

# MEMORANDUM



## JOINT BUDGET COMMITTEE

TO JBC Members  
FROM JBC Staff  
DATE March 19, 2024  
SUBJECT Figure Setting Comeback Packet 10

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Included in this packet are staff comeback memos for the following items:

**Judicial Department, page 2** (Alfredo Kemm): Courts and Probation Comebacks

**Department of Human Services, page 7** (Emily Hansen): HUM Child Welfare High Acuity Cash Fund Line Item Detail

**Department of Human Services, page 8** (Abby Magnus): Tobacco Revenue Distribution Adjustments to OSPB Forecast

**Department of Labor & Employment, page 11** (Abby Magnus): Workforce Services Legislation Appropriation Adjustments

**Department of Public Health and Environment Page 12** (Andrew McLeer), Technical Adjustment on Funding for CDPHE R9: Office of Health Equity and Environmental Justice

**Department of Early Childhood, (Louellen Lowe): –**  
Footnote. **Page 13**  
R4 UPK and Early Childhood Workforce **Page 15**  
R6 Universal Home Visiting, **Page 17**

**IT Capital page 19** (Scott Thompson) NEW IT CAPITAL RELATED REQUEST: Extend Spending Authority for Lamar Community College Technology Equipment Upgrades appropriated in S.B. 21-205 the Long Bill for FY 2021-22

# MEMORANDUM



## JOINT BUDGET COMMITTEE

TO Members of the Joint Budget Committee  
FROM Alfredo Kemm, JBC Staff (303-866-4549)  
DATE March 19, 2024  
SUBJECT JUD comeback 3 – Courts and Probation Comebacks

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The Courts and Probation requested comebacks for four of their request items. Staff offers the Committee one alternate recommendation for consideration and a summation of comeback options.

### **R7 RALPH CARR JUDICIAL CENTER**

**Comeback Request:** The Courts and Probation request \$6,103,790 total funds, including \$4,116,582 General Fund, \$602,302 cash funds, \$1,384,906 reappropriated funds, both from the Justice Center Maintenance Fund, for support of the COP payments, controlled maintenance, and building operations of the Judicial Center. The comeback request does not require legislation.

**Staff comeback recommendation for Committee consideration:** Staff recommends that the Committee approve the comeback request.

**Staff recommendation summary:** The comeback request includes the staff recommendation for General Fund support for FY 2024-25 and years thereafter: \$4,116,582 and \$8,000,000, respectively.

The comeback request includes a total funds increase related to the use of the current Justice Center Maintenance Fund budget structure. This structure includes a cash funds appropriation to the Fund and a reappropriated funds expenditure from the Fund in two separate line items. The original request for legislation would have replaced this structure with a single appropriation for controlled maintenance funding and expenditure. Due to the lateness for legislation consideration and drafting, **staff recommends the comeback request appropriation structure as included in the comeback request.**

Additionally, the comeback request pares down the controlled maintenance component for FY 2024-25. The original request included \$5.1 million cash funds; the staff figure setting recommendation included \$3.6 million cash funds; the comeback request includes \$2.8 million cash funds. **Staff recommends the comeback request appropriation for controlled maintenance.**

**Staff budget policy clarification for controlled maintenance:** Current budget structure and practice includes and has included direct appropriations to the Judicial Department for controlled maintenance for the Ralph Carr Judicial Center. The current request and budget actions do not change policy regarding how controlled maintenance has previously been addressed for the building in budget actions. The difference in this request is related to the need for increased General Fund support for COP payments; that also provides for an increased cash funds appropriation for annual controlled maintenance. This budget "restructure" includes a more committed approach to controlled maintenance, including a defined budget methodology for rightsizing the appropriation of annual controlled maintenance.

The following table outlines cost comparisons for requests and recommendations.

C&P R7 RALPH CARR JUDICIAL CENTER		
	GENERAL FUND	TOTAL FUNDS
Original Request	\$8,009,497	\$5,756,717
FigSet Staff Recommendation	4,116,582	4,288,217
difference	3,892,915	1,468,500
Comeback Request	4,116,582	6,103,790
Comeback Staff Recommendation	4,116,582	6,103,790

### BA3b COLLECTIONS

**Comeback Request:** The comeback request is for the request plan submitted on March 1, 2024.

The Courts and Probation request \$1,603,555 total funds, including an increase of \$2,232,233 General Fund and a net decrease of \$628,678 cash funds, including a one-time increase of \$500,000 cash funds from the Judicial Stabilization Cash Fund and a decrease of \$1,128,678 cash funds from the Judicial Collection Enhancement Fund (JCEF), for the Collections Program. The request annualizes to \$1,878,963 total funds, including \$1,724,822 General Fund and \$154,141 cash funds from the Judicial Collection Enhancement Fund. This request includes legislation to increase time and late fees over three years.

**Staff figure setting recommendation:** Staff recommended denial of the request at figure setting for two reasons: (1) The request plan was submitted on March 1<sup>st</sup>, the same day the staff figure setting document was due for publication, providing no time for staff to analyze the request; and (2) the request plan includes ongoing General Fund support.

#### **Staff comeback recommendation for Committee consideration:**

**(1) Staff continues to recommend denial of ongoing General Fund support.** Staff is not satisfied with the plan submitted on this basis and therefore recommends denial of the General Fund request for FY 2024-25 as well.

**(2) Due to the lateness for consideration and drafting of legislation, staff does not recommend the requested legislation at this time.** Nevertheless, staff does not oppose the request for fee adjustments and the Committee may wish to consider pursuing the requested legislation for increases for time and late fees.

**(3) Staff recommends that the Office of Restitution Services, including 2.0 FTE and associated funding, be placed in a separate line item and be funded with General Fund. Staff estimates \$162,713 and 2.0 FTE.** The Office of Restitution Services was created in S.B. 22-043 (Restitution Services for Victims). This action would return the current line item name to Collections Investigators, its name prior to FY 2023-24, consisting of the 104.2 FTE of cash-funded Collections Program staff and 17.0 FTE funded with Victims and Witnesses Assistance and Law Enforcement Fund also known as VALE funds.

**(4) Staff recommends that the Committee consider pursuing legislation for a performance and financial audit from the Office of the State Auditor (OSA) that addresses structural revenue and fiscal management issues for the JCEF.** Statewide revenue collected through the Collections

Program totaled \$138.3 million in FY 2022-23. The comeback document states: "Reducing expenditures to current revenue projections is anticipated to result in an annual decrease of \$15 to \$18 million in victim restitution and interest." Given the gravity of this state program, especially for victim restitution (\$64.3 million in FY 2022-23), staff is concerned about the fiscal management by the State Court Administrator's Office in the recent past and the stated threat to victim restitution collections. The patterns of expenditure identified in the schedule 9 and additional Department work documents, along with the sudden downturn in revenue cause staff to hesitate in recommending ongoing General Fund support that may have the effect of papering over structural problems that could otherwise be resolved through more considered stewardship of the JCEF. The OSA estimates \$425,000 for a standard audit team; staff believes this would be a limited scope audit focused on JCEF revenue and expenditure issues that may require less time and resources than a standard performance audit.

## **R2 JUDICIAL CASE MANAGEMENT SYSTEM – PROJECT YEARS 2 AND 3 AND STAFF OPERATING**

**Comeback Request:** The Courts and Probation request: (1) The project funding for years 2 and 3 as recommended by staff in figure setting: \$10,186,313 total funds, including \$5.0 million General Fund and \$5,186,313 cash funds for FY 2025-26; and \$10.0 million total funds, including \$5.0 million General Fund and \$5.0 million cash funds for FY 2026-27. And (2) \$574,055 General Fund and 5.0 FTE for CMS project staff, annualizing to \$594,937 General Fund and 5.0 FTE in future years.

**Staff comeback recommendation for Committee consideration:** Staff recommends that the Committee: (1) Deny the request for years 2 and 3 of project funding, based on the Committee's expressed concern at figure setting about total project cost and development methodology. And (2) approve \$415,827 General Fund and 3.6 FTE for 4 of the requested 5 positions. The recommendation annualizes to \$520,161 General Fund and 4.0 FTE in future years. The budget build table is located at the end of this section.

**Staff recommendation summary:** Staff recommends four of the five requested positions, including the project manager, the application administrator, the network security engineer, and the business analyst II. Staff recommends denial of the IT trainer position at this time. The comeback document states that 4.0 FTE of current staff will be repurposed for the CMS project upon completion of the new project, but need to remain on current CMS administration until the new system is implemented.

The following table outlines cost comparisons for requests and recommendations.

C&P R2 JUD CMS STAFF OPERATING COMPONENT - DIFFERENCE ANALYSIS		
	FTE	GENERAL FUND
Original Request	9.0	\$1,242,236
FigSet Staff Recommendation	0.0	0
difference	9.0	1,242,236
Comeback Request	5.0	574,055
Comeback Staff Recommendation	4.0	415,827
difference	1.0	158,228

## JBC Staff Budget Build

C&P R2 JUDICIAL CMS STAFF OPERATING REQUEST AND RECOMMENDATION						
	FY 2024-25 REQUEST		FY 2024-25 RECOMMENDATION		FY 2025-26 REC. ANNUALIZATION	
	FTE	Cost	FTE	Cost	FTE	Cost
Personal Services						
IT Project Manager	1.0		0.9	\$101,852	1.0	\$114,445
Application Administrator	1.0		0.9	101,852	1.0	114,445
Network Security Engineer	1.0		0.9	99,688	1.0	108,751
Business Analyst II	1.0		0.9	81,146	1.0	88,523
IT Trainer	1.0		0.0	0	0.0	0
POTS				0		88,877
Operating Expense				3,420		3,800
OE - software				1,188		1,320
Capital Outlay				26,680		0
<b>Subtotal</b>	<b>5.0</b>	<b>\$574,055</b>	<b>3.6</b>	<b>\$415,827</b>	<b>4.0</b>	<b>\$520,161</b>
<b>FY 2024-25 C&amp;P line item adjustments</b>						
General Courts Administration			3.6	\$389,147		
Capital Outlay				26,680		
Subtotal - C&P R2 – staff operating component			3.6	\$415,827		
<b>FY 2025-26 C&amp;P line item annualization adjustments</b>						
General Courts Administration					4.0	\$431,284
POTS included in Statewide Comp						88,877
Subtotal - C&P R2 – staff operating component					4.0	\$520,161

## R9 SCAO STAFFING

**Comeback Request:** The Courts and Probation request \$168,413 General Fund and 0.9 FTE for a Chief Communications Officer.

**Staff comeback recommendation for Committee consideration:** Staff recommends that the Committee deny the comeback request.

The following table outlines cost comparisons for requests and recommendations.

C&P R9 SCAO STAFFING - DIFFERENCE ANALYSIS		
	FTE	GENERAL FUND
Original Request (full R9 request)	11.0	\$1,347,622
FigSet Staff Recommendation	6.3	584,657
difference	4.7	762,965
Comeback Request (one position)	1.0	168,413
Comeback Staff Recommendation	0.0	0
difference	1.0	168,413



## Joint Technology Committee

State Capitol Building, Room 029  
Denver, Colorado 80203-1784  
(303) 866-3521



March 19, 2024

Representative Shannon Bird  
Chair, Joint Budget Committee  
200 East 14<sup>th</sup> Avenue, Third Floor  
Denver, Colorado 80203

Dear Representative Bird,

On March 19, 2024, the Joint Technology Committee considered the Judicial Department R2 Case Management System budget request. The JTC recommended funding the request on a 6-0 vote with the stipulation that the department works closely with Colorado Digital Services and the Joint Technology Committee and provides quarterly updates to the Joint Technology Committee. Descriptions of the recommended request are attached.

If you have any questions or concerns about the JTC's recommendations, please call Samantha Falco, Legislative Council Staff, at 303-866-4794.

Sincerely,



Representative Brianna Titone, Chair

c: Joint Budget Committee Members  
Joint Technology Committee Members  
Joint Technology Committee Staff  
Craig Harper, Joint Budget Committee Staff  
Alfredo Kemm, Joint Budget Committee Staff  
Scott Thompson, Joint Budget Committee Staff  
Robin Smart, Colorado Judicial Branch

# MEMORANDUM



## JOINT BUDGET COMMITTEE

TO Members of the Joint Budget Committee  
FROM Emily Hansen, JBC Staff (303-866-4961)  
DATE March 19, 2024  
SUBJECT HUM Child Welfare High Acuity Cash Fund Line Item Detail

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The Department of Human Services identified that staff did not include line item detail related to spending authority of the High Acuity Treatment and Services Cash Fund. The cash fund was created in [H.B. 23-1269 \(Extended Stay and Boarding Patients\)](#), and consists of General Fund reversions from the county capped allocations. The cash fund is intended to support high acuity placements for child welfare youth, and repeals June 30, 2025. The Committee approved an RFI for the Department to report on the use of the fund in November. The Department has reported that \$3.0 million was transferred into the fund at the close of FY 2023-24, and the funding was utilized to support 6 state contracted high acuity beds.

The Department included the FY 2024-25 spending authority in the base for the Child Welfare Services (colloquially referred to as “the Block”). Staff recommends creating a new line item specific to the cash fund, but failed to include the line item description in the figure setting document. The Committee has therefore not taken direct action to include the new line item in the Long Bill.

**Approval of the line item does not have a direct General Fund impact.** However, the cash fund consists of General Fund that would otherwise be reverted. The staff recommendation continues the same appropriation included in the bill for FY 2023-24 as anticipated by the fiscal note.

### HIGH-ACUITY TREATMENT AND SERVICES [NEW LINE ITEM]

This line item reflects the cash fund spending authority from the High Acuity Treatment and Services Cash Fund established in H.B. 23-1269 (Extended Stay and Boarding Patients). The cash fund consists of General Fund reversions from the county capped allocations, and repeals June 30, 2025. The cash fund is intended to support high acuity placements for child welfare youth.

*STATUTORY AUTHORITY:* Section 26-5-104 (7.5), C.R.S.

*REQUEST:* The Department requests an appropriation of \$5,900,000 cash funds to the Child Welfare Services line item.

***RECOMMENDATION:* Staff recommends creating a new line item consisting of an appropriation of \$5,900,000 cash funds from the High-acuity Treatment and Services Cash Fund.**

# MEMORANDUM



## JOINT BUDGET COMMITTEE

TO Members of the Joint Budget Committee  
FROM Abby Magnus, JBC Staff (303-866-2149)  
DATE March 19, 2024  
SUBJECT Tobacco Revenue Distribution Adjustments to OSPB Forecast

### → AMENDMENT 35 AND PROPOSITION EE TOBACCO ADJUSTMENTS BASED ON OSPB FORECAST

Based on the Committee choosing to balance to the OSPB economic forecast, staff recommends adjusting the previously determined tobacco revenue distributions for FY 2024-25 related to Amendment 35 and Proposition EE, and some of the FY 2023-24 tobacco revenue distributions related to Amendment 35, summarized in the tables below.

Revenue related to Proposition EE as forecasted by OSPB is \$2.3 million above the December 2023 LCS Forecast for FY 2024-25, shown in the table below.

PROPOSITION EE REVENUE DISTRIBUTION - OSPB FORECAST			
PROGRAM/FUND	FY 2023-24	FY 2024-25	FY 2025-26
General Fund	\$4,050,000	\$4,050,000	\$4,050,000
Tobacco Education Programs Fund	-	20,000,000	20,000,000
Tobacco Tax Cash Fund <sup>1</sup>	10,950,000	10,950,000	10,950,000
Preschool Programs Cash Fund <sup>2</sup>	196,051,709	196,869,376	204,735,513
Rural Schools Fund	-	-	-
Housing Development Grant Fund	-	-	-
Eviction Legal Defense Fund	-	-	-
State Education Fund <sup>2</sup>	-	-	-
<b>Total</b>	<b>\$211,051,709</b>	<b>\$231,869,376</b>	<b>\$239,735,513</b>

<sup>1</sup>Dollars distributed to the Tobacco Tax Cash Fund are accounted for in the considerations for A35 distributions.

<sup>2</sup>These funds will begin seeing revenue after the other fund obligations outlined in statute have been fulfilled.

Revenue related to Amendment 35 as forecasted by OSPB is \$17.3 million below the December 2022 LCS Forecast for FY 2023-24, shown in the table below. Staff will only update appropriations that will impact General Fund obligations for FY 2023-24. This will include an increased General Fund impact of \$2.8 million related to the Health Care Expansion Fund for FY 2023-24.

FY 2023-24 DISTRIBUTION OF TOBACCO TAX CASH FUND (TTCF) DOLLARS - OSPB FORECAST					
DEPT.	PROGRAM AND/OR FUND	PERCENT	FY 23-24 A35 DISTRIBUTION	FY 23-24 PROP EE DISTRIBUTION	TOTAL FY 23-24 DISTRIBUTION
HCPF	Health Care Expansion Fund	46.0%	\$41,454,127	\$5,037,000	\$46,491,127
HCPF	Primary Care Fund	19.0	17,122,357	2,080,500	19,202,857
PHE	Tobacco Education Programs Fund	16.0	14,418,827	1,752,000	16,170,827
PHE	Prevention, Early Detection and Treatment Fund	16.0	14,418,827	1,752,000	16,170,827
HCPF	Old Age Pension Fund	1.5	1,351,765	164,250	1,516,015
REV	Local governments to compensate for lost revenue from tobacco taxes	0.9	811,059	98,550	909,609
PHE	Immunizations performed by small local public health agencies	0.3	270,353	32,850	303,203
HCPF	Children's Basic Health Plan	0.3	270,353	32,850	303,203
<b>Total Distribution</b>		<b>100.0%</b>	<b>\$90,117,667</b>	<b>\$10,950,000</b>	<b>\$101,067,667</b>



Revenue related to Amendment 35 as forecasted by OSPB is \$4.3 million below the December 2023 LCS Forecast for FY 2024-25, shown in the table below. This will include an increased General Fund impact of \$2.4 million related to the Health Care Expansion Fund for FY 2024-25.

FY 2024-25 DISTRIBUTION OF TOBACCO TAX CASH FUND (TTCF) DOLLARS - OSPB FORECAST					
DEPT.	PROGRAM AND/OR FUND	PERCENT	FY 24-25 A35 DISTRIBUTION	FY 24-25 PROP EE DISTRIBUTION	TOTAL FY 24-25 DISTRIBUTION
HCPF	Health Care Expansion Fund	46.0%	\$39,588,213	\$5,037,000	\$44,625,213
HCPF	Primary Care Fund	19.0	16,351,653	2,080,500	18,432,153
PHE	Tobacco Education Programs Fund	16.0	13,769,813	1,752,000	15,521,813
PHE	Prevention, Early Detection and Treatment Fund	16.0	13,769,813	1,752,000	15,521,813
HCPF	Old Age Pension Fund	1.5	1,290,920	164,250	1,455,170
REV	Local governments to compensate for lost revenue from tobacco taxes	0.9	774,552	98,550	873,102
PHE	Immunizations performed by small local public health agencies	0.3	258,184	32,850	291,034
HCPF	Children's Basic Health Plan	0.3	258,184	32,850	291,034
<b>Total Distribution</b>		<b>100.0%</b>	<b>\$86,061,333</b>	<b>\$10,950,000</b>	<b>\$97,011,333</b>

Money that is credited to the Prevention Early Detection and Treatment Fund is further divided among three programs: the Breast and Cervical Cancer Program, Health Disparities Program Fund, and Center for Health and Environmental Data. The following table summarizes how the total funds credited to the Prevention, Early Detection and Treatment Fund are further distributed all within the Department of Public Health and Environment, and the distributions for FY 2024-25.

BREAKDOWN OF MONEY CREDITED TO THE PREVENTION, EARLY DETECTION AND TREATMENT (PEDT) FUND – OSPB FORECAST				
	ALLOCATION	FY 24-25 A35 DISTRIBUTION	FY 24-25 PROP EE DISTRIBUTION	TOTAL FY 24-25 DISTRIBUTION
<b>Total amount credited to PEDT Fund</b>		<b>\$13,769,813</b>	<b>\$1,752,000</b>	<b>\$15,521,813</b>
Breast and Cervical Cancer Program	20.0%	2,753,963	350,400	3,104,363
Health Disparities Program Fund	15.0%	2,065,472	262,800	2,328,272
Center for Health and Environmental Data	Fixed \$	116,942	0	116,942
<i>Remains in the Prevention, Early Detection and Treatment Fund*</i>		<i>8,833,437</i>	<i>1,138,800</i>	<i>9,972,237</i>

\*Whatever remains in the PEDT Fund is distributed to the CCPD Program

Specifically for the Department of Public Health and Environment, staff previously recommended a decrease of \$7.9 million total funds for programs receiving revenue from Amendment 35, Proposition EE, and the Tobacco Master Settlement Agreement. Staff is now recommending a total decrease of \$10.3 million based on the OSPB forecast. Adjustments are shown in the table below.

TOBACCO RELATED ADJUSTMENTS FOR CDPHE – OSPB FORECAST			
DIVISION/LINE ITEM	REQUESTED APPROPRIATION	RECOMMENDED APPROPRIATION	RECOMMENDED ADJUSTMENT
<b>Administration and Support</b>			
Health Disparities Grants	\$11,014,813	\$8,600,799	(\$2,414,014)
<b>Disease Control and Public Health Response</b>			
Immunization Operating Expenses	\$2,793,752	\$3,606,844	\$813,092
Appropriation from the Tobacco Tax Cash Fund to the General Fund	322,323	291,034	(31,289)
<b>Office of HIV, Viral Hepatitis, and STIs</b>			
HIV and AIDS Operating Expenses	\$4,882,189	\$5,352,714	\$470,525
Ryan White Act Operating Expenses	6,788,077	6,627,244	(160,833)
<b>Prevention Services</b>			
Transfer to the Health Disparities Grant Program Fund	\$2,841,381	\$2,328,272	(\$513,109)

TOBACCO RELATED ADJUSTMENTS FOR CDPHE – OSPB FORECAST			
DIVISION/LINE ITEM	REQUESTED APPROPRIATION	RECOMMENDED APPROPRIATION	RECOMMENDED ADJUSTMENT
Breast and Cervical Cancer Screening	3,829,657	3,104,363	(725,294)
Cancer, Cardiovascular Disease, and Chronic Pulmonary Disease Grants	18,284,001	14,800,743	(3,483,258)
Tobacco Education, Prevention, and Cessation Grants	40,953,346	36,636,220	(4,317,126)
Oral Health Programs	911,328	876,577	(34,751)
Primary Care Office	3,765,102	3,848,458	83,356
<b>TOTAL</b>	<b>\$95,385,969</b>	<b>\$86,073,270</b>	<b>(\$10,312,699)</b>

# MEMORANDUM



## JOINT BUDGET COMMITTEE

TO Members of the Joint Budget Committee  
FROM Abby Magnus, JBC Staff (303-866-2149)  
DATE March 19, 2024  
SUBJECT CDLE: Workforce Services Legislation Appropriation Adjustments

### → ADJUSTMENTS TO EMPLOYMENT AND TRAINING APPROPRIATIONS

With the Committee's approval to introduce LLS 24-0992 Employment-Related Funding and Workforce Enterprise, staff is recommending final appropriations related to that bill as well as net-zero adjustments within the Division of Employment and Training to clarify which appropriations will fall within the new workforce services enterprise.

#### **FY 2023-24 LONG BILL APPROPRIATION ADJUSTMENTS (MADE IN SPECIAL BILL)**

- Unemployment Insurance Division
  - Shift \$10,457,137 in appropriations from the Employment Support Fund (ESF) to Tech Fund within "program costs" line item.
- Division of Employment and Training
  - Move \$68,513 SPARC fund program appropriation from "one-stop workforce center contracts" line item to "state operations and program costs" line item;
  - Reduce ESF appropriations in "state operations and program costs" by \$3,669,974 and FTE by 57.4;
  - Reduce ESF appropriations in "one-stop workforce center contracts" by \$9,829,126;
  - Move \$11,031,925 in federal funding and 36.0 FTE from "one-stop workforce center contracts" to "workforce innovation and opportunity act".
- New Workforce Development Enterprise in Division of Employment and Training
  - Add appropriations of \$13,645,395 from workforce services fund and 57.4 FTE in "workforce center program costs" line item.

#### **FY 2024-25 LONG BILL APPROPRIATION ADJUSTMENTS (MADE IN LONG BILL)**

- Unemployment Insurance Division
  - Shift \$10,459,436 in appropriations from the Employment Support Fund (ESF) to Tech Fund within "program costs" line item.
- Division of Employment and Training
  - Move \$68,513 SPARC fund program appropriation from "one-stop workforce center contracts" line item to "state operations and program costs" line item;
  - Reduce ESF appropriations in "state operations and program costs" by \$4,174,178 and FTE by 57.4;
  - Reduce ESF appropriations in "one-stop workforce center contracts" by \$9,829,126;
  - Move \$11,031,925 in federal funding and 36.0 FTE from "one-stop workforce center contracts" to "workforce innovation and opportunity act".

#### **FY 2024-25 SPECIAL BILL APPROPRIATIONS (MADE IN SPECIAL BILL)**

- New Workforce Development Enterprise in Division of Employment and Training
  - Add appropriations of \$14,003,304 from workforce services fund and 57.4 FTE in "workforce center program costs" line item.

MEMORANDUM



JOINT  
BUDGET  
COMMITTEE

TO Members of the Joint Budget Committee  
FROM Andrew McLeer, JBC Staff (303-866-4959)  
DATE March 19, 2024  
SUBJECT Technical Adjustment on Funding for CDPHE R9: Office of Health Equity and Environmental Justice

This memo is a clarification on funding sources for the Department’s R9 request to establish the Office of Health Equity and Environmental Justice (OHEEJ). On March 18, 2024, the Committee approved staff recommendation to reduce General Fund appropriation by \$219,132 and increase reappropriated funds to the Department’s Environmental Justice Program by \$219,132. The Department has since clarified with staff that there is a discrepancy between staff recommendation and actual FTE funded, due to staff reducing based on FY 2024-25 projections, rather than 2023-24 actuals, that would result in the reduction in General Fund cutting one position from OHE unrelated to the Environmental Justice Program. Consequently, the Department has requested that the reduction in General Fund be changed from \$219,132 to \$143,602, granting the Department an additional \$75,530 in General Fund for the Office of Health Equity.

R9: Office of Health Equity and Environmental Justice					
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
Approved Recommendation*	\$2,765,185	(86,879)	1,084,796	1,666,278	100,990
Requested Change	75,530	75,530	0	0	0
Staff Recommendation	\$2,840,715	(\$11,349)	\$1,084,796	\$1,666,278	\$100,990

\*These figures represent the approved request for CDPHE R9: Office of Health Equity and Environmental Justice inclusive of all committee decisions made to date.

*REQUEST AND RECOMMENDATION:* **Staff recommends approval of this technical correction.** Staff also notes that approval of this technical correction would still result in a net reduction of General Fund usage through CDPHE R9.

# MEMORANDUM



## JOINT BUDGET COMMITTEE

TO Members of the Joint Budget Committee

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

DATE March 19, 2024

SUBJECT Department of Early Childhood – Footnote

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The Department of Early Childhood requests a footnote allowing a transfer of up to \$1.0 million between the Universal Preschool program and the Local Coordinating Organization line items. The Department indicates that its request for LCOs was consistent with LCO spending. Total budgets for LCOs were approximately \$5.2 million in FY 2022-23 and FY 2023-24. However, expenditures came in at \$2.8 million in FY 2022-23, and they have spent approximately \$2.0 million so far in FY 2023-24 with a projected spending of approximately \$3.4 million. According to the LCOs, it's anticipated that additional resources may be needed in FY 2024-25 beyond the \$3.5 million currently recommended for appropriation in FY 2024-25. Certain LCOs indicate that delays in the start up of LCOs skews actual costs for their operations. Therefore, the Department is requesting the flexibility to transfer funding from the Universal Preschool Program line item up to \$1.0 million as needed to cover expenditures.

Staff is hesitant to make the full recommendation for flexibility up to \$1.0 million based on lack of data and more information. As a middle ground, staff recommends flexibility up to \$500,000 provided through footnote transfer authority.

*BACKGROUND (PROVIDED IN THE FIGURE SETTING DOCUMENT):*

Local Coordinating Organizations (LCOs) are statutorily required with duties stipulated in Section 26.5-2-104, C.R.S. Broadly, their responsibilities include developing a community plan for early childhood and family support programs and services, fostering equitable access for families to early childhood and family support programs and services, and encouraging robust participation by local providers in said programs within the community. LCOs are to develop community plans with an eye towards increasing equitable access to early childhood care. They serve as resources for families and providers as well as regional partners to oversee implementation of early childhood programs.

Local entities may apply to be LCOs and may be county or municipal government agencies, school districts, boards of cooperative services, early childhood councils, family resource centers, special taxing districts, head start grantees, local nonprofit organizations, charter school networks and collaboratives, and other public institutions. There are currently 32 LCOs across the state, 28 of which are also Early Childhood Councils (ECCs).

Funding for LCOS was originally allocated based on the number of children eligible for UPK in the LCO catchment area. LCOs with higher numbers of eligible children received a proportionally higher budget allocation. Each LCO received a baseline administrative funding allocation based on the cost

MARCH 7, 2024

of hiring staff in the region and the number of eligible children expected to enroll. This baseline funding supports a half time employee in catchments with the smallest number of children and up to two full time employees for the most populated areas. Additionally, LCOs can apply for additional resources via the community plan. Those resources might include funding for translation services, technology, additional staffing, mileage, or professional development costs. This distribution methodology will continue to be the standard applied by the department in allocating the funds.

Statute does not repeal or scale back the duties of the LCO networks after the implementation of the UPK program but rather suggests an ongoing facilitation role for early childhood programs and services, including the UPK program. According to the Department, initial years will focus on outreach, recruitment, retention, and education. However, over time the responsibilities will shift toward coordination and systems-building within their respective communities to support a robust early education continuum and high quality services, providing coordination, communication, and program delivery services at the local level.

The Department received \$10.5 million in federal stimulus funds to allocate to LCOs, and in FY 2022-23, the Department contracted with a vendor to support the LCO network in developing their initial community plans. Funding supports costs related to staffing and operations. LCO staff are required to conduct outreach and support to providers, respond to family inquiries, and travel to locations to provide training and support as necessary. Operational costs pertain primarily to the production and distribution of outreach materials, website updates, and social media outreach. The stimulus funding has largely rolled off, and funding for LCOs is recommended to be provided with funding requested for the Universal Preschool Programs.

# MEMORANDUM



## JOINT BUDGET COMMITTEE

TO Members of the Joint Budget Committee

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

DATE March 19, 2024

SUBJECT Department of Early Childhood – Tabled Figure Setting Items  
R4 UPK and Early Childhood Workforce  
R6 Universal Home Visiting

### R4 UPK AND EARLY CHILDHOOD WORKFORCE

During Figure Setting, the item was tabled largely due to the fact that the funding requested replaces one-time stimulus funding for these programs and may need to be subject to available funding. Staff provided the following breakdown of the request in the Figure Setting document:

R4 UNIVERSAL PRESCHOOL AND CHILD CARE WORKFORCE SUPPORTS			
COMPONENT	FY 2024-25	FY 2025-26	DESCRIPTION
Staffing and Operating Expenses	\$1,075,229	\$1,188,034	10.0 FTE in FY 2024-25 and 12.0 FTE in FY 2025-26 to support the Early Childhood Workforce unit staff currently supported with stimulus funding. Costs also include related training, professional development software, and professional registry and qualification management of child care personnel.
Early Childhood Councils	1,000,000	1,000,000	Partially sustain 29 existing Early Childhood Council Navigator positions that are currently supported with stimulus funding.
OEDIT Contract	187,660	187,660	Existing contract which provides business training courses and consultation at no cost to existing and prospective child care providers. Currently stimulus-funded.
<b>Total Request</b>	<b>\$2,262,889</b>	<b>\$2,375,694</b>	

Due to the confluence of stimulus funding and the establishment of the new Department, staff was unsure at the time of the Figure Setting process whether the programs supported by the funded were to be considered part of the Department establishment or were anticipated to roll off with the expiration of the funding. However, staff went back to the 2022 Supplemental Funding document for Early Childhood Programs (submitted by the Department of Human Services for the Office of Early Childhood) and was able to find more information regarding each of the programs impacted here. Staff wrote this in a supplemental write up:

“Overall, the Department describes the request as thoughtfully designed to be one-time simulative investments that can end when the federal funds expire without a cliff effect for children, families, or providers. The request includes funds for evaluation and the Department plans to closely monitor the effectiveness of the initiatives. **Based on the evaluations, the Department may request funding for some the most impactful initiatives in the future.**

However, there are a few initiatives the Department describes as critical and the Department says it will work with the Office of State Planning and Budgeting to identify fund sources to sustain them, such as the on-going base CCDF award. There

are only two ways the on-going base CCDF award could sustain these critical initiatives. First, the Department could cut some other current use of the on-going base CCDF award. The Department did not identify any potential cuts. Second, the on-going base CCDF award could increase, which might happen if the federal Build Back Better legislation is adopted. **The most critical initiatives the Department says it needs to sustain are the Continue increased CCCAP rates and paid absences (\$16.4 million per year), Continue reduced CCCAP co-pays (\$3.2 million per year), and Pay for infant and toddler enrollment not attendance (\$10.5 million per year)."**

The document goes on to identify Family Child Care Home Navigators as stimulus funded first through CRSSA and then extended with the ARPA funding. Other initiatives were workforce development, recruitment and retention, and workforce data requests. The latter includes credential and workforce coaching, apprenticeship programs, information technology systems identified as one-time costs, among many other programs.

As a result of these investigations, staff believes this requests continues programs and initiatives which were otherwise considered time-limited to the stimulus funds and not ongoing. Ultimately, the Department believes these to be impactful and is requesting continuation through General Funds.

*CURRENT STAFF RECOMMENDATION:* **Staff recommended \$2,089,229 General Fund for this item during figure setting.**

*ADJUSTED STAFF RECOMMENDATION:* **Based on further information, staff recommends \$0 General Fund and 0.0 FTE, or \$1,952,775 General Fund (adjusted for over-appropriation for one-time costs).**

#### **EARLY CHILDHOOD COUNCILS FUNDING**

During the discussion regarding UPK and Child Care Workforce, the topic of funding for the Early Childhood Councils surfaced. As a reminder, ECCs are not included in provider rate increases and, therefore, have not received permanent increases over time. The amount required to provide an increase for ECCs based on the 2.5 percent provider rate increase approved by the Committee would be \$83,279 total funds. This funding could be provided with federal Child Care Development Funds without impacting the sustainability of the Child Care Development Funds.

Post-pandemic, ECCs received a significant influx of stimulus funds to expand existing programs (\$2.0 million) and to implement new programs (\$3.2 million). This funding roughly doubled the amount that councils receive to implement programs. The council budgets for FY 2024-25 will include \$966,853 in CCDF stimulus funding to support the Child Care Resource and Referral and Family Child Care Navigator programs through 9/30/24. Additionally, the SLFRF funded Emerging and



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Expanding contracts will also continue through FY 2024-25. The chart below provided by the Department demonstrates the ECC funding in FY 2023-24 by fund source and whether it is base funding for the councils.

EARLY CHILDHOOD COUNCIL FUNDING FY 2023-24				
	TOTAL FUNDING	GF	FF (BASE)	FF (STIMULUS)
Systems Building	\$2,712,310		\$2,712,310	
Quality Improvement	2,672,799	1,997,135	510,101	\$165,563
Child Care Resource & Referral	2,324,207		464,964	1,859,243
Family Child Care Home Navigator	1,992,299			1,992,299
Emerging & Expanding Child Care	1,207,939			1,207,939
<b>Total ECC Funding</b>	<b>\$10,909,554</b>	<b>\$1,997,135</b>	<b>\$3,687,375</b>	<b>\$5,225,044</b>
Total Base ECC Funding	\$5,684,510	\$1,997,135	\$3,687,375	

Funding for the Early Childhood Councils does not flow only through the Early Childhood Council line item in the Long Bill, but rather flow through other programs as well making historical funding very difficult to track. Staff is certain, however, the ECCs have not historically been part of the provider rate increases. **Therefore, if the Committee would like to provide an increase in FY 2024-25, staff recommends the amount identified by the Department: \$83,279 total funds. Staff also recommends this be provided through the federal Child Care Development funds.**

#### R6 UNIVERSAL HOME VISITING

During the Figure Setting discussion regarding the Universal Home Visiting program, several questions were raised regarding current funding of the program, its longevity, and whether a broader reach for the program was considered. The majority of funding is being provided through a federal grant – the Family Support through Primary Prevention Demonstration Sites Grant (FSPP), which was awarded to CDHS from the US Department of Health and Human Services, Administration Children and Families for October 1, 2021 to September 30, 2026. The Department received a 5-year grant of \$750,000 per year to support 3 priority areas, one of which is Family Connects. \$250,000 of the federal grant goes directly to support Family Connects in Denver, Jefferson, and Boulder counties.

Other sources of funding include local funds, and other federal funds. Certain sites have begun or will soon begin to bill Medicaid for services. Department provided the following which demonstrates the funding for existing Family Connects Pilot sites:

FAMILY CONNECTS PILOT PROGRAM			
SITE	FUNDING	SOURCE	NOTES
Boulder County	\$83,333	FSPP Funds	Will begin billing Medicaid in 2024; Remainder of costs being covered by County ARPA funds
Denver County	\$ 83,333	FSPP funds	Will begin billing Medicaid in 2024; City and County funds provided from 2023-2025 for the pilot
	\$ 500,000	Denver City & County Budget	
Jefferson County	\$ 83,333	FSPP Funds	Billing Medicaid as of Q1 2024; remainder of costs being covered by county funds
Eagle County	Unknown	County Funds	Billing Medicaid as of Q1 2024
Colorado Intermediary Organization for Family Connects (Illuminate Colorado)	\$ 75,000	FSPP Funds	Also receives philanthropic funding
	\$ 200,000	Federal Community-Based Child Abuse Prevention Funds	

The Department indicates that implementation of the Family Connects model began in the fall of 2021 with Boulder and Eagle Counties having launched services in October 2022, Jefferson county in 2022, and Denver County launches in 2024. When asked about expansion considerations, the Department provided the following information:

- The footprint of the pilot expansion sites covers urban and rural communities as well as underserved communities.
- Current sites are largely locally funded and, therefore, have not yet been able to reach the full universal implementation needed to reach full certification as a Family Connects site. State level certification is required for broader expansion and site level certification is required for outcome evaluation.
- Expanding existing sites will allow quick implementation and will leverage the current funding, avoiding the time and cost associated with lifting new sites. Data collected from current and projected Family Connects Colorado hospital partners shows a high prevalence of families that reside in Broomfield, Pitkin, Garfield, Summit, Weld, Arapahoe, and Adams counties and who receive delivery and newborn services at these hospitals. By enabling current and projected hospital partners to refer residents of these 7 additional counties, Family Connects can begin serving additional families in the first year of the 5-year pilot program funded by the budget request, maximizing the timeline, impact and reach of the pilot program. Understanding how Family Connects impacts Colorado family health and other outcomes, studying the cost savings associated with Family Connects Colorado, and receiving state certification in the Family Connects program model are key to long-term sustainability and expansion of the program to all Colorado counties.

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*CURRENT STAFF RECOMMENDATION:* **Staff recommended \$3,977,624 General Fund and .9 FTE in FY 2024-25 for this item.**

# MEMORANDUM



## JOINT BUDGET COMMITTEE

TO Members of the Joint Budget Committee  
FROM Scott Thompson, JBC Staff (303-866-4957)  
DATE March 19, 2024  
SUBJECT NEW IT CAPITAL RELATED REQUEST: Extend Spending Authority for Lamar Community College Technology Equipment Upgrades appropriated in S.B. 21-205 the Long Bill for FY 2021-22

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On March 19, 2024, JBC Staff received an email from JTC Staff with an urgent request from Lamar Community College to extend an appropriation of \$588,300 total funds, including \$553,002 Capital Construction Fund, through FY 2025-26. JTC Staff digitally asked JTC members for any feedback, which JBC Staff will share with the Committee if any arrives prior to presenting this item.

JBC Staff does not have a recommendation for the Committee due to the timing, but the request did not raise significant concerns with JTC Staff or JBC Staff. If the JBC would like to approve this funding extension, JBC Staff seeks a motion to approve the College's request and include a Long Bill add-on to extend the original appropriation, which originally appeared in S.B. 21-205 (Long Bill).