

MEMORANDUM



JOINT BUDGET COMMITTEE

TO JBC Members
FROM JBC Staff
DATE March 11, 2024
SUBJECT Figure Setting Comeback Packet 2

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

Capital Construction, page 2 (Andrea Uhl): Letter to OSC Regarding COP Funds for Capital Projects

Capital Construction, page 8 (Andrea Uhl): FY 2021-22 Non-Monetary Adjustments

Department of Public Health & Environment, page 11 (Abby Magnus): Health Facility Cash Fund Fee Relief

Department of Early Childhood, page 13 (Louellen Lowe): R3 UPK Information Technology

Department of Early Childhood, page 16 (Louellen Lowe): R4 UPK and Early Childhood Workforce

Department of Early Childhood, page 18 (Louellen Lowe): R6 Universal Home Visiting

MEMORANDUM



JOINT BUDGET COMMITTEE

TO Members of the Joint Budget Committee
FROM Andrea Uhl, JBC Staff (303-866-4956)
DATE March 7, 2024
SUBJECT Letter to OSC Regarding COP Funds for Capital Projects

Please note this topic is unrelated to figure setting but time-sensitive in nature.

The Office of the State Controller (OSC) recently identified an issue related to \$20.0 million originating from certificates of participation (COP) proceeds that was transferred to the Capital Construction Fund and used to pay for a portion of the FY 2021-22 project list. OSC has requested the Joint Budget Committee and Capital Development Committee send a letter of approval for the proposed solution.

Senate Bill 20-219 authorized the issuance of up to \$65.5 million in COPs for continuation projects at institutions of higher education and directed any excess proceeds received from the issuance to be deposited in the Emergency Controlled Maintenance Account. H.B. 21-1174 transferred the money (\$12.0 million) from the Emergency Controlled Maintenance Account to the Capital Construction Fund. H.B. 20-1377 required excess proceeds up to \$49.0 million from the second tranche of S.B. 17-267 COPs to be used for capital construction. H.B. 20-1408 was then enacted to specify projects to be funded in FY 2020-21 and directed the remainder (\$8.0 million) toward the Emergency Controlled Maintenance Account. S.B. 21-224 then transferred the \$8.0 million to the Capital Construction Fund.

In total, \$20.0 million originating from bond proceeds was transferred to the Capital Construction Fund to fund a portion of the FY 2021-22 project list in combination with a transfer from the General Fund. The JBC was never asked to tie the \$20.0 million to specific projects. The State Controller recently discovered that the funds do in fact need to be allocated to specific projects in order to meet the requirements of the COP agreements. This issue can be fixed administratively by OSC, but they have asked the JBC and CDC to send a letter acknowledging that the following list of projects will be deemed as being funded by COP proceeds. These projects are already substantially complete and this action will not impact their progress in any way.

				AMOUNT USING COP PROCEEDS
AGENCY	BILL NUMBER	APPROP UNIT	PROJECT NAME	
DPA	S.B. 21-205	AXPNGM087	2019-087M21 Upgrade/Replace HVAC Systems, 690 and 700 Kiplin	\$1,464,064.13
DPA	S.B. 21-205	AXPNHM036	2022-036M21 Replace Plumbing and Abate Asbestos, Centennial	1,429,795.05
DPA	S.B. 21-205	AXPNIM063	2021-063M21 Restroom Modernization, 1881 Pierce Street	1,182,928.00
DPA	S.B. 21-205	AXPNFM046	2022-046M21 Water and Fire Line Replacement, Camp George Wes	\$506,187.76
CDA	S.B. 21-205	BXPAD011B	Repair/Replace Water, Sanitary Storm Water Infrastructure	2,140,801.71
DOC	S.B. 21-205	CXPPY009X	2020-009P21 Steam Condensate Line Replacement, Sterling Corr	3,912,916.60
DOC	S.B. 21-205	CXPJZ086X	2020-086M19 Improve Accessibility, Fremont Correctional Faci	1,891,058.00
CDE	S.B. 21-205	DXPMLM022	2022-022M21 Install Fire Sprinklers and Update HVAC and ADA,	1,559,927.00
CDHS	S.B. 21-205	IXPQA2103	2021-003P21 HVAC Replacement in Four Buildings, Colorado Men	3,825,489.99
CDHS	S.B. 21-205	IXPKF0053	2019-053M19 Refurbish HVAC Systems, B Building, Colorado Men	986,078.00
CDHS	S.B. 21-205	IXPMW2174	2019-074M21 Refurbish HVAC and Mechanical Equipment, Zebulon	1,100,753.76
Total				\$20,000,000.00

Staff recommends the JBC approve the attached letter as requested by OSC.



March 9, 2024

Mr. Robert Jaros
State Controller
Department of Personnel
1525 Sherman Street, 5th Floor
Denver, CO 80203

Dear Mr. Jaros:

The Joint Budget Committee has considered a letter from the Capital Development Committee concerning proceeds from certificates of participation (COP) issuances that were transferred into the Capital Construction Fund by S.B. 21-224 and H.B. 21-1174. The Committee understands that the terms of the COPs require funds to be designated for qualifying capital projects and agrees with the Office of State Planning and Budgeting and Capital Development Committee's recommendation to designate the following projects as recipients of COP funds:

AGENCY	BILL NUMBER	APPROP UNIT	PROJECT NAME	AMOUNT USING COP PROCEEDS
DPA	S.B. 21-205	AXPNGM087	2019-087M21 Upgrade/Replace HVAC Systems, 690 and 700 Kiplin	\$1,464,064.13
DPA	S.B. 21-205	AXPNHM036	2022-036M21 Replace Plumbing and Abate Asbestos, Centennial	1,429,795.05
DPA	S.B. 21-205	AXPNIM063	2021-063M21 Restroom Modernization, 1881 Pierce Street	1,182,928.00
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Total				\$20,000,000.00

Sincerely,

Representative Shannon Bird, Chair
Joint Budget Committee

cc:

Capital Development Committee Members

Adrian Leiter, Office of State Planning and Budgeting

Tammy Pacheco, Office of State Planning and Budgeting

Tana Lane, Office of the State Architect

Bo Pogue, Capital Development Committee Staff

Craig Harper, Staff Director, Joint Budget Committee

Andrea Uhl, Joint Budget Committee Staff

Sen. Nick Hinrichsen, *Chair*
Sen. Kyle Mullica
Sen. Cleave Simpson



Capital Development Committee

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

Rep. Tammy Story, *Vice-Chair*
Rep. Marc Catlin
Rep. Mandy Lindsay



March 1, 2024

Representative Shannon Bird, *Chair*
Joint Budget Committee
200 East 14th Avenue, Third Floor
Denver, CO 80203

Dear Representative Bird:

On February 29, 2024, the Capital Development Committee (CDC) considered a proposal from the Governor's Office of State Planning and Budgeting (OSPB) concerning legislation impacting two certificates of participation (COP) issuances, both of which transferred funds into the Capital Construction Fund to be used for capital projects. The terms of the COPs require funds to be designated for qualifying capital projects. OSPB requested that the CDC, in collaboration with the Joint Budget Committee, draft a letter to the Office of the State Controller and OSPB designating a list of capital projects as recipients of the referenced COP funds. The CDC approved this request on a vote of 6-0. The capital projects to be designated as recipients of the COP funds are listed in an attached memorandum from OSPB.

If you have any questions or concerns about the CDC's approval of this request, please call Bo Pogue, Legislative Council Staff, at 303-866-5390.

Sincerely,

A handwritten signature in black ink, appearing to read "Nick Hinrichsen", written over a horizontal line.

Senator Nick Hinrichsen
Chair, Capital Development Committee

c: Joint Budget Committee Members
Capital Development Committee Members
Andrea Uhl, Joint Budget Committee Staff
Adrian Leiter, Office of State Planning and Budgeting
Tammy Pacheco, Office of State Planning and Budgeting
Tana Lane, Office of the State Architect
Jennifer Henry, Office of the State Controller
Capital Development Committee Staff

Confidential Work Product of the Governor's Office



February 26, 2024

The Honorable Nick Hinrichsen
Chair, Capital Development Committee
State Capitol Building, Room 029
Denver, CO 80203

RE: COP issuances for \$8M SB21-224 and \$12M HB21-1174

Dear Chair Hinrichsen,

In the 2021 legislative session, the General Assembly passed legislation impacting two COPs, both of which provided funding for capital projects: \$8M per SB 21-224 and \$12M per HB 21-1174. The bills required the transfer of COP funds from the Emergency Controlled Maintenance Account into the Capital Construction Fund. The terms of the COPs require the funds to be designated for use on qualifying projects, and statute requires the \$8M from SB 21-224 to be spent by **June 2, 2025** and the \$12M from HB 21-1174 be spent by **March 1, 2024**. To comply with the terms of the COPs, staff recommends designating the following projects as funded by the COPs. These projects were appropriated Capital Construction Funds (CCF) in SB 21-205 (the FY 2021-22 Long Bill), meet the criteria specified by the COPs, and will satisfy the expenditure requirements in statute.

Agency	Long Bill	Approp unit	Project Name	Amounts to Earmark as using COP Proceeds
DPA	21-205	AXPNGM087	2019-087M21 Upgrade/Replace HVAC Systems, 690 and 700 Kiplin	1,464,064.13
DPA	21-205	AXPNHM036	2022-036M21 Replace Plumbing and Abate Asbestos, Centennial	1,429,795.05
DPA	21-205	AXPNIM063	2021-063M21 Restroom Modernization, 1881 Pierce Street	1,182,928.00
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CDA	21-205	BXPAD011B	Repair/Replace Water, Sanitary Storm Water Infrastructure	2,140,801.71
DOC	21-205	CXPPY009X	2020-009P21 Steam Condensate Line Replacement, Sterling Corr	3,912,916.60
DOC	21-205	CXPJZ086X	2020-086M19 Improve Accessibility, Fremont Correctional Faci	1,891,058.00
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CDHS	21-205	IXPKF0053	2019-053M19 Refurbish HVAC Systems, B Building, Colorado Men	986,078.00
CDHS	21-205	IXPMW2174	2019-074M21 Refurbish HVAC and Mechanical Equipment, Zebulon	1,100,753.76
			Total	\$20,000,000

OSPB requests that the CDC, in collaboration with the JBC, drafts a letter to the Office of the State Controller and the Office of State Planning and Budgeting designating the above projects as recipients of the COP Funds. Thank you for your consideration of this request. Please contact me with any questions or concerns.

Sincerely,

Adrian Leiter

Adrian Leiter
Deputy Director for Budget

CC: Representative Tammy Story , Vice Chair, CDC
Senator Cleave Simpson, CDC
Representative Marc Catlin, CDC
Representative Kyle Mullica, CDC
Representative Mandy Lindsay , CDC
Bo Pogue, Legislative Council Staff
Matt Bishop, Legislative Council Staff
Nina Forbes, Legislative Council Staff
Craig Harper, Joint Budget Committee Staff Director
Andrea Uhl, Joint Budget Committee Staff
Tana Lane, Office of the State Architect
Tammy Pacheco, Capital & Budget Manager

MEMORANDUM



JOINT BUDGET COMMITTEE

TO Members of the Joint Budget Committee
FROM Andrea Uhl, JBC Staff (303-866-4956)
DATE March 7, 2024
SUBJECT Capital Construction - FY 2021-22 Non-monetary adjustments

On February 22nd, the Capital Development Committee (CDC) approved a non-monetary supplemental request for the Separate Domestic and Industrial Plumbing Systems, Plant Sciences controlled maintenance project at Colorado State University. This project was appropriated \$514,553 capital construction funds in the FY 2021-22 Long Bill (S.B. 21-205). The University is unable to complete the entire scope of this project as requested. Furthermore, they will be unable to complete the reduced scope by the time the appropriation expires at the close of FY 2023-24.

Staff recommends approval of a scope reduction and a one-year extension of spending authority through FY 2024-25. Functionally, this will be executed through a Long Bill add-on to add “PHASE I” to the project name and a new footnote to grant the extended spending authority.

The CDC approval letter and CDC staff write-up are attached for reference.

Sen. Nick Hinrichsen, *Chair*
Sen. Kyle Mullica
Sen. Cleave Simpson



Capital Development Committee

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

Rep. Tammy Story, *Vice-Chair*
Rep. Marc Catlin
Rep. Mandy Lindsay



February 22, 2024

Representative Shannon Bird, Chair
Joint Budget Committee
200 East 14th Avenue, Third Floor
Denver, CO 80203

Dear Representative Bird,

On February 22, 2024, the Capital Development Committee (CDC) considered a request from Colorado State University to reduce the scope and extend the timeline of spending authority of the Separate Domestic and Industrial Plumbing Systems, Plant Sciences Building project. CDC recommends approving the request. A description of the request is attached.

If you have any questions or concerns about the CDC's recommendation, please call Bo Pogue, Legislative Council Staff, at 303-866-5390.

Sincerely,

A handwritten signature in blue ink, appearing to read "Nick Hinrichsen".

Senator Hinrichsen
Chair, Capital Development Committee

c:

Capital Development Committee Members
Joint Budget Committee Members
Adrian Leiter, Governor's Office of State Planning and Budgeting
Tammy Pacheco, Governor's Office of State Planning and Budgeting
Brendan Hanlon, Colorado State University
Michelle Carroll, Colorado State University
Andrea Uhl, Joint Budget Committee Staff
Capital Development Committee Staff

FY 2021-22 Supplemental Capital Construction Request

Colorado State University

Separate Domestic and Industrial Plumbing Systems, Plant Sciences Building

MOTION

Approve the supplemental request from Colorado State University to reduce the scope of the Separate Domestic and Industrial Plumbing Systems, Plant Sciences Building project, with the intent to complete the original scope of the project under an additional phase through the controlled maintenance process, and to extend time for completion of the reduced project scope to February 1, 2025.

GENERAL INFORMATION

2022-031

1. Which supplemental criterion does the request meet?

Unforeseen Contingency

Cost escalation due to the COVID-19 pandemic has resulted in the university seeking to reduce the scope of the project; the university will complete the original project scope under an additional phase through the controlled maintenance process. Further, the university seeks to extend the timeline for completion of the reduced project scope.

2. Which projects will be restricted to fund the supplemental request?

An emergency restriction is not required because no additional state funds are sought under the request.

3. Has the request been approved by OSPB and CCHE?

Yes

PRIOR APPROPRIATION AND SUPPLEMENTAL REQUEST INFORMATION

The appropriation to be amended was authorized in the following bill: SB21-205

<u>Fund Source</u>	<u>Prior Appropriations</u>	<u>Supplemental Request</u>	<u>Future Requests</u>	<u>Total Costs</u>
CCF	\$514,553	\$0	\$0	\$514,553
Totals	\$514,553	\$0	\$0	\$514,553

REASON FOR SUPPLEMENTAL REQUEST

Colorado State University is seeking to reduce the scope of the project, and plans to complete the original project scope under an additional project phase through the controlled maintenance process. Further, the university seeks an extension of time to complete the project. Project design is complete, and installation of a new domestic line and backflow preventer is planned for summer/fall 2024. Completion of this work will provide the infrastructure for the future project phase.

SUMMARY OF PROJECT

The controlled maintenance project installs a dedicated industrial water service for fixtures in the Plant Sciences Building not intended to provide water for human or animal consumption, along with backflow protection devices to protect the potable water supply. Research conducted in the building uses hazardous chemicals such as pesticides, fertilizers, and solvents, which poses a contamination threat to the potable water supply.

QUESTIONS / OUTSTANDING ISSUES

None.

MEMORANDUM



JOINT BUDGET COMMITTEE

TO Members of the Joint Budget Committee
FROM Abby Magnus, JBC Staff (303-866-2149)
DATE March 11, 2024
SUBJECT CDPHE: R3 Health Facility Cash Fund Fee Relief

On February 29th, the Committee tabled R3 Health Facility Cash Fund Fee Relief decision item. This decision item is around funding for the Department's surveying of health facilities and considers:

- Whether CPI-based fee increases should continue to be approved annually by the State Board of Health or whether this process could be done automatically via statute;
- What should fee increases for the related funds look like in future years to account for fee stagnation since 2019; and
- What should the long-term ongoing General Fund obligation for this program be.

REQUEST

The Department is requesting the JBC sponsor legislation to authorize automatic CPI increases to health facility licensing fees every July based on the Denver, Aurora, Lakewood CPI from the prior calendar year, to provide predictability for the Division and licensed facilities. The Department is currently pursuing a flat CPI-based increase on all fees of 8.01 percent for FY 2024-25, and is requesting the necessary additional spending authority of \$0.4 million. Additionally, the Department is requesting an ongoing \$2.2 million General Fund appropriation to the program to bridge the gap between expenses and revenue, and respond to workload increases with an additional 2.0 FTE.

The Division has stated that 85.0 FTE is the minimum necessary level of staffing for the program, which currently is staffed closer to 60.0 FTE. The Division states that if the requested funding were approved, the Division would move aggressively to fill all vacant positions and anticipates being able to fill all positions within 12 months.

The table below shows the requested increases in cash fund revenue and ongoing General Fund. With the proposed annual CPI-based fee increases, the Department's issue of long-term solvency for the cash funds is not solved as the expenditure to revenue gap will continue to increase. Staff is concerned the Department will have to come back to the JBC and request even more ongoing General Fund in the future. Staff is also unclear how the program could be fully staffed with the requested funding.

REQUESTED GENERAL FUND AND CASH FUND APPROPs w/CPI BASED FEE INCREASES								
YEAR	PROGRAM EXPENDITURES w/FULL FTE	REQUESTED FEE REVENUE ¹	CURRENT ONGOING GF APPROP ²	REVENUE TO EXPENDITURE GAP	REQUESTED INCREASE IN GF APPROP ³	TOTAL REQUESTED GF APPROP	TOTAL APPROP	FTEs
FY23-24	\$10,054,233	\$7,131,732	\$696,394	\$2,226,107	\$2,100,000	\$2,796,394	\$9,928,126	60.0
FY24-25	10,613,707	7,423,339	713,804	2,476,564	2,189,180	2,902,984	10,326,323	60.0
FY25-26	10,932,118	7,966,389	728,080	2,237,649	2,190,237	2,918,317	10,884,706	63.8
FY26-27	11,260,082	8,205,380	742,642	2,312,060	2,255,944	2,998,586	11,203,966	67.6
FY27-28	11,597,884	8,451,542	757,494	2,388,848	2,323,622	3,081,117	11,532,659	71.4
FY28-29	11,945,821	8,705,088	772,644	2,468,088	2,393,331	3,165,975	11,871,063	75.2

¹ 8.01% increase in FY24-25 and ongoing CI based fee increases (5% in FY25-26 and 3% in following years)

² 2.5% salary survey increase in FY 24-25, 2% salary survey increase in FY25-26 through FY28-29

³ Requested amount for FY24-25 and FY25-26, 2% salary survey increases in FY26-27 through FY28-29

RECOMMENDATION

The 8.01 percent increase in FY 2024-25 will occur regardless of the proposed legislation. After FY 2024-25, instead of future CPI-based percentage increase, staff is recommending the JBC sponsor legislation to increase fees by:

- 8.0 percent in FY 2026-27;
- 6.0 percent or prior year CPI, whichever is higher, in FY 2027-28 through FY 2028-29; and
- Adjust fees to prior year CPI in FY 2029-30 and each year following.
- Staff is not recommending any additional FTE for the Division at this point.

STAFF RECOMMENDED GENERAL FUND AND CASH FUND APPROPRIATIONS w/STAFF FEE INCREASES								
YEAR	PROGRAM EXPENDITURES w/FULL FTE	RECOMMENDED FEE REVENUE ¹	CURRENT ONGOING GF APPROP ²	REVENUE TO EXPENDITURE GAP	RECOMMENDED INCREASE IN GF APPROP	TOTAL RECOMMENDED GF APPROP	TOTAL APPROP	FTEs
FY23-24	\$10,054,233	\$7,131,732	\$696,394	\$2,226,107	\$2,100,000	\$2,796,394	\$9,928,126	60.0
FY24-25	10,613,707	7,423,339	713,804	2,476,564	2,189,180	2,902,984	10,326,323	70.0
FY25-26	10,932,118	8,017,206	728,080	2,186,832	2,186,832	2,914,912	10,932,118	73.8
FY26-27	11,260,082	8,498,238	742,642	2,019,202	2,019,202	2,761,843	11,260,082	77.6
FY27-28	11,597,884	9,008,133	757,494	1,832,257	1,832,257	2,589,751	11,597,884	81.4
FY28-29	11,945,821	9,548,621	772,644	1,624,556	1,624,556	2,397,200	11,945,821	85.0

¹ 8.01% increase in FY24-25, 8% increase in FY25-26, 6% increases in FY26-27-FY28-29, ongoing CPI based fee increases

² 2.5% salary survey increase in FY 24-25, 2% salary survey increase in FY25-26 through FY28-29

OUT-YEAR ANNUALIZATIONS OF CASH FUND AND GENERAL FUND APPROPRIATIONS

As fees are increased in both the request and recommendation, staff recommends cash fund appropriations be increased to reflect the increased revenue, and the General Fund appropriations be annualized as shown in the tables below.

REQUEST

REQUESTED ANNUALIZATIONS FOR OUT-YEAR CASH FUND AND GENERAL FUND APPROPRIATIONS		
YEAR	CASH FUNDS	GENERAL FUND
FY24-25	\$402,754	\$2,189,180
FY25-26	552,360	1,057

RECOMMENDATION

RECOMMENDED ANNUALIZATIONS FOR OUT-YEAR CASH FUND AND GENERAL FUND APPROPRIATIONS		
YEAR	CASH FUNDS	GENERAL FUND
FY24-25	\$402,754	\$2,189,180
FY25-26	593,867	(2,348)
FY26-27	481,032	(167,630)
FY27-28	509,894	(186,945)
FY28-29	540,488	(207,701)

MEMORANDUM



JOINT BUDGET COMMITTEE

TO Members of the Joint Budget Committee

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

DATE March 7, 2024

SUBJECT Department of Early Childhood – R3 UPK Information Technology

R3 – UPK INFORMATION TECHNOLOGY

During the Figure Setting discussion for the Department of Early Childhood, questions were raised regarding the total and ongoing costs for the UPK technology infrastructure as well as the purpose of the funding as it pertains to its third prioritized. The first chart below demonstrates the funding that has been provided thus far for the UPK Information Technology system. This is *just* for the UPK IT, not for any other Departmental IT.

CDEC - UPK INFORMATION TECHNOLOGY BUDGET AND REQUEST			
	FY 2022-23 APPROPRIATION	FY 2023-24 SUPPLEMENTAL	FY 2024-25 REQUESTED
General Fund	\$3,500,000	\$0	\$ 3,260,000
Cash Funds	0	3,275,000	0
Total Funds	\$3,500,000	\$3,275,000	\$ 3,260,000
<i>Notes</i>	<i>HB 22-1197</i>	<i>HB 1204</i>	<i>Rec. includes PPCF</i>

Based on this information, the General Assembly has appropriated a total of \$6.8 million total funds for the UPK IT system, and it **is requesting an additional \$3.26 million ongoing** for system enhancements, ongoing maintenance & operations, and a Help Desk. The Department provided the following information for the Expenditures of the appropriated funds:

UPK IT SYSTEMS EXPENDITURES				
	FY 2022-23 ACTUALS	FY 2023-24 ESTIMATED EXPENDITURES	FY 2024-25 ESTIMATED EXPENDITURES	FY 2025-26 ESTIMATED EXPENDITURES
1. System Buildout - Minimum Viable Product	\$3,115,546	\$384,454		
2. Continued Integration & Buildout		\$2,501,250	\$773,750	
3. System Enhancements			\$1,260,000	\$1,260,000
4. Ongoing Maintenance & Operations			\$1,500,000	\$1,500,000
5. Help Desk			\$500,000	\$500,000
Total	\$3,115,546	\$2,885,704	\$4,033,750	\$3,260,000
	1- HB 22-1197 - \$3.5 million	2 - HB 24-1204 - \$3.275 million	3- Requested - \$3.26 million	

MARCH 7, 2024

The Department also provided the following information to the Joint Technology Committee (JTC) regarding a roadmap and timing for bringing new features online:

User-facing Year 2 Roadmap & Timeline



Phase 1 (complete)	Phase 2	Phase 3	Future
<i>Present – January 24</i>	<i>Present – February 2024</i>	<i>Spring - Summer 2024</i>	<i>Fall - Winter 2024</i>
<ul style="list-style-type: none"> → Provider program setup redesign → User validation sessions 	<ul style="list-style-type: none"> → Family application redesign → Pre-registration application (for continuity of care, siblings of students, children of employees and children with IEPs) 	<ul style="list-style-type: none"> → Direct enrollment model implementation (for applicants after matching ends in late Spring) → Migrate authentication (from login.gov to a more stable platform) 	<ul style="list-style-type: none"> → Payments refactor → GIS integration (tentative) → IDXR to CCAP and other CDEC programs
SO THAT... <ul style="list-style-type: none"> ❖ Providers can define programs in a more nuanced way than in year 1, enabling families to rank providers with programs that best suit their needs ❖ Providers and families understand the programs offered 	SO THAT... <ul style="list-style-type: none"> ❖ Providers can more easily honor continuity of care, children of employees and siblings of students ❖ Families can provide required demographic data, enabling better reporting as well as access programs with available seats ❖ Children with IEPs are routed to an alternate path that empowers placement by Administrative Units 	SO THAT... <ul style="list-style-type: none"> ❖ We can reduce the manual processes related to directly enrolling children in programs ❖ We can improve authentication stability 	SO THAT... <ul style="list-style-type: none"> ❖ We can reduce manual processes and inaccuracies related to paying providers ❖ We can build more trust in the Universal Preschool brand ❖ We can comprehensively map locations to cut-off dates and Administrative Units

Provider setup opens

2024 - 2025 school year begins.

New Functionality in Year 2



	Who (Use Cases)	What (Actions)	Why (Value)
Occurring Concurrently	Pre-registration Family Experience: Families seeking prioritization for qualifying reasons: continuity of care (CoC), siblings, staff Provider Experience: Providers wanting to ensure prioritization for CoC, Siblings, Staff	Provider Experience: Providers receive program specific application links to send to families Family Experience: Families will use the link to access and complete an application that pre-selects the preferred program	Increases satisfaction for families who are seeking a specific Provider due to CoC, sibling, staff
	IEP Application Family Experience: Families who attest to having a child with an IEP Administrative Unit (AU) Experience: AUs wanting to ensure children with IEPs are placed in the agreed upon Provider / Program	AU Experience: AUs will have the ability (via upload or manual application) to associate a child with an IEP to a specific program Family Experience: Families will receive a link to access and complete an application that limits their selection to their pre-identified program	Increases confidence and trust for families and AUs, ensuring families attesting to an IEP receiving their identified placement
	Family Application Family Experience: Families who do not attest to either IEP or seek prioritization for qualifying reasons: continuity of care (CoC), siblings, staff (i.e., Most of our users will take this path)	Family Experience: Families will have increased visibility program details, eligibility requirements, and vacancies*	Increased engagement and satisfaction for families through access to actionable details
	Support Model LCO Experience: LCOs want the ability to utilize their strong relationships with Providers and Families	LCO Experience: LCOs and Providers will receive access to update programs and seats will reduce manual work for CDEC	Empower existing relationships & reduce manual work for CDEC

* The ability to view available open seats is a functionality planned in year 2 but not with initial opening

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Staff recommends \$3.26 million cash funds from the Preschool Program Cash Fund for this project instead of General Fund as was requested. Staff also provided the following information in the Figure Setting document for this item which details the exact use of the \$3.26 million:

R3 - UNIVERSAL PRESCHOOL INFORMATION TECHNOLOGY REQUEST		
	FY 24-25 FUNDING REQUEST	FY 25-26 FUNDING OUT YEAR IMPACT
Data Reporting Capabilities - Integrations to Tableau	\$50,000	\$50,000
Tasking and Comms tracking for "tickets" and Matching/Design and Analysis of Algorithms	339,680	339,680
Technical Support	396,200	396,200
Database and Display costs - integrations with GIS	113,120	113,120
Software Integrations between UPK and other statewide systems	230,000	230,000
Web Services - Hosting Services in Cloud	131,000	131,000
Ongoing O&M	1,500,000	1,500,000
UPK Help Desk	500,000	500,000
Total Funding Requested	\$3,260,000	\$ 3,260,000

The following is more information provided in the Figure Setting Document:

The Joint Technology Committee recently approved a supplemental request for \$3.275 million in one-time General Fund for the Department for to enhance the UPK technology. The Joint Budget Committee also approved the request but altered the funding source, transferring \$3.275 million from the Preschool Program Cash Fund to the IT Capitol account to provide funding for the project.

The supplemental request supports immediate technology upgrades to the Universal Preschool Program application system to address concerns raised and lessons learned during Year 1 matching processes. Among other changes, the enhancements will allow families and providers to more appropriately align seat placements with student needs, specifically for students with an Individualized Education Plan (IEP) and qualifying factors; provide greater clarity regarding program offerings, provider seat vacancies, and program time of day for families so they can make more informed choices when ranking preferences; allow modification of applications after submission; provide Administrative Units greater access and information to appropriately place children in the right programs; and provide the Department better data and reporting to make informed, data-driven decisions for the program.

According to information provided in the Department's supplemental request, the R3 technology request "includes ongoing operating budget to support the continued maintenance, enhancements, operations systems costs, associated hardware and software technologies of the Universal Preschool Program information technology system." According to the Department, what launched in FY 2022-23 to support the FY 2023-24 UPK program rollout was a minimally viable system. It provided a provider portal, a family application portal, performance reporting Tableau integration and dashboard, a family and provider matching algorithm, and integration with the system and licensing. The majority of troubles encountered during the program rollout related to the IT system. The Department has

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worked closely with the Office of Information Technology and consulted outside vendors in the development of this request.

Consistent with the previous decision and review by both the JTC and the JBC, and with the understanding that this funding will support the necessary one-time enhancements and ongoing improvements to the system for the UPK program, staff recommends approval of \$3.26 million cash funds from the Preschool Programs Cash Fund to support the UPK technology request.

MEMORANDUM



JOINT BUDGET COMMITTEE

TO Members of the Joint Budget Committee

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

DATE March 7, 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.
Total Request	\$2,262,889	\$2,375,694	

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

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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.

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 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.

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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
Total ECC Funding	\$10,909,554	\$1,997,135	\$3,687,375	\$5,225,044
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

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FAMILY CONNECTS PILOT PROGRAM			
SITE	FUNDING	SOURCE	NOTES
Eagle County	Unknown	County Funds	Billing Medicaid as of Q1 2024
Colorado Intermediary Organization for Family Connects (Illuminate Colorado)	\$ 75,000 \$ 200,000	FSPP Funds Federal Community-Based Child Abuse Prevention Funds	Also receives philanthropic funding

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.