



COLORADO
Office of State Planning
& Budgeting

111 State Capitol
Denver, Colorado 80203

FY 2019-20

Figure Setting Comeback Requests for Executive Branch Agencies

March 18, 2019



FY 2019-20 Figure Setting Comebacks

Department	Request	Request Amount		Committee Action
		Total Funds	General Fund	
Top Priority Comebacks for Governor Polis				
CDE	BA-02 Full Day Kindergarten	\$226,996,623	\$226,996,623	Tabled
CDE	BA-03 Colorado Preschool Program Additional Slots	\$13,023,172	\$13,023,172	Tabled
CDE	BA-04 Full Day Kindergarten Implementation	\$25,719,814	\$25,719,814	Tabled
Statewide	BA-02 Paid Parental Leave	\$3,021,062	\$1,769,284	Tabled
Capital	DOC Capital - DRDC / CCF Swap	\$11,122,534	\$11,122,534	Ranked last by CDC; add \$1.1M supp FY19
Subtotal - Governor Polis Priority Items		\$279,883,205	\$278,631,427	
Placeholders / Set Asides				
	\$23M in Placeholders	\$4,682,718	\$4,682,718	Budget included \$23M for placeholders
	Competency Restoration settlement estimate	\$12,000,000	\$12,000,000	Some overlap with special bills
Subtotal - Placeholders / Set Asides		\$16,682,718	\$16,682,718	
Total Comebacks		\$296,565,923	\$295,314,145	

Placeholders for legislative priorities from Jan 15 and Jan 31 submissions				Placeholder Amount		GF Impact in LCS Fiscal Note		Notes
Department	Request	Bill Number	Jan 31 Budget	Updated Amt	FY 2019-20	FY 2020-21		
Top Priority Items								
Health	Competitive State-backed Health Insurance Study	HB19-1004	\$400,000	\$381,000	\$381,000	\$0		
Health	Prescription Drug Importation	SB19-005	\$1,300,000	\$1,361,217	\$1,361,217	\$1,347,169		
Health	Reinsurance Program	HB19-1168	\$1,148,000	\$785,904	\$785,904	\$1,015,122		
Crim Justice	Community-Based Competency Restoration	forthcoming	\$2,485,600	\$2,485,600				Est. for settlement is additional \$12M, TBD
Crim Justice	Prison Capital - Facility Modifications	SB19-143	\$5,000,000	\$3,148,997	\$3,148,997	\$3,078,918		Bill does not yet include the capital piece
Education	High School Freshman Success Fund	forthcoming	\$2,000,000	\$2,000,000				
Education	Expand Dual and Concurrent Enrollment	SB19-176	\$1,500,000	\$3,000,000				Addl \$1.5M from ELC Recs (CDE R-08) in Nov 1 budget
Other Legislative Placeholders								
Education	Educator Loan Forgiveness Program	SB19-003	\$6,500,000	\$0	\$623,969	\$1,117,412		
	(repurpose Nov 1 CDHE R-04, CO Teacher Scholarship)		-\$6,500,000	\$0				
Rural	Rural Economic Grant Program	SB19-067	\$2,500,000	\$0	\$2,500,000	\$2,500,000		
Health	Opioid Initiatives		\$5,000,000	\$0				
Crim Justice	CO Improving outcomes for Youth Taskforce	SB19-108	\$500,000	\$500,000	\$3,700,944	\$9,902,205		
Misc	DMVA Update State Awards		\$8,000	\$0				
Misc	DOR E-File		\$20,000	\$20,000				
Misc	DPS Community Corrections Performance Contracts		\$25,000	\$0				
Misc	Tax Credit Implementation		\$185,000	\$0				
Additional Funding Available / Changes related to Department Operating Budgets								
Education	Repurpose Nov 1 CDHE R-04, CO Teacher Scholarship			-\$6,500,000				
ELC Recs	CDE R-08 Concurrent Enrollment - added to SB19-176 above			-\$1,500,000				Added to SB19-176 above
ELC Recs	CDE R-09 Principal Academy - included in HB19-1002			-\$1,000,000				
DOC / DOLA	Housing Vouchers for DOLA		\$1,000,000	\$0				Appropriated to DOC and DOLA during fig. setting
Subtotal - Placeholders for legislative priorities			\$23,071,600	\$4,682,718	\$12,502,031	\$18,960,826		
			this matches placeholder table in Jan 15 request					

Office of State Planning and Budgeting FY 2019-20 Figure Setting Comeback Requests

Department:	Education
Title:	Full-Day Kindergarten, Implementation, and CPP Funding

	FY 2018-19 Appropriation	FY 2019-20 Budget Request	JBC Action	Comeback Request	Difference Between Action and Comeback Request
Total	\$0	\$265,739,609	\$0	\$265,739,609	\$0
FTE	0.0	0.0	0.0	0.0	0.0
GF	\$0	\$265,739,609	\$0	\$265,739,609	\$0
CF	\$0	\$0	\$0	\$0	\$0
RF	\$0	\$0	\$0	\$0	\$0
FF	\$0	\$0	\$0	\$0	\$0

Summary of Initial Request:

Governor Polis' budget submission on January 15, 2019 reduced the request for Total Program by \$274 million total funds due to changes in the forecast for local share (see table at bottom of page). It also included requests to fully fund full-day kindergarten, provide funds for full-day kindergarten implementation (one-time), and for the expansion of the Colorado Preschool Program (CPP). The total amount of these requests is \$265,739,609. The funding request is as follows:

Full-Day Kindergarten	\$226,996,623
Full-Day Kindergarten Implementation	\$25,719,814
CPP	\$13,023,172
Total	\$265,739,609

Committee Action:

The JBC has not taken an action on these requests to-date.

OSPB Comeback:

Free full-day kindergarten and expansion to the CPP program is a high priority for the Governor. As such, OSPB respectfully requests that the JBC set-aside this funding. While legislation is pending introduction, reserving these funds will ensure that all school districts have the opportunity to offer full-day kindergarten without charging tuition or cutting other programs, and that every eligible child is offered high-quality preschool education.

	Incremental General Fund Change from FY 2018-19 (\$ millions)
November 1 Total Program (R-01 GF)	\$261
January 15 Total Program Savings (BA-01 GF)	-\$272
January 15 FDK and preschool (BA-02, BA-03 and BA-04 GF)	\$265

Office of State Planning and Budgeting FY 2019-20 Figure Setting Comeback Requests

Department:	Personnel & Administration
Title:	BA-02 Paid Parental Leave

	FY 2018-19 Appropriation	FY 2019-20 Budget Request	JBC Action	Comeback Request	Difference Between Action and Comeback Request
Total	\$0	\$3,021,062	\$0	\$3,021,062	\$3,021,062
FTE	0.0	0.0	0.0	0.0	0.0
GF	\$0	\$1,769,284	\$0	\$1,769,284	\$1,769,284
CF	\$0	\$412,649	\$0	\$412,649	\$412,649
RF	\$0	\$611,933	\$0	\$611,933	\$611,933
FF	\$0	\$227,196	\$0	\$227,196	\$227,196

Summary of Initial Request:

The Department of Personnel & Administration requested spending authority of \$3,021,062 statewide to create a new paid leave category to cover parental leave for state employees.

Paid parental leave refers to partially or fully compensated time away from work for caring and bonding with a newly arrived child, whether through circumstances such as birth, adoption, or foster placement of a child under 18 years of age. The paid parental leave benefit will cover salaries at 100 percent of base salaries, excluding overtime and any premiums paid in addition to base pay. Paid Parental leave will provide wage replacement to eligible employees for up to 8 weeks, and run concurrently with the leave under the Family Medical Leave Act (FMLA).

The request will cover the cost to backfill critical positions for 8 weeks of paid parental leave. Departments that have critical positions that must be filled, including 24 by 7 work centers, direct care positions, and hourly non-exempt positions require additional appropriations; because the paid parental leave and subsequent backfill will be paid simultaneously, existing budgets may not have sufficient room.

Committee Action:

When presented to the Joint Budget Committee on January 22, 2019, there was discussion on the need for authorizing legislation before this type of leave could be implemented. As a result, the Committee did not take action. This document provides information that seeks to clarify the discussion on the need for authorizing legislation below.

OSPB Comeback:

The Office of State Planning and Budgeting respectfully requests that the Committee reconsider the Department of Personnel & Administration's "BA-02 Paid Parental Leave" request.

A central component of the discussion that led to the Committee tabling this request was around the need for authorizing legislation.

The Department believes the language within Section 24-50-104 (1)(g) C.R.S. provides the State Personnel director with the authority to implement a new category of paid leave, and enacting legislation is not necessarily required to do so.

Section 24-50-104 (1)(g), C.R.S. states, “benefits shall include insurance, retirement, and leaves of absence with or without pay and may include jury duty, military duty, or educational leaves. The state personnel director shall prescribe procedures for the types, amounts, and conditions for all leave benefits that are typically consistent with prevailing practices, subject to the provisions governing the benefits provided in subsection (7) of this section. The general assembly shall approve any changes to leave benefits granted by statute before such changes are implemented. The state personnel director shall prescribe by procedure any nonstatutory benefits.

As noted above, the approval of this request would provide funding of \$3,021,062 statewide, which would allow for departments to backfill critical positions as employees utilize this type of leave for up to 8 weeks. Departments that have critical positions that must be backfilled may include 24 by 7 work centers, direct care positions, and hourly non-exempt positions, however, approximately 20% (\$600,000) of this total funding has been requested as base funding for the backfill of any position that is critical and was not identified in the overall statewide estimate. Using assumptions of CDC rates and employee demographics, the Department took the weighted average salaries using the midpoints of salary bands, and assumed that an employee would utilize the full 8 weeks of the leave policy.

Table 1: Total Utilization vs. Total Cost to Backfill

Estimated Annual Paid Parental Leave Utilized	\$8,951,190
Estimated Annual Cost to Backfill Critical Positions*	\$3,021,062

**This number includes indirect cost transfers from DHS to HCPF*

The funding required to backfill critical positions was estimated by utilizing the Centers for Disease Control and Prevention (CDC) National Center for Health Statistics (NCHS) published birth rates within the United States. Employee demographics such as age and income were pulled from the November 2018 workforce and summarized by Department to estimate the potential utilization and the estimated costs associated with paid parental leave.

This request applies to permanent state employees (classified and non-classified), including the classified employees within the Institutions of Higher Education (non-classified employees within Higher Education are excluded), and excludes temporary employees, as they are not eligible for benefits and paid leave in general. If an employee demonstrates a qualifying event such as birth, adoption, or foster placement, the paid parental leave will cover salaries at 100 percent of base salaries, not including any overtime or premiums paid in addition to base pay, for a maximum of 8 weeks.

In the event that the legislature were to pass legislation to implement a more comprehensive program for paid family and medical leave, the Executive Branch can work with the legislature to repurpose these funds following the implementation of those other programs.

Numerous studies have shown that parental leave enhances children’s health and development and is associated with increases in the duration of breastfeeding and reductions in infant deaths and behavioral issues. Breastfeeding has a multitude of benefits such as stimulating positive neurological and psycho-

social development, strengthening a child's immune system, as well as reducing the risk of health problems such as respiratory illnesses, asthma, obesity, type 2 diabetes, leukemia, and sudden infant death syndrome. Additionally, increasing the length of maternity leave is associated with reductions of postpartum depression among mothers, a reduction in severe depression, and when the leave is paid, an improvement in overall and mental health. There are also economic benefits of paid parental leave, such as increased labor-force participation, increased employee retention, and reduced spending on public assistance.

If Paid Parental Leave is implemented without the requested funding, Departments may not have sufficient room within existing appropriations to provide this paid leave in addition to the cost required to backfill positions that are critical. Existing State Personnel Rules include job-protected leave through the Family Medical Leave Act (FMLA) of 1993 for up to 13 weeks, but require employees to exhaust all annual leave, sick leave, and compensatory time before being placed on unpaid family/medical leave. The absence of a paid parental leave may increase the turnover experienced at state agencies, and although there is pending legislation that would create similar paid leave, these policies would not be implemented in the near-term.

Appendix A – Request Tables

Table 1: Departmental Utilization (benefit received by employees) vs. Cost to Backfill Positions by Department

Department	Estimated Annual Paid Parental Leave Utilized	Estimated Annual Cost to Backfill Positions
Agriculture	\$ 55,245	\$ 23,246
Corrections	\$ 1,510,290	\$ 1,052,755
Education	\$ 188,712	\$ 34,352
General Assembly	\$ 87,758	\$ 6,066
Governor's Office	\$ 263,746	\$ 18,014
Health Care Policy & Financing	\$ 220,528	\$ 8,647
Higher Education	\$ 832,256	\$ 356,571
Human Services	\$ 1,077,485	\$ 760,323
Judicial Branch	\$ 1,554,841	\$ 75,705
Labor & Employment	\$ 260,577	\$ 137,200
Law	\$ 162,297	\$ 7,891
Local Affairs	\$ 54,190	\$ 2,987
Military & Veterans Affairs	\$ 8,827	\$ 2,360
Natural Resources	\$ 431,509	\$ 91,351
Personnel & Administration	\$ 70,208	\$ 16,280
Public Health & Environment	\$ 464,718	\$ 127,185
Public Safety	\$ 729,558	\$ 55,552
Regulatory Agencies	\$ 134,534	\$ 20,780
Revenue	\$ 281,845	\$ 77,727
State	\$ 23,147	\$ 1,973
Transportation	\$ 538,917	\$ 59,157
Treasury	\$ -	\$ 479
Total	\$ 8,951,190	\$ 2,936,601

Table 2: Departmental Requests with Fund Splits

Department	Total Incremental Request	General Fund	Cash Funds	Reappropriated Funds	Federal Funds
Department of Agriculture	\$23,185	\$2,201	\$20,984	\$0	\$0
Department of Corrections	\$1,006,950	\$977,839	\$29,111	\$0	\$0
Department of Education	\$37,450	\$13,642	\$5,707	\$3,437	\$14,664
Department of Health Care Policy and Finance	\$172,826	\$84,232	\$962	\$275	\$87,357
Department of Higher Education	\$353,378	\$0	\$1,506	\$351,872	\$0
Department of Human Services	\$724,317	\$471,981	\$38,080	\$156,006	\$58,250
Department of Labor and Employment	\$132,608	\$13,747	\$55,192	\$0	\$63,669
Department of Law	\$10,859	\$10,859	\$0	\$0	\$0
Department of Local Affairs	\$3,958	\$1,148	\$555	\$1,465	\$790
Department of Military Affairs	\$3,248	\$1,494	\$0	\$0	\$1,754
Department of Natural Resources	\$95,868	\$7,021	\$86,150	\$1,985	\$712
Department of Personnel & Administration	\$17,642	\$7,612	\$213	\$9,817	\$0
Department of Public Health and Environment	\$128,615	\$19,047	\$44,872	\$64,696	\$0
Department of Public Safety	\$65,828	\$41,509	\$24,319	\$0	\$0
Department of Regulatory Agencies	\$23,237	\$454	\$21,559	\$1,224	\$0
Department of Revenue	\$80,583	\$0	\$80,583	\$0	\$0
Department of State	\$2,613	\$0	\$2,613	\$0	\$0
Department of Treasury	\$660	\$417	\$243	\$0	\$0
Judicial	\$104,178	\$104,178	\$0	\$0	\$0
Legislature	\$8,347	\$8,347	\$0	\$0	\$0
Office of the Governor	\$24,712	\$3,556	\$0	\$21,156	\$0
Total Request Amount:	\$3,021,062	\$1,769,284	\$412,649	\$611,933	\$227,196
Department of Transportation (non-appropriated)	\$76,465	\$0	\$76,465	\$0	\$0

Office of State Planning and Budgeting FY 2019-20 Figure Setting Comeback Requests

Department:	Department of Corrections
Title:	CC-05 – Denver Reception & Diagnostic Center (DRDC) and Centennial Correctional Facility (CCF) Population Swap

	FY 2018-19 Appropriation	FY 2019-20 Budget Request	JBC Action	Comeback Request	Difference Between Action and Comeback Request
Total	\$0	\$11,122,534	\$0	\$11,122,534	\$11,122,534
FTE	0.0	0	0.0	0	0
GF	\$0	\$11,122,534	\$0	\$11,122,534	\$11,122,534
CF	\$0	\$0	\$0	\$0	\$0
RF	\$0	\$0	\$0	\$0	\$0
FF	\$0	\$0	\$0	\$0	\$0

Summary of Initial Request:

The Department requested \$11,122,534 Capital Construction Funds in FY 2019-20 to remodel, renovate, and swap the purposes of Centennial Correctional Facility (both CCF-South and CCF-North) and Denver Reception and Diagnostic Center (DRDC). The primary benefit of this project is that it would allow the DOC to provide a greater level of service to individuals in its custody (residential treatment program, re-entry/pre-release, mental health and health services). Further, it would give the Department a more centralized diagnostic and re-entry facility in CCF-S and allow for a greater standard of medical care to be provided in the metro-Denver area.

Committee Action:

The Committee has not yet taken action on the Capital Development Committee's prioritized list of capital projects. However, on the CDC's updated list of prioritized projects, the DRDC-CCF Swap project is not prioritized for funding.

OSPB Comeback:

The Office of State Planning and Budgeting respectfully requests that the Joint Budget Committee approve the Department's request for \$11,122,534 Capital Construction Funds in FY 2019-20. This capital renewal project is a key component of the criminal justice reform plan laid out in the Governor's January 31st letter to the Joint Budget Committee. The repurposed facility would add capacity for residential mental health treatment in Denver, where the workforce to provide these services has less of a shortage compared to its current location in Canon City. In addition, repurposing a maximum security facility built for administrative segregation (solitary confinement) to address re-entry is both significant and appropriate given the Administration's focus on rehabilitation and the fact that nearly all incarcerated individuals return to society.

It is expected that the necessary renovations will take over two years once the request is approved. Therefore, although this request impacts the long term utility of CCF-S, the immediate decision of

whether or not to open CCF-S does not have to be impacted by this proposal. This proposal should be viewed as a long term solution to improving services to offenders, and is not directly related to current capacity concerns. The swap would increase beds in state facilities by 824 beds, which, under Governor Polis’ proposal, would be offset with a corresponding reduction in private beds, making the proposal bed-neutral. This plan makes progress in returning Colorado to the original intent for private prison beds – as an overflow mechanism. Below is a breakdown of the bed changes proposed in this capital construction request.

Proposed Change in Beds (FY 21-22)

