appear to align with legislative intent for the program timeline. However, denying the roll-forward request will limit the time for grant awardees to spend funds and limit services provided to the people of Colorado as intended by the General Assembly. The request overlaps with roll-forward authority that has also been requested for the same bill from the Department of Higher Education.

Recommendation: Staff recommends approval of the request, including statutory change to amend the repeal date to January 1, 2027. This is a deviation from the common policy as staff finds that extension of the program is not aligned with the statutory repeal date. However, approval will allow the BHA to honor existing contracts and deliver services as intended by the General Assembly. Denying the request will provide a shorter spending timeframe for grant awardees, less service time, and potential reallocation of funds to other priorities deviating from original legislative intent.

[S.B. 22-183 \(CRIME VICTIM SERVICES\)](#)

DHS S.B. 22-183 (CRIME VICTIM SERVICES)						
PROJECT	TRANSFER	EXPENDITURE	ENCUMBERED	ROLL FORWARD	REDUCTION	REMAINDER
Anti-domestic violence organizations	\$1,489,788	\$190,000	\$370,000	Withdrawn	0	\$1,299,788
Culturally specific community orgs	495,000	0	0	0	495,000	0
Crime victims services	3,623,098	10,000.00	30,000.00	Withdrawn	0	3,613,098
Culturally responsive trauma-informed training	392,114	30,000	230,000	Withdrawn	0	362,114
TOTAL	\$6,000,000	\$230,000	\$630,000	\$0	\$495,000	\$5,275,000

Statutory Authority: Section 26-7.5-105, C.R.S.

Repeal Date: July 1, 2027

Existing Spending Authority: Continuously appropriated.

Requested Roll-forward: Withdrawn.

Fiscal note assumes ongoing General Fund: Yes, for administrative costs only.

Discussion: The bill includes a \$6.0 million transfer to a continuously appropriated cash fund. The Executive Branch submitted a roll-forward request related to this transfer, but JBC Staff and Executive Branch staff agree that roll-forward authority is not necessary since the transfer is to a continuously appropriated cash fund and therefore has no spending timeline limitations. The Executive Branch has therefore withdrawn the roll-forward request, but maintains a reduction request discussed later in the document.

FEB 2, 2024

The Department has prioritized spending direct federal awards related to domestic violence victim support services with earlier spending deadlines, but is not concerned about their ability to spend the appropriation by 2026. The Department is concerned about a potential cliff affect that domestic violence programs may experience once one-time funding ends.

S.B. 22-196 (HEALTH NEEDS OF PERSONS IN CRIMINAL JUSTICE)

BHA S.B. 22-196 (HEALTH NEEDS OF PERSONS IN CRIMINAL JUSTICE)						
PROJECT	APPROPRIATION	EXPENDITURE	ENCUMBERED	ROLL FORWARD	REDUCTION	REMAINDER
Intervention detection and redirection grant	\$50,700,000	\$126,798	\$24,677,942	\$31,913,485	\$0	\$18,659,717

Statutory Authority: Section 27-60-405, C.R.S.

Repeal Date: January 31, 2027

Existing Spending Authority: December 30, 2024

Requested Roll-forward: December 31, 2026

Fiscal note assumes ongoing General Fund: Yes, for administrative costs only.

Discussion: The bill includes an appropriation of \$61.4 million to six departments, including \$50.7 million from the Behavioral and Mental Health Cash Fund to the BHA to create the Early Intervention, Deflection, and Redirection from the Criminal Justice System Grant Program. The program can support a wide range of purposes, including pre-arrest diversion, post-arrest treatment, and capital projects. Executive Branch reports indicate that \$126,798 has been expended, and \$24.7 million has been encumbered. The program repeals in January 2027, and the BHA was required to begin accepting applications no later than December 31, 2022. The fiscal note assumed General Fund for 6.0 FTE to support the program from FY 2024-25 through FY 2026-27.

The BHA indicates that all funds have been awarded to 29 subrecipients with 28 contracts fully executed as of December 2023. The Department allocated \$35.2 million for expenditure by the grant recipients in FY 2023-24, and \$14.4 million in FY 2024-25. This aligns with the Department's understanding of the statute that the program is authorized to continue through January 2027, but does not align with their existing spending authority that ends December 30, 2024. The Executive Branch also submitted a request on January 30, 2024 to grant roll-forward authority for the Public Safety appropriation in the bill.

Recommendation: Staff recommends approval of the request so that the BHA can honor existing contracts with grant awardees. Staff finds that approval of the request does not conflict with the statutory repeal date for the program.

FEB 2, 2024

[H.B. 22-1281 \(BEHAVIORAL HEALTH CONTINUUM GAP GRANT\)](#)

BHA H.B. 22-1281 (BEHAVIORAL HEALTH CONTINUUM GAP GRANT)						
PROJECT	APPROPRIATION	EXPENDITURE	ENCUMBERED	ROLL FORWARD	REDUCTION	REMAINDER
Children and youth grants	\$40,000,000	\$60,000	\$25,370,000	\$25,200,000	\$0	\$14,740,000
Community investment grants	35,000,000	230,000	23,000,000	21,100,000	0	13,670,000
Substance use workforce grant	15,000,000	30,000	4,400,000	10,500,000	0	4,470,000
TOTAL	\$90,000,000	\$320,000	\$52,770,000	\$56,800,000	\$0	\$32,880,000

Statutory Authority: Section 27-60-505, C.R.S.Repeal Date: January 31, 2027Existing Spending Authority: December 30, 2024Requested Roll-forward: December 31, 2026Fiscal note assumes ongoing General Fund: Yes, for administrative costs only.

Discussion: The bill created the Behavioral Health Continuum Gap Grant in the BHA that repeals January 31, 2027, and required an appropriation of \$90.0 million to the BHA. The BHA was required to solicit stakeholder feedback from demographically and geographically diverse groups, and begin accepting grant applications in December 2022. The bill included three grant categories.

Community Investment Grants

Community-based organizations, local governments, tribes, and non-profits were eligible to apply to support evidence-based services along the behavioral health continuum including prevention, treatment, crisis, training, housing, and recovery. The BHA indicates that funds have been fully awarded to 33 organizations with all contracts executed by November 2023. A total of \$27.0 million was awarded for FY 2023-24, and \$8.0 million for FY 2024-25.

Children and Youth Grants

Children and youth grants have similar criteria to community investment grants, but services must be directed at children, youth, and families. Funds have been fully awarded to 33 organizations in November 2023. A total of \$29.7 million was awarded for FY 2023-24, and \$10.3 million for FY 2024-25.

Substance Use Workforce Grants

Providers and local governments were eligible for substance use workforce grants to support direct care staff. Funds have been fully awarded to 15 organizations in November 2023. A total of \$9.5 million was awarded for FY 2023-24 and \$3.6 million for FY 2024-25.

The Governor's November 1 Letter also indicates a legislative placeholder of \$8.0 million General Fund in FY 2024-25 to support an additional project under the program.

FEB 2, 2024

Recommendation: Staff recommends approval of the request so that the BHA can honor existing contracts with grant awardees. Staff finds that approval of the request does not conflict with the statutory repeal date for the program.

[H.B. 22-1283 \(YOUTH AND FAMILY BEHAVIORAL HEALTH CARE\)](#)

BHA/DHS H.B. 22-1283 (YOUTH AND FAMILY BEHAVIORAL HEALTHCARE)						
PROJECT	APPROPRIATION	EXPENDITURE	ENCUMBERED	ROLL FORWARD	REDUCTION	REMAINDER
Fort Logan youth neuro-psych unit	\$35,539,926	\$350,000	\$1,500,000	\$30,697,884	\$0	\$4,492,042
In-home youth respite care	11,628,023	70,000	0	0	7,800,000	3,758,023
Residential youth substance treatment	5,000,000	830,000	4,170,000	2,200,000	0	1,970,000
Crisis system	2,500,000	0	2,050,000	1,200,000	0	1,300,000
TOTAL	\$54,667,949	\$1,250,000	\$7,720,000	\$34,097,884	\$7,800,000	\$11,520,065

Statutory Authority: Section 26-5-117, C.R.S. [Out-of-home youth placement], Section 27-60-103, C.R.S. [Crisis System], Section 27-80-127, C.R.S. [Youth residential substance treatment], 27-90-112, C.R.S. [Youth neuro-psych].

Repeal Date: July 1, 2028, None.

Sections related to one-time funding repeal September 2027, there is not otherwise a repeal date associated with the youth neuro-psych unit.

Existing Spending Authority: December 30, 2024

Requested Roll-forward: June 30, 2026 and December 31, 2026

Fiscal note assumes ongoing General Fund: Yes, for ongoing staffing costs for new facilities.

Discussion: The bill included a total appropriation of \$54.7 million from the Behavioral and Mental Health Cash Fund to the Department of Human Services with spending authority through December 30, 2024. Appropriations included \$11.6 million for child welfare residential programs, \$5.0 million to the BHA for adolescent substance use residential treatment beds, \$2.5 million to the BHA for crisis response services, \$35.0 million for capital construction to construct a new youth neuro-psych unit at Fort Logan. Executive Branch reports indicate that \$1.2 million has been expended and \$5.6 million has been encumbered.

Fort Logan Neuro-Psych

The bill includes a \$35.0 million capital construction appropriation to build a new youth neuro-psych unit at Fort Logan. The fiscal note assumes capital construction costs will be supported with ARPA funds through FY 2023-24, and staffing costs for the new unit will begin in FY 2024-25 supported with General Fund. The Department indicates that the new unit is still in the design phase but anticipates that the unit will open in the summer of 2025. Project requires an extended spending timeline, but is expected to remain within budget at this time. The Department has requested the General Fund annualization for staffing costs as part of the FY 2024-25 budget, but agrees with JBC staff that full year funding is not appropriate based on the phase of the project.

FEB 2, 2024

In-home Youth Respite

The bill includes \$11.6 million for in-home youth respite care. The Department indicates that this is a unique service type and they received no responses for service providers after three rounds of RFPs. The fiscal note assumed an annual cost of \$1.6 million from FY 2022-23 through FY 2025-26, with costs after 2024 assumed to be General Fund. The Department has identified the first two years of unspent funds due to failed RFPs for reinvestment, as discussed in a later section of this document. The Department has proactively reached out to providers to identify services through 2026 to utilize the funds identified for roll-forward.

Residential Youth Substance Treatment

The bill includes \$5.0 million for youth substance treatment beds. The fiscal note assumed the appropriation would support 8 to 15 beds, and ongoing costs would be addressed through the budget process. If the BHA intended to spend funds over four fiscal years, the roll-forward request reflects slightly less than two years of expenditures. The Department indicates that 3 beds have been contracted with Denver Health, with capacity to expand to 21 beds for youth experiencing acute withdrawal as needed. Funding has also supported a project at Jefferson Hills that has struggled to be implemented due to understaffing. The BHA indicates that staffing is expected to improve following sign-on bonuses, and 16 beds are expected to open in the Spring of 2024.

Crisis System

The bill includes \$2.5 million for crisis system services. The bill includes language stating that money appropriated for crisis system services must continue statewide access to crisis system services for children and youth until June 30, 2026. The fiscal note assumes that any costs beginning in FY 2024-25 would be a General Fund obligation. The BHA has not requested the General Fund annualization associated with this cost.

House Bill 24-1019 (Crisis Resolution Team Program) has been referred to House Appropriations, and includes an ongoing \$2.5 million General Fund appropriation for the crisis program. The fiscal note indicates that the BHA has communicated that existing ARPA funds will be fully expended by the end of FY 2023-24, and General Fund is necessary to continue the program. This does not align with what the Executive Branch has communicated as part of the roll-forward request to JBC Staff. The fiscal note further indicates that the appropriation required in the bill may be addressed through the budget process. Staff is considering the roll-forward request independent of the legislation, but does not agree with providing both roll-forward and a General Fund appropriation for the same amount in FY 2024-25.

Recommendation: Staff finds that the request is not in conflict with existing statutory authority and recommends approval of the request.

[H.B. 22-1303 \(RESIDENTIAL BEHAVIORAL HEALTH BEDS\)](#)

DHS H.B. 22-1303 (RESIDENTIAL BEHAVIORAL HEALTH BEDS)						
PROJECT	APPROPRIATION	EXPENDITURE	ENCUMBERED	ROLL FORWARD	REDUCTION	REMAINDER
Transitional living homes (contract beds)	\$33,484,921	\$0	\$4,720,000	\$11,185,761	\$22,299,160	\$0
Fort Logan unit	13,933,981	170,000	1,150,000	11,800,000	0	1,963,981
State residential facilities	10,425,517	520,000	450,000	9,281,361	0	624,156

FEB 2, 2024

DHS H.B. 22-1303 (RESIDENTIAL BEHAVIORAL HEALTH BEDS)

PROJECT	APPROPRIATION	EXPENDITURE	ENCUMBERED	ROLL FORWARD	REDUCTION	REMAINDER
TOTAL	\$57,844,419	\$690,000	\$6,320,000	\$32,267,122	\$22,299,160	\$2,588,137

Statutory Authority: Section 27-94-107, C.R.S. [Fort Logan Unit], Section 27-71-103, C.R.S. [Residential Facilities].

Repeal Date: None.

Existing Spending Authority: December 30, 2024

Requested Roll-forward: December 31, 2026

Fiscal note assumes ongoing General Fund: Yes, for ongoing staffing costs for new facilities.

Discussion: The bill includes multiple appropriations to increase residential behavioral health beds managed by the Office of Civil and Forensic Mental Health (OCFMH). The bill includes three projects that are referred to by different names. Some projects are coming in above cost, while others are below the cost estimate that informed the fiscal note.

Fort Logan Unit

The bill includes capital and operating appropriations of \$13.9 million to open a new 16 bed unit at Fort Logan through the renovation of an existing building. This project is also referred to as the Geriatric Wing, or G-Wing. The Department estimates that the project is running \$11.4 million over the appropriation due to unanticipated structural problems with the existing building. The Committee has already approved supplemental action to increase the capital appropriation associated with this project. Beds are expected to serve forensic clients until the competency waitlist declines, at which point the unit may serve civil patients.

Transitional Living Homes

The bill requires that the Departments of Human Services and Health Care Policy and Financing coordinate to establish a minimum of 125 mental health residential beds throughout the state. The bill includes an appropriation of \$33.5 million for the purpose of contracting for beds, and supporting renovations at private facilities. OCFMH indicates that they have managed to exceed the minimum required beds and come in under cost as the need for private facility renovations was not realized. For purposes of cross-referencing, this project is also referred to as “Contract Beds” in Executive Branch reports, and “Residential Beds” in the fiscal note.

The Executive Branch has requested a reduction to account for this difference discussed again later in this document. The General Assembly could choose not to approve the reduction and continue to spend the existing appropriation on additional beds above the required statutory minimum. To not accept the reduction would be a policy decision for the General Assembly, and a balancing decision for the Committee.

FEB 2, 2024

State Residential Beds

The bill includes \$10.4 million to establish a new residential placement type to serve individuals with mental health disorders who do not need the full support of the state hospital, but are in need of a long-term residential setting. Services may include assistance with medication, intensive case management, life skills training, and non-medical transportation. The bill was expected to support 18 beds at existing state properties from closed regional centers. The fiscal note assumed costs would transition to General Fund beginning in FY 2024-25.

Recommendation: Staff finds that the request is not in conflict with existing statutory authority and recommends approval of the request.

H.B. 22-1326 (FENTANYL ACCOUNTABILITY AND PREVENTION)

BHA H.B. 22-1326 (FENTANYL)						
PROJECT	APPROPRIATION	EXPENDITURE	ENCUMBERED	ROLL FORWARD	REDUCTION	REMAINDER
Jail-based behavioral health services	\$3,000,000	\$116,960	\$2,838,040	\$1,400,000	\$0	\$1,483,040

Statutory Authority: Section 27-50-803, C.R.S.

Repeal Date: September 1, 2024; None.

The statutory funding requirement repeals September 2024, statutory authority for the program does not repeal.

Existing Spending Authority: December 30, 2024

Requested Roll-forward: December 31, 2026

Fiscal note assumes ongoing General Fund: No.

Discussion: The bill includes an appropriation of \$14.4 million total funds to the BHA, including \$3.0 million from the Behavioral and Mental Health Cash Fund for jail-based behavioral health services. Executive Branch reports indicate \$116,960 has been expended and \$2.8 million has been encumbered.

The BHA indicates that contracts have been awarded to 34 counties and funds are 99.0 percent encumbered. Funds are being used for DEA licensing requirements, community re-entry services, and staffing, training, and services for medication assisted treatment (MAT). The BHA further indicates that counties are requesting additional time to implement the programs as intended.

Recommendation: Staff recommends approval of the request so that the BHA may honor existing contracts. Staff finds that the roll-forward request does not conflict with existing statutory authority for the program.

FEB 2, 2024

REDUCTIONS TO ARPA APPROPRIATIONS FOR DEPARTMENT OF HUMAN SERVICES

Appendix 3 to the Governor's January 2, 2024, letter proposes that the following programs for which there is ARPA funds spending authority in FY 2023-24 or future years should have their funding redirected to other uses. Staff is bringing these items to the Committee so that the Committee can decide whether to reduce appropriations or transfers in these amounts.

PROJECT NAME	REDUCTION AMOUNT	BILL
Mental Health Transitional Living Homes Capital	\$11,400,000	HB 22-1303
Mental Health Transitional Living Homes Operating	10,879,818	HB 22-1303
Behavioral Health Transitional Living Homes	2,341,663	HB 22-1329
Survivor Capacity at Culturally Specific Community Organizations	495,000	SB 22-183
In-home Residential Respite Care for Foster Youth	7,800,000	HB 22-1283
I Matter Program	480,000	HB 22-1243
Total	\$33,396,481	

The Governor has proposed that the savings from the reductions above be redirected to other specific purposes.² Potential alternative uses are not addressed in this write-up. Some reductions reflect reversions that can be utilized for other purposes. To the extent that the Executive Branch has determined to end or limit spending on these programs, it is in the interest of the General Assembly to determine the prioritized use for these funds. Staff therefore recommends adjusting appropriations to reflect the identified reductions unless the proposed reductions do not align with legislative priorities. Individual bills are discussed below.

H.B. 22-1303 (RESIDENTIAL BEHAVIORAL HEALTH BEDS)

DHS H.B. 22-1303 (RESIDENTIAL BEHAVIORAL HEALTH BEDS)						
PROJECT	APPROPRIATION	EXPENDITURE	ENCUMBERED	ROLL FORWARD	REDUCTION	REMAINDER
Transitional living homes (contract beds)	\$33,484,921	\$0	\$4,720,000	\$11,185,761	\$22,299,160	\$0
Fort Logan unit	13,933,981	170,000	1,150,000	11,800,000	0	1,963,981
State residential facilities	10,425,517	520,000	450,000	9,281,361	0	624,156
TOTAL	\$57,844,419	\$690,000	\$6,320,000	\$32,267,122	\$22,299,160	\$2,588,137

The Department states that the portion of the appropriation in the bill to support renovations at private facilities and transitional living homes was overestimated and is not necessary to uphold the statutory requirements of the program. The General Assembly could choose not to approve the reduction and support additional transitional living beds, but the Executive Branch has indicated an intention to limit the program to statutory requirements and utilize the remaining funds for other priorities, including related capital projects in the bill.

² January 2, 2024, budget request letter, Attachment 3, pages 3 and 4

<https://drive.google.com/file/d/1Gq-oEW1445vrME8q0dM-s2TY71RUm2Ha/view>

FEB 2, 2024

[H.B. 22-1329 \(LONG BILL - CAPITAL\)](#)

CAPITAL H.B. 22-1329 (LONG BILL)						
PROJECT	APPROPRIATION	EXPENDITURE	ENCUMBERED	ROLL FORWARD	REDUCTION	REMAINDER
Office of Behavioral Health Transitional Housing	\$2,341,663	\$0	\$0	\$0	\$2,341,663	\$0

The Department indicates that a capital project approved as part of the FY 2022-23 Long Bill is duplicative of a capital appropriation in H.B. 22-1303. The Department further indicates that funding was intended to support the renovation of existing regional centers, and there are no additional state properties available to utilize the funding for the intended purpose if the reduction is not approved.

The Department presented the reduction to the Capital Development Committee on January 30, 2024, but the Committee did not consider an official motion to recommend or otherwise move the request to the JBC. Staff recommends approval of the request to remove double counting across the two bills.

[S.B. 22-183 \(CRIME VICTIM SERVICES\)](#)

DHS S.B. 22-183 (CRIME VICTIM SERVICES)						
PROJECT	TRANSFER	EXPENDITURE	ENCUMBERED	ROLL FORWARD	REDUCTION	REMAINDER
Anti-domestic violence organizations	\$1,489,788	\$190,000	\$370,000	Withdrawn	0	\$1,299,788
Culturally specific community orgs	495,000	0	0	0	495,000	0
Crime victims services	3,623,098	10,000.00	30,000.00	Withdrawn	0	3,613,098
Culturally responsive trauma-informed training	392,114	30,000	230,000	Withdrawn	0	362,114
TOTAL	\$6,000,000	\$230,000	\$630,000	\$0	\$495,000	\$5,275,000

The Executive Branch indicates that if funds could be used for grant awards if funding was maintained. However, funding was intended to support administrative costs that can be absorbed for funds to be used for other purposes. Staff is not in favor of reducing the transfer to align with legislative intent, but if the Executive Branch has indicated that funds will not be spent it may be in the best interest of the legislature to determine a new prioritized purpose.

[H.B. 22-1283 \(YOUTH AND FAMILY BEHAVIORAL HEALTH CARE\)](#)

DHS H.B. 22-1283 (YOUTH AND FAMILY BEHAVIORAL HEALTHCARE)						
PROJECT	APPROPRIATION	EXPENDITURE	ENCUMBERED	ROLL FORWARD	REDUCTION	REMAINDER
In-home youth respite care	\$11,628,023	\$70,000	\$0	\$0	\$7,800,000	\$3,758,023

The Department indicates that the reduction request is a reflection of the first two years of funds that were not able to be spent due to three failed rounds of RFPs with no provider responses to provide the level of care specified by the bill.

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[H.B. 22-1243 \(SCHOOL SECURITY AND BEHAVIORAL HEALTH SERVICES FUNDING\)](#)

BHA H.B. 22-1243 (SCHOOL BEHAVIORAL HEALTH)						
PROJECT	APPROPRIATION	EXPENDITURE	ENCUMBERED	ROLL FORWARD	REDUCTION	REMAINDER
I Matter	\$6,000,000	\$5,513,936	\$425,671	\$0	\$480,000	\$6,064

The BHA indicates that the \$480,000 reduction identified reflects a reversion for FY 2022-23 anticipated spending. The BHA does not anticipate that additional funds are necessary to sustain the program. The I Matter program currently repeals in 2024, but is proposed to be extended through S.B. 24-001 (Continue Youth Mental Health Services Program). The Governor's November Letter indicated a \$6.0 million placeholder from the Marijuana Tax Cash Fund for this legislation, but switched the placeholder to General Fund in the January 2 Letter. The current fiscal note estimates a total cost of \$11.1 million to continue the program due to potential increased utilization from the original program through screenings implemented in H.B. 23-1003 (School Mental Health Assessment).

MEMORANDUM



JOINT BUDGET COMMITTEE

TO Members of the Joint Budget Committee
FROM Alfredo Kemm, JBC Staff (303-866-4549)
DATE February 2, 2024
SUBJECT Supplemental ARPA Requests for Judicial Department

BACKGROUND – SUPPLEMENTAL CHANGES TO ARPA APPROPRIATIONS

Colorado received \$3.8 billion in federal Coronavirus State and Local Fiscal Recovery Funds from the American Rescue Plan Act of 2021 (ARPA funds) that under federal law must be obligated by December 31, 2024 and expended by December 31, 2026. The Governor's Office has proposed multiple budget changes in the 2024 legislative session, including requests to roll-forward and/or reduce spending authority for some ARPA programs.¹ This memo discusses components of the request that relate to this department.

JBC common policy is to approve roll-forward requests when statutory provisions reflect legislative intent to extend a program past the existing appropriation deadline. Staff may recommend exceptions. All other requests for roll-forwards and reductions to existing ARPA appropriations will be considered on a case-by-case basis.

ROLL-FORWARD REQUEST(S) FOR JUDICIAL DEPARTMENT

Statewide Supplemental Request S1 did not include requests for the Judicial Department. However, staff recommends the Committee consider actions for the Judicial Department within the context and statewide solution for addressing ARPA roll-forward requests through a General Fund swap.

The following table outlines the roll-forward requests from the Judicial Department.

PROJECT NAME	REQUESTED ROLL-FORWARD AMOUNT	BILL	CURRENT APPROPRIATION DEADLINE	REQUESTED APPROPRIATION DEADLINE
IT Infrastructure	\$20,000,000	H.B. 22-1335	June 30, 2024	December 31, 2026
Adult Diversion	2,200,000	S.B 22-196	June 30, 2024	December 31, 2026

The IT Infrastructure item was created as a supplemental year appropriation and intended to include three additional fiscal years of annual appropriations and expenditures through FY 2024-25 accomplished in a transfer to the Judicial IT Cash Fund in H.B. 22-1335 (Transfer to the JDITCF). On that basis, there was intent for the program to be funded beyond June 30, 2024.

The Department requested an acceleration of the FY 2024-25 appropriation into FY 2023-24, which the Committee approved as a supplemental appropriation action. However, the Department also requested extended spending authority through December 31, 2026 for that appropriation, which the

¹ Funding that is rolled-forward beyond the December 31, 2024 obligation deadline will be converted to General Fund through separate action.

JBC STAFF MEMO: Supplemental ARPA Requests for Judicial Department

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Committee denied (on staff recommendation) due to the need to spend all ARPA funds in the current year based on updated federal guidance.

The Department has stated that while the \$20 million amount will remain unexpended beyond FY 2023-24, these amounts are encumbered for contracts with vendors for this multi-year project. On this basis, staff recommends that the Committee include this amount within legislation to accomplish an ARPA-General Fund swap that will provide spending authority for the encumbrances through December 31, 2026. The swap and extension of spending authority will require legislation to amend the original bill.

The Adult Diversion item was appropriated \$4.0 million in S.B. 22-196 (Health Needs of Persons in Criminal Justice System) and received one extension of spending authority through FY 2023-24. The Judicial Department states that it has allocated and encumbered all funds to district attorneys statewide for the purposes of the program. On that basis, the Department has met the expectations for the use of the funding within the intended timeframe. Nevertheless, district attorneys will spend the remaining unexpended \$2.2 million in grant funds beyond FY 2023-24. Staff recommends that the Committee include this amount within legislation to accomplish an ARPA-General Fund swap that will provide spending authority for the encumbrances for allocations through December 31, 2026. The swap and extension of spending authority will require legislation to amend the original bill.

MEMORANDUM



JOINT BUDGET COMMITTEE

TO Members of the Joint Budget Committee
FROM Abby Magnus, JBC Staff (303-866-2149)
DATE February 02, 2024
SUBJECT Supplemental ARPA Requests for Departments of Labor and Employment, and Public Health and Environment

BACKGROUND – SUPPLEMENTAL CHANGES TO ARPA APPROPRIATIONS

Colorado received \$3.8 billion in federal Coronavirus State and Local Fiscal Recovery Funds from the American Rescue Plan Act of 2021 (ARPA funds) that under federal law must be obligated by December 31, 2024 and expended by December 31, 2026. The Governor’s Office has proposed multiple budget changes in the 2024 legislative session, including requests to roll-forward and/or reduce spending authority for some ARPA programs.¹ This memo discusses components of the request that relate to this department. JBC common policy is to approve roll-forward requests when statutory provisions reflect legislative intent to extend a program past the existing appropriation deadline. Staff may recommend exceptions. All other requests for roll-forwards and reductions to existing ARPA appropriations will be considered on a case-by-case basis.

ROLL-FORWARD AND REDUCTION REQUEST FOR DEPARTMENT OF LABOR AND EMPLOYMENT

Statewide Supplemental Request S1 included the following request for the Department of Labor and Employment:

PROJECT NAME	REQUESTED ROLL-FORWARD AMOUNT	BILL	CURRENT APPROP DEADLINE	REQUESTED APPROP DEADLINE
FAMLI State Employee Premium Prepay	\$7.3 million	<u>S.B. 23-234 (State Employee Insurance Premiums)</u>	January 2025	June 2024

FAMLI STATE EMPLOYEE PREPAY [REQUIRES LEGISLATION]

This request would be more appropriately considered as a reversion and a roll forward. House Bill 22-1133 (Family and Medical Leave Insurance Fund) transferred \$57.0 million in ARPA funding into the Family and Medical Leave Insurance (FAMLI) Fund in order to prepay the State’s share of employee FAMLI premiums. Senate Bill 23-234 reduced this amount by \$35.0 million in order to account for costs only through FY 2023-24. The language passed in S.B. 23-234 states that any remaining amount from the initial \$57.0 million prepay will be returned when the state controller publishes the annual comprehensive financial report for FY 2023-24. This report will be published in January 2025, which does not fall within the federal spending deadline.

Currently there is \$7.3 million left of the prepay in the FAMLI Fund and there will be an estimated \$1.25 to \$1.5 million left unspent at the end of FY 2023-24. Staff recommendation is to:

- 1 Transfer \$1.2 million in ARPA funds back to the Revenue Loss Restoration Cash Fund so that it can be spent elsewhere before the federal deadline; and
- 2 Reduce the prepay by \$400,000 ARPA funds and increase the prepay by \$400,000 General Fund. This will provide the State with a sufficient buffer to ensure it will be able to cover its premium

¹ Funding that is rolled-forward beyond the December 31, 2024 obligation deadline will be converted to General Fund through separate action.

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obligations, and any excess amounts would then revert to the General Fund rather than the Revenue Loss Restoration Cash Fund in January 2025.

REDUCTIONS TO ARPA APPROPRIATIONS FOR DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT

Appendix 3 to the Governor's January 2, 2024, letter proposes that the following programs for which there is ARPA funds spending authority in FY 2023-24 or future years should have their funding redirected to other uses. Staff is bringing these items to the Committee so that the Committee can decide whether to reduce appropriations or transfers in these amounts.

PROJECT NAME	REDUCTION AMOUNT	BILL
Vital Records Fee Relief	\$1,203,409	S.B. 23-214 (Long Bill)
Healthcare Workforce Recruitment and Reengagement Effort	3,880,000	<u>S.B. 22-226 (Programs to Support Health-care Workforce)</u>

The Governor has proposed that the savings from the reductions above be redirected to other specific purposes.² Potential alternative uses are not addressed in this write-up.

VITAL RECORDS FEE RELIEF

Staff already recommended and the Committee approved this reduction on January 28, 2024, as part of considerations for the Department's FY 2023-24 supplemental requests. This request requires no further action by the Committee unless it wishes to change its prior decision. The statewide request from OSPB indicates this is a recaptured amount of \$1,000,000 however based on the supplemental request, the amount being recaptured is actually \$1,203,409.

In FY 2023-24, the JBC approved a \$1.2 million appropriation for the Vital Records program from the Revenue Loss Restoration Cash Fund in order to reduce expenditures out of the Vital Statistics Records Cash Fund without raising fees. By the close of FY 2022-23, the Cash Fund had a significantly higher balance than expected through debt collection efforts, federal grant funding, and increased service volumes. Due to this increased revenue and decreased expenditures, the Department requested to reduce the \$1.2 million appropriation from the Revenue Loss Restoration Cash Fund to \$0.

HEALTHCARE WORKFORCE RECRUITMENT AND REENGAGEMENT EFFORT [REQUIRES LEGISLATION]

Senate Bill 22-226 (Programs to Support Health-care Workforce) appropriated \$10.0 million from the Economic Recovery and Relief Cash Fund to the Department for recruitment and re-engagement of health care workers with current or expired licenses and staffing. The Department states that while the program has been utilized, it does not expect to expend the full \$10.0 million. The request requires the JBC sponsor legislation to amend statute where it requires appropriations outside of the appropriations clause. **Staff recommends approval of the request to reduce the \$10.0 million appropriation by \$3.9 million to \$6.1 million.**

² January 2, 2024, budget request letter, Attachment 3, pages 3 and 4
<https://drive.google.com/file/d/1Gq-oEW1445vrME8q0dM-s2TY71RUm2Ha/view>

MEMORANDUM



JOINT BUDGET COMMITTEE

TO Members of the Joint Budget Committee
FROM Justin Brakke, JBC Staff (303-866-4958)
DATE February 2, 2024
SUBJECT Supplemental ARPA Request(s) for Department of Natural Resources

BACKGROUND – SUPPLEMENTAL CHANGES TO ARPA APPROPRIATIONS

Colorado received \$3.8 billion in federal Coronavirus State and Local Fiscal Recovery Funds from the American Rescue Plan Act of 2021 (ARPA funds) that under federal law must be obligated by December 31, 2024 and expended by December 31, 2026. The Governor’s Office has proposed multiple budget changes in the 2024 legislative session, including requests to roll-forward and/or reduce spending authority for some ARPA programs.¹ This memo discusses components of the request that relate to this department. JBC common policy is to approve roll-forward requests when statutory provisions reflect legislative intent to extend a program past the existing appropriation deadline. Staff may recommend exceptions. All other requests for roll-forwards and reductions to existing ARPA appropriations will be considered on a case-by-case basis.

ROLL-FORWARD REQUEST(S) FOR DEPARTMENT OF NATURAL RESOURCES

Statewide Supplemental Request S1 included the following requests for the Department of Natural Resources:

PROJECT NAME	REQUESTED ROLL-FORWARD AMOUNT	BILL	CURRENT APPROPRIATION DEADLINE	REQUESTED APPROPRIATION DEADLINE
Groundwater Compact Compliance	\$60,000,000	S.B. 22-028	December 31, 2024	December 31, 2026
Wildfire Prevention Watershed Restoration Funding	\$15,000,000	H.B. 22-1379	December 31, 2024	December 31, 2026

These are roll-forward requests for which statute indicates legislative intent to continue the program beyond the date in the appropriations clause. Therefore, consistent with common policy, staff is recommending these requests. These requests do not require a statutory change to implement the roll-forward.

S.B. 22-028 (Groundwater Compact Compliance Fund)

The bill created the Groundwater Compact Compliance and Sustainability Fund and appropriated \$60.0 million to that fund from the Economic Recovery and Relief Cash Fund, which consists of money the State received from the Federal Coronavirus State Fiscal Recovery Fund. The appropriations clause in the bill provided roll-forward spending authority from July 1, 2023 to December 31, 2024.

These funds aimed to incentivize the retirement of groundwater-irrigated agricultural lands in the Republican and Rio Grande Basins. Per the bill, groundwater use in these river basins “threaten aquifer sustainability, senior water rights, and compact compliance...” The bill continues, saying if acreage

¹ Funding that is rolled-forward beyond the December 31, 2024 obligation deadline will be converted to General Fund through separate action.

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retirement requirements in these basins are not met, “the state might be required to mandate groundwater use reductions for productive farmland...to achieve compact compliance...” The repeal date for the statute guiding the use of these funds is when “all groundwater reduction requirements established by federal or state court order or stipulation have been met and all statutorily mandated groundwater reduction standards have been achieved; except that this section shall not be repealed before January 1, 2025.” This tells JBC staff that the General Assembly intended to continue the program beyond the date of the appropriations clause as long as necessary to achieve certain goals.

H.B. 22-1379 Wildfire Prevention Watershed Restoration Funding

The bill transferred \$15.0 million from the Economic Recovery and Relief Cash Fund to the Colorado Water Conservation Board Construction Fund. The appropriations clause in the bill provided roll-forward spending authority from July 1, 2023 to December 30, 2024. These funds supported grants for watershed restoration and flood mitigation projects, as well as grants to and assistance for political subdivisions applying for federal infrastructure funding. The repeal date for the statute guiding the use of these funds is July 1, 2027, which tells JBC staff that the General Assembly intended to continue the program beyond the date of the appropriations clause.

MEMORANDUM



JOINT BUDGET COMMITTEE

TO Members of the Joint Budget Committee
FROM Emily Hansen, JBC Staff (303-866-4961)
DATE February 2, 2024
SUBJECT Supplemental ARPA Request for Department of Public Safety

BACKGROUND – SUPPLEMENTAL CHANGES TO ARPA APPROPRIATIONS

Colorado received \$3.8 billion in federal Coronavirus State and Local Fiscal Recovery Funds from the American Rescue Plan Act of 2021 (ARPA funds) that under federal law must be obligated by December 31, 2024 and expended by December 31, 2026. The Governor’s Office has proposed multiple budget changes in the 2024 legislative session, including requests to roll-forward and/or reduce spending authority for some ARPA programs.¹ This memo discusses components of the request that relate to this department. JBC common policy is to approve roll-forward requests when statutory provisions reflect legislative intent to extend a program past the existing appropriation deadline. Staff may recommend exceptions. All other requests for roll-forwards and reductions to existing ARPA appropriations will be considered on a case-by-case basis.

ROLL-FORWARD REQUEST(S) FOR DEPARTMENT OF PUBLIC SAFETY

The Office of State Planning and Budgeting submitted a roll-forward request related to the Department of Public Safety appropriation from S.B. 22-196 (Health Needs of Persons in the Criminal Justice System) on January 30, 2024. The bill included appropriations to six departments, and the Executive Branch has also requested roll-forward authority for the BHA portion of the appropriation.

PROJECT NAME	REQUESTED ROLL FORWARD AMOUNT	BILL	CURRENT APPROPRIATION DEADLINE	REQUESTED APPROPRIATION DEADLINE
CICJIS	\$1,881,554	SB 21-196/SB 23-214	December 30, 2024	December 31, 2026

The statutory repeal date for the program is July 1, 2027. Staff therefore finds that the request is not in conflict with existing statutory authority for the program. For the Department of Public Safety, the bill provided additional funding to expand the Colorado Integrated Criminal Justice Information System (CICJIS). This program allows for information sharing related to behavioral, mental, and physical health needs, as well as housing and demographic information for detainees. Funding is intended to support It infrastructure in county jails to improve continuity of care.

The request states that the grant process has required an extended timeline to work with counties to identify technology requirements to connect local IT systems, and to coordinate across vendors and county IT staff to develop program implementation plans. The application is expected to close in May 2024, followed by a review and appeal process. The Department anticipates a 9 month timeline to award grants and sign contracts to encumber funds once applications close. Counties are therefore expected to begin utilizing funds in December 2024 when spending authority for S.B. 22-196 ends.

¹ Funding that is rolled-forward beyond the December 31, 2024 obligation deadline will be converted to General Fund through separate action.

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The original appropriation in the bill only provided spending authority through FY 2022-23, but roll-forward authority through December 2024 was provided in S.B. 23-277 (Public Safety Programs Extended Uses). However, a \$262,718 annualization from the bill in the FY 2023-24 Long Bill was not rolled forward as part of the legislation.

The request includes extended roll-forward authority through December 31, 2026 for S.B. 22-196 and S.B. 23-214 (Long Bill). The Department has also submitted a FY 2024-25 budget request to support the ongoing operating expenditures related to the program expansion. Staff recommends approval of roll-forward authority associated with S.B. 22-196, but recommends that any necessary adjustments for ongoing operating be discussed as part of Figure Setting rather than rolling forward the FY 2023-24 Long Bill appropriation. There are no other roll-forward requests submitted associated with Long Bill appropriations and the FY 2023-24 annualization was expected to support operating costs that should revert if not expended.

Based on the requested total, staff recommends roll-forward of \$1,618,836 for S.B. 22-196 in adherence with Committee common policy, and no roll-forward for S.B. 23-214. Staff is further concerned about appropriations in the bill to Departments that have not been submitted for roll-forward based on the descriptions submitted by the Departments of Public Safety and Human Services.

MEMORANDUM



JOINT BUDGET COMMITTEE

TO Members of the Joint Budget Committee
FROM Madison Kaemerer, JBC Staff (303-866-2062)
DATE February 2, 2024
SUBJECT Supplemental ARPA Request(s) for Department of Local Affairs

BACKGROUND – SUPPLEMENTAL CHANGES TO ARPA APPROPRIATIONS

Colorado received \$3.8 billion in federal Coronavirus State and Local Fiscal Recovery Funds from the American Rescue Plan Act of 2021 (ARPA funds) that under federal law must be obligated by December 31, 2024 and expended by December 31, 2026. The Governor's Office has proposed multiple budget changes in the 2024 legislative session, including requests to roll-forward and/or reduce spending authority for some ARPA programs.¹ This memo discusses components of the request that relate to this department. JBC common policy is to approve roll-forward requests when statutory provisions reflect legislative intent to extend a program past the existing appropriation deadline. Staff may recommend exceptions. All other requests for roll-forwards and reductions to existing ARPA appropriations will be considered on a case-by-case basis.

REDUCTIONS TO ARPA APPROPRIATIONS FOR DEPARTMENT OF LOCAL AFFAIRS

Appendix 3 to the Governor's January 2, 2024, letter proposes that the following programs for which there is ARPA funds spending authority in FY 2023-24 or future years should have their funding redirected to other uses. Staff is bringing these items to the Committee so that the Committee can decide whether to reduce appropriations or transfers in these amounts.

PROJECT NAME	REDUCTION AMOUNT	BILL
SLFRF Emergency Rental Assistance	\$8,000,000	SB 23-124

OVERVIEW

The Emergency Rental Assistance Program was designed as a time-limited response to economic hardship created by the COVID-19 pandemic. During the supplemental appropriation process in February of 2023 for FY 2022-23 adjustments, the JBC approved an appropriation of \$8.0 million dollars in additional funding to the Department of Local Affairs to assist Coloradans at risk of eviction in providing emergency rental assistance funding.

The money was not utilized or allocated to individuals through the Department within the past year, and as such, the Governor is recommending a reduction of \$8.0 million.

The Governor's reasoning as to why a reduction is requested is listed below:

- The \$8.0 million identified for recapture is a reflection of the Department of Treasury notifying the Department that other states had not spent Emergency Rental Assistance funds in a timely manner.
- During this time, the Department also received a reallocation of funds from local governments that helped them to sustain the program.

¹ Funding that is rolled-forward beyond the December 31, 2024 obligation deadline will be converted to General Fund through separate action.

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- The U.S. Department of Treasury redirected \$7.5 million in unspent funds to Colorado
- The \$8.0 million was originally intended to fill a gap in the rental assistance program.
- The unintended influx of funds enabled the state to recapture funds for other pressing needs.

The Governor's office did not provide further explanation as to why they are recommending a reduction, though it seems to be implied from the Governor's letter that the belief is the Department has more than enough funding to provide emergency rental assistance, and that this additional \$8.0 million is not necessary, and could rather **be used to fund the \$30.0 million in rental assistance that was approved during the November special session.** This means that instead of using the funding separately, with a total of \$38.0 million being allocated to emergency rental assistance, this funding would be allocated as a fund source for the \$30.0 in rental assistance funds as approved during special session. This amounts to **an \$8.0 million reduction in emergency rental assistance compared to the intent of not only the JBC, but the Colorado General Assembly as a whole.**

In addition, JBC staff has been notified that the portal on the Department's website in which Coloradans could apply for emergency rental assistance has been closed since the \$8.0 million was appropriated to the Department, and **no funds have been granted** out to Coloradans at risk of eviction or struggling with paying for their housing from this \$8.0 million allocation.

JBC HISTORY

Before the JBC approved an additional \$8.0 million in emergency rental assistance funds, JBC Staff requested written responses from the Department as to the viability and efficacy of spending the additional funds.

JBC Staff asked the following questions of the Department's ability to grant out the funding to Coloradans **before the \$8.0 million appropriation as approved by the JBC**, with the replies listed below.

- 1 Are there still employees assigned to work [in allocating the Emergency Rental Assistance funds] for the foreseeable future?
Answer: Yes, there is enough staff to allocate funding.
- 2 [Is the Department] still contracting with HORNE (an emergency services contractor) to disburse remaining funds?
Answer: Yes, [the Department] is still contracting with HORNE... and several nonprofit subgrantees to distribute Emergency Rental Assistance Funds.
- 3 Is there an update on whether any of the H.B. 1304 funds will be awarded for programs providing emergency rental assistance?
Answer: Yes, [the Department] has received a letter of interest for three months of emergency rental assistance at \$7.0 million per month. There is a tremendous demand for the funds. Current Emergency Rental Assistance Fund payments are averaging approximately \$4.0 million per month and the federal funding is projected to be exhausted in [April of 2023] due to current demand.
- 4 Given the expected funding from [other various sources], would [the Department] start accepting new applications for emergency rental assistance again, or would these funds be used to continue paying [funding for previous applicants]? In the latter case, is there an additional amount of

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funding from the General Assembly that would result in the Emergency Rental Assistance Program being able to take in new applications?

Answer: New applications will be limited to eminent risk of eviction and availability of funds. Additional funds could be used to open the portal again.

JBC STAFF ANALYSIS

The reasoning behind the Governor's request to reduce the \$8.0 million allocation of emergency rental assistance directly contradicts the conversations that JBC members and staff had before approving the additional funding.

The Department indicated that it needed more funding to be able to adequately support Coloradans seeking rental assistance, and to re-open the portal that allows individuals to apply for relief. However, none of the additional funding was spent and the portal was not reopened. **An announcement prohibiting new applications to the rental assistance portal on the Department's website was posted until early January, 2024.**

JBC staff does not believe that rolling the previously approved \$8.0 million in emergency rental assistance into the \$30.0 million allocation as approved in the 2023 special session is an appropriate use of funding. The \$8.0 million as approved by the JBC and General Assembly was intended to provide immediate emergency relief to Coloradans facing housing instability, not as a fund source for an additional appropriation.

Considering the above, **JBC staff does not recommend approving this request.** JBC staff recommends keeping the \$8.0 million allocation of funding for emergency rental assistance, in addition to the \$30.0 million approved during the special session.

The Governor has proposed that the savings from the reductions above be redirected to other specific purposes.²

² January 2, 2024, budget request letter, Attachment 3, pages 3 and 4
<https://drive.google.com/file/d/1Gq-oEW1445vrME8q0dM-s2TY71RUm2Ha/view>