

MEMORANDUM



JOINT BUDGET COMMITTEE

TO Joint Budget Committee Members
FROM JBC Staff
DATE March 14, 2023
SUBJECT Potential Legislation

This packet includes bill drafts and related memos for the Committee’s consideration. Each individual item has page numbers but also a packet page number to help navigate the whole document. The page numbers below refer to the packet page number.

POTENTIAL LEGISLATION

CDPHE Dairy Plant Fees LLS 23-0892 (Forbes)..... 1

Community Corrections Financial Audit LLS 23-0881 (Brakke) 4

State Employee Insurance Premiums LLS 23-0906 (Magnus)..... 7

First Regular Session
Seventy-fourth General Assembly
STATE OF COLORADO

DRAFT
3/8/23

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LLS NO. 23-0892.01 Yelana Love x2295

COMMITTEE BILL

Joint Budget Committee

BILL TOPIC: CDPHE Dairy Plant Fees

A BILL FOR AN ACT

101 **CONCERNING FEES A DAIRY PLANT IS REQUIRED TO PAY TO THE**
102 **DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT.**

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov/>.)

Joint Budget Committee. The bill:

- Removes a \$50 fee for dairy plant employees who sample or test milk, cream, or any other dairy product;
- Increases the licensing fee a dairy plant is required to pay by 30%; and
- Creates a new fee of one cent for every 100 pounds of

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Dashes through the words indicate deletions from existing law.*

milk, to be paid by a dairy plant that receives 20,000 pounds or more of milk each day.

The department of public health and environment is required to cap the amount a dairy plant must pay in total for the licensing fee and volume of production fee at \$150,000.

Be it enacted by the General Assembly of the State of Colorado:

SECTION 1. In Colorado Revised Statutes, 25-5.5-107, **amend** (2) and (4)(a)(II); and **add** (4)(a)(III) and (4)(a)(IV) as follows:

25-5.5-107. Testing and sampling of dairy products - unlawful acts - licensing - dairy protection cash fund - created. (2) It is unlawful for any person to sample or test milk, cream, or any other dairy product to determine the value of such product when bought and sold or to instruct another person for such purpose without first having a license granted by the department, which license shall be conspicuously displayed in the person's place of business. Licenses shall be granted to those persons who have completed a course in milk and cream testing ~~in~~ AT any recognized college or dairy school or to those persons who have passed a satisfactory examination under the direction of the department. ~~Payment of a yearly fee of fifty dollars is required, and the license shall be issued for a period of one year from the July 1 next preceding the actual date of issue; however,~~ The license shall be subject to cancellation by the department at any time if it finds that the person holding the license is incompetent or guilty of violating this part 1.

(4) (a) (II) Except for a transfer or receiving station, which shall be charged the fee set forth in ~~sub-subparagraph (A) of this subparagraph~~ ~~(H)~~ SUBSECTION (4)(a)(II)(A) OF THIS SECTION, the fee for a license issued under this subsection (4) shall be determined and paid according to the annual average daily amount of milk received for manufacturing by the

1 dairy plant, as follows:

2 Annual average daily	Fee
3 amount of milk received	
4 (A) Under 1,000 pounds	\$ 300 \$390
5 (B) 1,000 to 19,999 pounds	\$ 600 \$780
6 (C) 20,000 to 449,999 pounds	\$1,000 \$1,300
7 (D) 450,000 or more pounds	\$1,600 \$2,080

8 (III) SUBJECT TO THE LIMITATION IN SUBSECTION (4)(a)(IV) OF
9 THIS SECTION AND IN ADDITION TO THE FEE REQUIRED IN SUBSECTION
10 (4)(a)(II) OF THIS SECTION, A DAIRY PLANT THAT RECEIVES MORE THAN
11 TWENTY THOUSAND POUNDS OF MILK PER DAY SHALL PAY ONE CENT FOR
12 EACH ONE HUNDRED POUNDS OR FRACTION THEREOF OF MILK RECEIVED.

13 (IV) IF THE TOTAL AMOUNT OF FEES REQUIRED IN SUBSECTIONS
14 (4)(a)(II) AND (4)(a)(III) OF THIS SECTION WOULD REQUIRE A DAIRY PLANT
15 TO PAY MORE THAN ONE HUNDRED FIFTY THOUSAND DOLLARS IN A YEAR,
16 THE DEPARTMENT SHALL REDUCE THE VOLUME OF PRODUCTION FEE IN
17 SUBSECTION (4)(a)(III) OF THIS SECTION UNTIL THE TOTAL AMOUNT THE
18 DAIRY PLANT IS REQUIRED TO PAY UNDER SUBSECTIONS (4)(a)(II) AND
19 (4)(a)(III) OF THIS SECTION IS ONE HUNDRED FIFTY THOUSAND DOLLARS.

20 **SECTION 2. Effective date.** This act takes effect July 1, 2023.

21 **SECTION 3. Safety clause.** The general assembly hereby finds,
22 determines, and declares that this act is necessary for the immediate
23 preservation of the public peace, health, or safety.

First Regular Session
Seventy-fourth General Assembly
STATE OF COLORADO

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3/8/23

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LLS NO. 23-0881.01 Amber Paoloemilio x5497

COMMITTEE BILL

Joint Budget Committee

BILL TOPIC: Community Corrections Financial Audit

A BILL FOR AN ACT

101 **CONCERNING FINANCIAL AUDITS OF THE COMMUNITY CORRECTIONS**
102 **PROGRAMS IN THE STATE.**

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov/>.)

Joint Budget Committee. The bill requires the division of criminal justice in the department of public safety to contract with a third-party to conduct a financial audit of the community corrections programs and report those findings to the joint budget committee and the division of criminal justice by July 1, 2025.

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1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1.** In Colorado Revised Statutes, 17-27-108, **add**
3 (2)(c) as follows:

4 **17-27-108. Division of criminal justice in the department of**
5 **public safety - duties - community corrections contracts - audit.**

6 (2) (c) (I) NO LATER THAN JANUARY 1, 2024, AND EVERY FIVE YEARS
7 THEREAFTER, THE DIVISION OF CRIMINAL JUSTICE SHALL, SUBJECT TO
8 AVAILABLE APPROPRIATIONS, CONTRACT WITH AN INDEPENDENT
9 THIRD-PARTY CONTRACTOR TO ANALYZE ALL FINANCIAL RECORDS OF
10 EACH COMMUNITY CORRECTIONS PROGRAM. THE COMMUNITY
11 CORRECTIONS PROGRAMS SHALL COMPLY WITH ALL REQUESTS ASSOCIATED
12 WITH THIS AUDIT AND SHARE FINANCIAL RECORDS WITH THE CONTRACTOR.
13 THE INDEPENDENT THIRD-PARTY CONTRACTOR SHALL WORK DIRECTLY
14 WITH EACH COMMUNITY CORRECTIONS PROGRAM TO GATHER FINANCIAL
15 INFORMATION. THE AUDIT MUST ANALYZE, BUT IS NOT LIMITED TO, THE
16 FOLLOWING:

17 (A) TOTAL REVENUE;

18 (B) ALL SOURCES OF REVENUE, INCLUDING, BUT NOT LIMITED TO,
19 GENERAL FUND DOLLARS, STATE OR FEDERAL GRANT FUNDS, MEDICAID
20 REIMBURSEMENTS, LOCAL GOVERNMENT FUNDS, AND PRIVATE AND PUBLIC
21 LOANS;

22 (C) TOTAL EXPENDITURES;

23 (D) AMOUNT OF EXPENDITURES BY EXPENDITURE TYPE,
24 INCLUDING, BUT NOT LIMITED TO, WAGES AND SALARIES, BENEFITS,
25 OPERATING EXPENSES, AND CAPITAL IMPROVEMENTS; AND

26 (E) COST PER DAY PER COMMUNITY CORRECTIONS OFFENDER FOR

1 SERVICES THAT QUALIFY FOR REIMBURSEMENT FROM APPROPRIATIONS
2 FROM THE GENERAL FUND TO THE DIVISION OF CRIMINAL JUSTICE.

3 (II) THE INDEPENDENT THIRD-PARTY CONTRACTOR COMPLETING
4 THE AUDIT SHALL REPORT ITS FINDINGS TO THE JOINT BUDGET COMMITTEE
5 OF THE HOUSE AND SENATE AND THE DIVISION OF CRIMINAL JUSTICE, NO
6 LATER THAN JULY 1, 2025, AND NO LATER THAN JULY 1 EVERY FIVE YEARS
7 THEREAFTER. NOTWITHSTANDING SECTION 24-1-136 (11)(a)(I), THE
8 REPORT REQUIRED BY THIS SUBSECTION (2)(c)(II) CONTINUES
9 INDEFINITELY.

10 **SECTION 2. Act subject to petition - effective date.** This act
11 takes effect at 12:01 a.m. on the day following the expiration of the
12 ninety-day period after final adjournment of the general assembly; except
13 that, if a referendum petition is filed pursuant to section 1 (3) of article V
14 of the state constitution against this act or an item, section, or part of this
15 act within such period, then the act, item, section, or part will not take
16 effect unless approved by the people at the general election to be held in
17 November 2024 and, in such case, will take effect on the date of the
18 official declaration of the vote thereon by the governor.

MEMORANDUM



JOINT BUDGET COMMITTEE

TO Members of the Joint Budget Committee
FROM Abby Magnus JBC Staff (303-866-2149)
DATE March 14, 2023
SUBJECT JBC Bill Draft – Changes to FAMILI Prepay (State Employee Insurance Premiums)

The Committee approved a bill draft to limit the use of the FAMILI prepay in H.B. 22-1133 (Family and Medical Leave Insurance Fund) and transfer the unexpended amounts back to the Revenue Loss Restoration Cash Fund. This bill draft:

- Ends the use of the prepay after FY 2023-24; and
- Transfers \$35.0 million of the initial \$57.0 million transfer for the prepay from the FAMILI fund back to the Revenue Loss Restoration Cash Fund, which is the estimated unexpended amount.

Staff used information provided by the Department of Personnel to calculate the estimated impact of:

- 100.0 percent of FAMILI premiums for six months of FY 2022-23; and
- 50.0 percent of FAMILI premiums for twelve months of FY 2023-24.

The table below identifies these estimated costs and the amount the prepay can be reduced by:

CALCULATIONS FOR ADJUSTMENTS TO FAMILI PREPAY		
FISCAL YEAR	STATE FAMILI EXPENDITURES	COMMENT
2022-23	\$9,816,933	6 month impact for 100% of premium
2023-24	\$10,394,939	1 year impact for 50% of premium
TOTAL	\$20,211,871	
LEGISLATION W/ TRANSFERS	TRANSFER	COMMENT
H.B. 22-1133 (FAMILI Fund)	\$57,000,000	FAMILI prepay of State premiums w/out time limit
LLS 23-0906 (JBC Bill Draft)	(\$35,000,000)	Unexpended amount of prepay based on DPA estimates for FY22-23 and FY23-24, with \$1.8 million buffer
PREPAY REMAINING IN FAMILI FUND	\$22,000,000	Remainder will be transferred to RLRCF once accounting for FY 2023-24 is complete

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LLS NO. 23-0906.01 Alison Killen x4350

COMMITTEE BILL

Joint Budget Committee

BILL TOPIC: State Employee Insurance Premiums

A BILL FOR AN ACT

101 **CONCERNING THE CESSATION OF ADVANCE PAYMENT OF PREMIUMS**
102 **FOR STATE EMPLOYEE FAMILY AND MEDICAL LEAVE INSURANCE**
103 **COVERAGE, AND, IN CONNECTION THEREWITH, TRANSFERRING**
104 **MONEY FROM THE FAMILY AND MEDICAL LEAVE INSURANCE**
105 **FUND BACK TO THE REVENUE LOSS RESTORATION CASH FUND.**

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov/>.)

Joint Budget Committee. Currently, premiums for state employee coverage that the state is required to pay under the family and medical

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leave insurance program are paid by credit calculated by the division of family and medical leave insurance (division) based on the state's advance payment of \$57 million to the family and medical leave insurance fund from the revenue loss restoration cash fund in May 2022. The bill terminates such payment by credit at the end of fiscal year 2023-24 and requires the state treasurer to transfer \$35 million - the estimated unexpended amount of the \$57 million - back to the revenue loss restoration fund, on or as soon as possible after the date on which the balance of the family and medical leave insurance fund reaches \$100 million. The bill also makes a conforming amendment to the statute in which the revenue loss restoration fund is created.

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1.** In Colorado Revised Statutes, 8-13.3-518, **add**
3 (4)(d) as follows:

4 **8-13.3-518. Family and medical leave insurance fund -**
5 **establishment and investment - repeal.** (4) (d) (I) NOTWITHSTANDING
6 ANY PROVISION OF THIS SECTION TO THE CONTRARY, THE DIVISION SHALL
7 CEASE TO CREDIT THE MONEY TRANSFERRED TO THE FUND FROM THE
8 REVENUE LOSS RESTORATION CASH FUND PURSUANT TO SUBSECTION (4)(a)
9 OF THIS SECTION AS AN ADVANCE PAYMENT OF PREMIUMS FOR STATE
10 EMPLOYEE COVERAGE THAT THE STATE IS REQUIRED TO PAY UNDER THE
11 FAMILY AND MEDICAL LEAVE INSURANCE PROGRAM AT THE END OF FISCAL
12 YEAR 2023-24.

13 (II) NOTWITHSTANDING ANY PROVISION OF THIS SECTION TO THE
14 CONTRARY, ON THE DATE ON WHICH THE FUND BALANCE MEETS OR
15 EXCEEDS ONE HUNDRED MILLION DOLLARS, OR AS SOON AS POSSIBLE
16 THEREAFTER, THE STATE TREASURER SHALL TRANSFER THIRTY-FIVE
17 MILLION DOLLARS FROM THE FUND BACK TO THE REVENUE LOSS
18 RESTORATION FUND CREATED IN 24-75-227 (2)(a) AS REPAYMENT OF THE
19 UNEXPENDED AMOUNT OF THE ADVANCE PAYMENT OF PREMIUMS FOR

1 STATE EMPLOYEE COVERAGE MADE BY THE STATE PURSUANT TO
2 SUBSECTION (4)(a) OF THIS SECTION.

3 **SECTION 2.** In Colorado Revised Statutes, 24-75-227, **amend**
4 (2)(b)(III)(A) and (2)(b)(III)(B); and **add** (2)(b)(III)(C) as follows:

5 **24-75-227. Revenue loss restoration cash fund - creation -**
6 **allowable uses - definitions - repeal.** (2) (b) (III) The fund also
7 includes:

8 (A) Five million five hundred sixty-three thousand nine hundred
9 eighty-eight dollars from the money the state received from the federal
10 coronavirus state fiscal recovery fund under section 9901 of title IX,
11 subtitle M of the "American Rescue Plan Act of 2021", which the state
12 treasurer shall transfer to the fund; ~~and~~

13 (B) The amounts transferred to the fund in accordance with
14 section 24-75-228 (3.5)(b) and (3.7); AND

15 (C) THE AMOUNT TRANSFERRED TO THE FUND IN ACCORDANCE
16 WITH SECTION 8-13.3-518 (4)(d)(II).

17 **SECTION 3. Safety clause.** The general assembly hereby finds,
18 determines, and declares that this act is necessary for the immediate
19 preservation of the public peace, health, or safety.