

# MEMORANDUM



## JOINT BUDGET COMMITTEE

TO Joint Budget Committee Members  
FROM JBC Staff  
DATE March 13, 2024  
SUBJECT Potential Legislation Packet 11

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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

CPW Cash Fund for Capitol Complex Renovation Memo (Uhl)	1
Parks and Wildlife Cash Funds LLS 24-1062 (Uhl)	2
Mill Levy Equalization LLS 24-1085 (Bickel)	6
Preschool Programs Cash Fund LLS 24-1050 (Lowe)	9
Employment-Related Funding & Workforce Enterprise LLS 24-0992 (Magnus)	12
HCPF Behavioral Health Potential Legislation Memo (Hansen)	26
Foster Youth Social Security Utilization Bill Update Memo (Hansen)	28

# MEMORANDUM



## JOINT BUDGET COMMITTEE

TO Members of the Joint Budget Committee  
FROM Andrea Uhl, JBC Staff (303-866-4956)  
DATE March 12, 2022  
SUBJECT Legislation - CPW Cash Funds for Capitol Complex Renovation

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The attached legislation reverses transfers related to annual depreciation lease-equivalent (ADLE) payments originating from Colorado Parks and Wildlife (CPW) lottery proceeds and the Wildlife Cash Fund that were transferred to the Capitol Complex Renovation Fund by S.B. 22-239 (Buildings in the Capitol Complex). Senate Bill 15-211 (Automatic Funding for Capital Assets) created a process to annually set aside an amount equal to the calculated depreciation of a capital asset funded through the Capital Construction section of the Long Bill, known ADLE payments. Funds originating as CPW lottery proceeds were exempt from ADLE payments but were erroneously included and subsequently transferred to the Capitol Complex Renovation Fund. The Wildlife Cash Fund is subject to state and federal restrictions that prohibit the use of license fees paid by hunters and fisherman for the purpose of non-wildlife programs. The transfer of these funds to the Capitol Complex Renovation Fund is a violation of federal diversion rules that could result in the loss of federal funding.

The bill transfers \$1,198,224 from the Capitol Complex Renovation Fund back to the Wildlife Cash Fund and \$273,204 from the Capitol Complex Renovation Fund back to CPW for lottery proceeds. The bill also exempts the Wildlife Cash Fund from ADLE and private leased space savings calculations going forward.

Pursuant to current law, the Department of Natural Resources Long Bill should include \$199,068 cash funds from the Wildlife Cash Fund in the Annual Depreciation-lease Equivalent Payment line. This line was reflected as \$0 during figure setting. **Staff requests permission to add the Wildlife Cash Fund appropriation to the Long Bill**, which will then be reduced by Section 3 of this bill.

Second Regular Session  
Seventy-fourth General Assembly  
STATE OF COLORADO

DRAFT  
3/11/24

DRAFT

LLS NO. 24-1062.01 Jed Franklin x5484

COMMITTEE BILL

Joint Budget Committee

**BILL TOPIC:** Parks and Wildlife Cash Funds

**A BILL FOR AN ACT**

101     **CONCERNING MONEY ADMINISTERED BY THE DIVISION OF PARKS AND**  
102             **WILDLIFE IN THE DEPARTMENT OF NATURAL RESOURCES, AND,**  
103             **IN CONNECTION THEREWITH, REDUCING AN APPROPRIATION.**

**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, if a funding source for an appropriation is a cash fund, the state agency receiving the appropriation must annually calculate an amount equal to the recorded depreciation of capital assets acquired, repaired, improved, replaced, renovated, or constructed with the appropriated money. The state controller must credit

*Capital letters or bold & italic numbers indicate new material to be added to existing law.  
Dashes through the words indicate deletions from existing law.*

the recorded depreciation amount from the cash fund that was the source of the funding for the appropriation to a capital reserve account established by the agency in the cash fund. The bill exempts the money in the wildlife cash fund from being credited to the capital reserve account.

Currently, a state agency terminating a lease for private leased space must calculate the annual reduction in the cost of leased space and the general assembly must transfer to the capital construction fund an amount equal to the reduction in the cost of leased space from the fund that was the source of the funding for the lease. The bill exempts the money in the wildlife cash fund from being transferred to compensate for the reduction in private leased space.

On July 1, 2024, the bill requires the state treasurer to transfer \$1,198,224 from the capitol complex renovation fund to the wildlife cash fund and \$273,204 from the capitol complex renovation fund to the division of parks and wildlife to be used by the division for the same purposes as other lottery proceeds distributions made pursuant to section 3 (1)(b)(II) of article XXVII of the state constitution.

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

2 **SECTION 1.** In Colorado Revised Statutes, 24-30-1310, **amend**  
3 (1)(d)(IV), (1)(d)(V), and (3); and **add** (1)(d)(VI) as follows:

4 **24-30-1310. Funding for capital construction, controlled**  
5 **maintenance, or capital renewal - definitions.** (1) As used in this  
6 section, unless the context otherwise requires:

7 (d) "Cash fund" does not include:

8 (IV) The regional center depreciation account in the capital  
9 construction fund, created in section 24-75-302 (3.8)(a); ~~or~~

10 (V) The legislative department cash fund created in section  
11 2-2-1601 (1)(a) and the redistricting account of the legislative department  
12 cash fund created in section 2-2-1601 (2.5); OR

13 (VI) THE WILDLIFE CASH FUND CREATED IN SECTION 33-1-112  
14 (1)(a).

15 (3) (a) EXCEPT AS PROVIDED IN SUBSECTION (3)(b) OF THIS

1 SECTION, each state agency that terminates a lease for private space on or  
2 after July 1, 2023, shall calculate the annual reduction in its costs for  
3 leased space. Beginning in the 2023-24 fiscal year, the general assembly  
4 shall transfer to the capital construction fund an amount equal to each  
5 state agency's annual reduction in lease costs. Such amount shall be from  
6 the fund that was the source of the funding for the lease. The annual  
7 transfer required in this subsection (3) shall continue in each fiscal year  
8 until the state treasurer determines that the amount transferred to the  
9 capital construction fund pursuant to this subsection (3) equals the  
10 amount transferred to the capitol complex renovation fund created in  
11 section 24-30-1313.

12 (b) NOTWITHSTANDING SUBSECTION (3)(a) OF THIS SECTION, THE  
13 MONEY IN THE WILDLIFE CASH FUND CREATED IN SECTION 33-1-112 (1)(a)  
14 IS NOT SUBJECT TO A TRANSFER TO THE CAPITAL CONSTRUCTION FUND  
15 PURSUANT TO THIS SECTION.

16 **SECTION 2.** In Colorado Revised Statutes, 24-30-1313, **add**  
17 (6.5) as follows:

18 **24-30-1313. Capitol complex renovation fund - created -**  
19 **repeal.** (6.5) ON JULY 1, 2024, THE STATE TREASURER SHALL TRANSFER:

20 (a) ONE MILLION ONE HUNDRED NINETY-EIGHT THOUSAND TWO  
21 HUNDRED TWENTY-FOUR DOLLARS FROM THE FUND TO THE WILDLIFE CASH  
22 FUND CREATED IN SECTION 33-1-112 (1)(a); AND

23 (b) TWO HUNDRED SEVENTY-THREE THOUSAND TWO HUNDRED  
24 FOUR DOLLARS FROM THE FUND TO THE DIVISION OF PARKS AND WILDLIFE  
25 TO BE USED BY THE DIVISION FOR THE SAME PURPOSES AS OTHER LOTTERY  
26 PROCEEDS DISTRIBUTIONS MADE PURSUANT TO SECTION 3 (1)(b)(II) OF  
27 ARTICLE XXVII OF THE STATE CONSTITUTION.

1           **SECTION 3. Appropriation - adjustments to 2024 long bill.** To  
2     implement this act, the cash funds appropriation from the wildlife cash  
3     fund created in section 33-1-112 (1)(a), C.R.S., made in the annual  
4     general appropriation act for the 2024-25 state fiscal year to the  
5     department of natural resources for use by the division of parks and  
6     wildlife for annual depreciation-lease equivalent payment is decreased by  
7     \$199,068.

8           **SECTION 4. Safety clause.** The general assembly finds,  
9     determines, and declares that this act is necessary for the immediate  
10    preservation of the public peace, health, or safety or for appropriations for  
11    the support and maintenance of the departments of the state and state  
12    institutions.

Second Regular Session  
Seventy-fourth General Assembly  
STATE OF COLORADO

DRAFT  
3/11/24

DRAFT

LLS NO. 24-1085.01 Alana Rosen x2606

COMMITTEE BILL

Joint Budget Committee

**BILL TOPIC:** Mill Levy Equalization

**A BILL FOR AN ACT**

101      **CONCERNING ADJUSTMENTS TO MILL LEVY EQUALIZATION FUNDING**  
102                    **FOR INSTITUTE CHARTER SCHOOLS, AND, IN CONNECTION**  
103                    **THEREWITH, REDUCING APPROPRIATIONS.**

**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.** Current law requires the general assembly to appropriate or transfer money to the mill levy equalization fund (fund) for institute charter school funding. The bill repeals the fund.

For the 2024-25 budget year, and each budget year thereafter, the general assembly shall appropriate money from the general fund to the

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state charter school institute to fund full mill levy equalization for all institute charter schools.

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

2 **SECTION 1.** In Colorado Revised Statutes, 22-30.5-513.1,  
3 **amend** (2)(a.5)(I) and (2)(b); and **repeal** (2)(a) as follows:

4 **22-30.5-513.1. Mill levy equalization - legislative declaration**  
5 **- definitions.** (2) (a) ~~The mill levy equalization fund, referred to in this~~  
6 ~~section as the "fund", is hereby created in the state treasury. The fund~~  
7 ~~consists of any amount that the general assembly appropriates to the fund~~  
8 ~~pursuant to subsection (2)(a.5) of this section or may additionally~~  
9 ~~appropriate or transfer to the fund. The state treasurer shall credit to the~~  
10 ~~fund all interest and income derived from the deposit and investment of~~  
11 ~~money in the fund.~~

12 (a.5) (I) Beginning in the 2024-25 budget year and each budget  
13 year thereafter, the general assembly shall appropriate from the general  
14 fund TO THE INSTITUTE the amount necessary each budget year to fund  
15 full mill levy equalization for all institute charter schools for the  
16 applicable budget year.

17 (b) The institute shall annually distribute the money appropriated  
18 ~~or transferred to the fund~~ FOR FULL MILL LEVY EQUALIZATION PURSUANT  
19 TO SUBSECTION (2)(a.5)(I) OF THIS SECTION to the institute charter schools  
20 on an equal per-pupil basis; except that, in any budget year, an institute  
21 charter school shall not receive a per pupil amount that is greater than the  
22 total amount of additional mill levy revenue, as defined in section  
23 22-32-108.5, that the accounting district for the institute charter school is  
24 authorized to collect, divided by the funded pupil count, as defined in  
25 section 22-54-103, of the accounting district for the applicable budget

1 year. The money distributed pursuant to this section is in addition to  
2 money distributed to institute charter schools pursuant to section  
3 22-30.5-513. ~~The institute has continuous spending authority over all~~  
4 ~~interest and income in the fund.~~

5 **SECTION 2. Appropriation - adjustments to 2024 long bill.**

6 (1) To implement this act, appropriations made in the annual general  
7 appropriation act for the 2024-25 state fiscal year to the department of  
8 education for use by the charter school institute are adjusted as follows:

9 (a) The cash funds appropriation from the mill levy equalization  
10 fund, created in section 22-30.5-513.1 (2)(a), C.R.S., for CSI mill levy  
11 equalization is decreased by \$735,000; and

12 (b) The reappropriated funds appropriation from the mill levy  
13 equalization fund, created in section 22-30.5-513.1 (2)(a), C.R.S., for CSI  
14 mill levy equalization is decreased by \$22,220,696.

15 **SECTION 3. Safety clause.** The general assembly finds,  
16 determines, and declares that this act is necessary for the immediate  
17 preservation of the public peace, health, or safety or for appropriations for  
18 the support and maintenance of the departments of the state and state  
19 institutions.

Second Regular Session  
Seventy-fourth General Assembly  
STATE OF COLORADO

DRAFT  
3/7/24

DRAFT

LLS NO. 24-1050.01 Alana Rosen x2606

COMMITTEE BILL

Joint Budget Committee

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**BILL TOPIC:** Preschool Programs Cash Fund

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**A BILL FOR AN ACT**

101 **CONCERNING MODIFICATIONS TO THE PRESCHOOL PROGRAMS CASH**  
102 **FUND.**

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**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 clarifies that the department of early childhood (department) may use the remaining money annually appropriated from the preschool programs cash fund (fund) to provide additional preschool services for children who are in low-income families or who meet at least one qualifying factor and to provide services for the furtherance of the universal preschool program.

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The bill prohibits the general assembly from appropriating the full balance of the fund prior to the start of a state fiscal year. The unappropriated balance in the fund is the reserve. The department may submit a request for a supplemental appropriation from the reserve to the joint budget committee.

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

**SECTION 1.** In Colorado Revised Statutes, 26.5-4-209, **amend** (3)(b) and (4) introductory portion, and **add** (5.5) as follows:

**26.5-4-209. Preschool programs cash fund - created - use - repeal.** (3) (b) The department ~~shall use money remaining in~~ MAY USE THE REMAINING MONEY ANNUALLY APPROPRIATED FROM the preschool programs cash fund after the uses described in subsection (3)(a) of this section to provide additional preschool services for children who are in low-income families or who meet at least one qualifying factor.

(4) In furtherance of the purposes set forth in subsection (3) of this section and to meet an expansion of preschool populations, in addition to the use described in subsection (3)(b) of this section, the department may use ~~money remaining in~~ the REMAINING MONEY ANNUALLY APPROPRIATED FROM THE PRESCHOOL PROGRAMS CASH fund after meeting the uses described in subsection (3)(a) of this section to ensure the availability of quality, voluntary preschool services provided through a mixed delivery system by means the department deems appropriate, including:

(5.5) THE GENERAL ASSEMBLY SHALL NOT APPROPRIATE THE FULL BALANCE OF THE PRESCHOOL PROGRAMS CASH FUND PRIOR TO THE START OF A STATE FISCAL YEAR. THE UNAPPROPRIATED BALANCE IN THE PRESCHOOL PROGRAMS CASH FUND AT THE START OF THE FISCAL YEAR IS THE RESERVE. THE DEPARTMENT MAY SUBMIT A REQUEST FOR A

1 SUPPLEMENTAL APPROPRIATION FROM THE PRESCHOOL PROGRAMS CASH  
2 FUND RESERVE TO THE JOINT BUDGET COMMITTEE PURSUANT TO SECTION  
3 2-3-208 (3)(a) AND (3)(b)(II).

4 **SECTION 2. Safety clause.** The general assembly finds,  
5 determines, and declares that this act is necessary for the immediate  
6 preservation of the public peace, health, or safety or for appropriations for  
7 the support and maintenance of the departments of the state and state  
8 institutions.

Second Regular Session  
Seventy-fourth General Assembly  
STATE OF COLORADO

DRAFT  
3/12/24

DRAFT

LLS NO. 24-0992.01 Yelana Love x2295

COMMITTEE BILL

Joint Budget Committee

**BILL TOPIC:** Employment-Related Funding & Workforce Enterprise

**A BILL FOR AN ACT**

101      **CONCERNING THE FUNDING OF EMPLOYMENT-RELATED SERVICES IN**  
102              **THE STATE THROUGH THE DEPARTMENT OF LABOR AND**  
103              **EMPLOYMENT, AND, IN CONNECTION THEREWITH, MAKING AN**  
104              **APPROPRIATION.**

**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.** Under current law, employers pay an annual support surcharge to fund unemployment administration and support the solvency of the unemployment insurance trust fund. This

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surcharge is deposited into several different funds. The bill adjusts the deposits as follows:

- 35% (decreased from 59.46%) to the employment support fund;
- 19% (increased from 18.92%) to the benefit recovery fund;
- 32% (increased from 21.62%) to the employment and training technology fund; and
- 14% to the workforce development fund in the workforce development enterprise (enterprise) created in the bill.

Each of these funds has a limit on the maximum amount of money that can be in the fund. The bill requires the maximum amount to be adjusted for inflation based on the Denver-Aurora-Lakewood consumer price index. The bill adjusts these initial caps as follows:

- Decreases the cap for the employment support fund from \$32,000,000 to \$3,500,000;
- Decreases the cap for the employment and training technology fund from \$31,000,000 to \$20,000,000; and
- Establishes the cap for the workforce development fund at \$10,000,000.

The \$15,000,000 cap for the benefit recovery fund remains the same.

The enterprise is created within the division of employment and training in the department of labor and employment and is created for the business purpose of ensuring Coloradans' access to workforce development services and Colorado's workforce development centers.

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

2 **SECTION 1. Legislative declaration.** (1) The general assembly  
3 finds and declares that:

4 (a) In 2009, the unemployment insurance enterprise was created  
5 to fund unemployment insurance benefits and administration pursuant to  
6 Title III and Title IX of the federal "Social Security Act", as amended;

7 (b) The employment and training technology fund is part of the  
8 unemployment insurance enterprise and funds unemployment  
9 administration technology expenses, including automation and  
10 modernization;

11 (c) Employers pay unemployment insurance premiums to fund

1 unemployment insurance benefits. Employers also pay a support  
2 surcharge to fund unemployment administration and support the solvency  
3 of the unemployment insurance trust fund.

4 (d) Since 2009, many unemployment insurance administration  
5 expenditures have been outside of the unemployment enterprise and  
6 funded through the employment support fund, contrary to the intent of the  
7 creation of the unemployment insurance enterprise; and

8 (e) Establishing the workforce enterprise will appropriately  
9 classify workforce center services under an enterprise. Workforce centers  
10 help create a healthy labor force and higher employment rate, which  
11 keeps the unemployment insurance trust fund solvent and unemployment  
12 insurance premiums low. Businesses and employers who pay the support  
13 surcharge directly benefit from the enterprise.

14 **SECTION 2.** In Colorado Revised Statutes, 8-76-102.5, **amend**  
15 (3)(a)(IV) introductory portion as follows:

16 **8-76-102.5. Rates effective upon fund solvency - repeal of**  
17 **prior rates - solvency surcharge - definitions.** (3) (a) (IV) The support  
18 surcharge rate, which is the rate dedicated to employer support surcharge  
19 payments deposited into the employment support fund, the benefit  
20 recovery fund, ~~and~~ the employment and training technology fund, AND  
21 THE WORKFORCE DEVELOPMENT FUND is calculated using the following  
22 support surcharge rate schedule:

23 **SECTION 3.** In Colorado Revised Statutes, 8-77-109, **amend**  
24 (1)(b), (2)(a)(I)(B), (2)(a)(II)(A), (2)(a)(II)(B), (2)(a.9)(II)(A), (6)(a)  
25 introductory portion, and (6)(b) as follows:

26 **8-77-109. Employment support fund - employment and**  
27 **training technology fund - created - uses - repeal.** (1) (b) There is

1 hereby established the employment support fund. The fund consists of  
2 ~~59.46~~ THIRTY-FIVE percent of the support surcharge rate assessed annually  
3 as part of each employer's support surcharge rate payments paid and  
4 dedicated to the employment support fund in accordance with section  
5 8-76-102.5 (3)(a)(IV).

6 (2) (a) (I) (B) To the extent allowed by the United States  
7 department of labor employment AND training administration, the state  
8 treasurer shall credit ~~18.92~~ NINETEEN percent of each employer's annual  
9 support surcharge rate determined pursuant to section 8-76-102.5  
10 (3)(a)(IV) to the benefit recovery fund, up to a maximum of fifteen  
11 million dollars each year.

12 (II) (A) At the end of the 2023-24 state fiscal year, the state  
13 treasurer shall credit any money collected pursuant to this section that  
14 would cause the balance in the employment support fund to exceed  
15 ~~thirty-two~~ THREE million five hundred thousand dollars to the  
16 ~~unemployment compensation fund~~ EMPLOYMENT AND TRAINING  
17 TECHNOLOGY FUND CREATED IN SUBSECTION (2)(a.9)(II)(A) OF THIS  
18 SECTION. IF THE EMPLOYMENT AND TRAINING TECHNOLOGY FUND HAS  
19 REACHED THE MAXIMUM ALLOWABLE BALANCE PURSUANT TO SUBSECTION  
20 (2)(a.9)(II)(A) OF THIS SECTION, THE TREASURER SHALL INSTEAD CREDIT  
21 THE MONEY TO THE WORKFORCE DEVELOPMENT FUND CREATED IN  
22 SECTION 8-83-107 (4).

23 (B) At the end of the ~~2024-25~~ 2025-26 state fiscal year and each  
24 state fiscal year thereafter, ~~the limit on~~ IF the amount of money in the  
25 employment support fund specified in subsection (2)(a)(II)(A) of this  
26 section ~~shall be adjusted based on the change in average weekly earnings,~~  
27 ~~as determined in accordance with section 8-73-102 (1), in the~~

1 immediately preceding state fiscal year, and EXCEEDS THREE MILLION FIVE  
2 HUNDRED THOUSAND DOLLARS, AS ADJUSTED <{ANNUALLY?}> FOR THE  
3 UNITED STATES DEPARTMENT OF LABOR'S BUREAU OF LABOR STATISTICS  
4 CONSUMER PRICE INDEX FOR DENVER-AURORA-LAKEWOOD OR ITS  
5 SUCCESSOR INDEX, EXCLUDING GIFTS, GRANTS, OR DONATIONS, the state  
6 treasurer shall credit any amount ~~that exceeds the amount specified in~~  
7 ~~subsection (2)(a)(II)(A) of this section, as adjusted pursuant to this~~  
8 ~~subsection (2)(a)(II)(B),~~ IN EXCESS OF THE ADJUSTED AMOUNT to the  
9 unemployment compensation fund.

10 (a.9) (II) (A) The employment and training technology fund,  
11 referred to in this subsection (2)(a.9) as the "fund", is created in the state  
12 treasury. Notwithstanding any provision of this subsection (2) to the  
13 contrary, ~~on and after April 27, 2021,~~ the state treasurer shall credit ~~21.62~~  
14 THIRTY-TWO percent of each employer's annual support surcharge rate  
15 under section 8-76-102.5 (3)(a)(IV) to the employment and training  
16 technology fund. On and after April 27, 2021, and on or before June 30,  
17 2023, if cumulative revenue to the employment and training technology  
18 fund equals thirty-one million dollars, less any money transferred to the  
19 unemployment compensation fund, no additional money shall be credited  
20 to the employment and training technology fund but instead shall be  
21 allocated to the unemployment compensation fund. On and after July 1,  
22 ~~2023~~ 2024, any amount collected in a fiscal year in excess of ~~seven~~  
23 TWENTY million dollars under this subsection (2)(a.9)(II) shall be credited  
24 to the fund and then ~~transferred~~ CREDITED to the unemployment  
25 compensation fund. Money in the fund shall be used for employment and  
26 training automation initiatives established by the director of the division.  
27 Money in the fund is subject to annual appropriation by the general

1 assembly for the purposes of this subsection (2)(a.9) and shall not revert  
2 to the general fund or any other fund at the end of any fiscal year. The  
3 money in the fund is exempt from section 24-75-402. At any time, the  
4 money in the employment and training technology fund may be  
5 appropriated by the general assembly to the unemployment compensation  
6 fund or allocated to the unemployment compensation fund at the  
7 discretion of the executive director of the department of labor and  
8 employment.

9 (6) (a) The portion of each employer's support surcharge rate that  
10 the employer paid and that is dedicated to the employment support fund  
11 pursuant to section ~~8-76-102.5 (3)(a)(IV)~~ 8-77-109 (1)(b), to the benefit  
12 recovery fund pursuant to section 8-73-116, TO THE WORKFORCE  
13 DEVELOPMENT FUND PURSUANT TO SECTION 8-83-107, and to the  
14 employment and training technology fund pursuant to subsection  
15 (2)(a.9)(II)(A) of this section:

16 (b) Any money transferred from the employment support fund, the  
17 benefit recovery fund, THE WORKFORCE DEVELOPMENT FUND, or the  
18 employment and training technology fund to the unemployment  
19 compensation fund pursuant to this section is not used in calculating the  
20 employer's experience rate or percent of excess for the standard premium  
21 rate schedule.

22 **SECTION 4.** In Colorado Revised Statutes, **add** 8-83-107 as  
23 follows:

24 **8-83-107. Workforce development enterprise - creation -**  
25 **powers and duties - enterprise fund - fee - legislative declaration -**  
26 **definitions.** (1) THE GENERAL ASSEMBLY FINDS AND DECLARES THAT:

27 (a) EMPLOYERS IN COLORADO PAY UNEMPLOYMENT INSURANCE

1       PREMIUMS PURSUANT TO STATE LAW;

2               (b) UNEMPLOYMENT INSURANCE PREMIUMS FUND UNEMPLOYMENT  
3       INSURANCE BENEFITS PAID TO COLORADO WORKERS WHO HAVE BECOME  
4       UNEMPLOYED THROUGH NO FAULT OF THEIR OWN AND ARE ABLE AND  
5       AVAILABLE TO WORK;

6               (c) PAYING UNEMPLOYMENT BENEFITS DEPLETES COLORADO'S  
7       UNEMPLOYMENT COMPENSATION FUND, WHICH IS FUNDED EXCLUSIVELY  
8       BY EMPLOYER PREMIUMS;

9               (d) PROVIDING WORKFORCE DEVELOPMENT SERVICES BENEFITS  
10      EMPLOYERS THROUGHOUT COLORADO BY:

11              (I)   HELPING COLORADO WORKERS MORE QUICKLY REGAIN  
12      EMPLOYMENT, THEREBY REDUCING THEIR NEED FOR UNEMPLOYMENT  
13      BENEFITS AND KEEPING EMPLOYERS' UNEMPLOYMENT PREMIUMS LOWER;

14              (II)   DEVELOPING A MORE QUALIFIED WORKFORCE THAT CAN  
15      BETTER MEET THE NEEDS OF COLORADO'S BUSINESSES;

16              (III)   CONNECTING COLORADO EMPLOYERS WITH POTENTIAL  
17      EMPLOYEES; AND

18              (IV)   MAINTAINING EMPLOYERS' CUSTOMER BASES BY KEEPING THE  
19      GREATEST NUMBER OF PEOPLE STEADILY EMPLOYED AND ABLE TO  
20      PURCHASE GOODS AND SERVICES;

21              (e) THE WORKFORCE DEVELOPMENT ENTERPRISE CREATED IN THIS  
22      SECTION PROVIDES VALUABLE BUSINESS SERVICES TO EMPLOYERS BY  
23      ENSURING COLORADO WORKERS HAVE ACCESS TO WORKFORCE  
24      DEVELOPMENT SERVICES AND ACCESS TO COLORADO'S WORKFORCE  
25      DEVELOPMENT CENTERS' SERVICES;

26              (f) BY PROVIDING THESE SERVICES, THE ENTERPRISE ENGAGES IN  
27      AN ACTIVITY CONDUCTED IN THE PURSUIT OF A BENEFIT, GAIN, OR

1 LIVELIHOOD;

2 (g) CONSISTENT WITH THE DETERMINATION OF THE COLORADO  
3 SUPREME COURT IN *NICHOLL V. E-470 PUBLIC HIGHWAY AUTHORITY*, 896  
4 P.2d 859 (COLO. 1995), THE POWER TO IMPOSE TAXES IS INCONSISTENT  
5 WITH ENTERPRISE STATUS UNDER SECTION 20 OF ARTICLE X OF THE STATE  
6 CONSTITUTION, AND, THEREFORE, IT IS THE CONCLUSION OF THE GENERAL  
7 ASSEMBLY THAT THE REVENUE COLLECTED BY THE WORKFORCE  
8 DEVELOPMENT ENTERPRISE IS GENERATED BY FEES, NOT TAXES, BECAUSE  
9 THE MONEY CREDITED TO THE ENTERPRISE IS:

10 (I) FOR THE SPECIFIC PURPOSE OF ALLOWING THE ENTERPRISE TO  
11 DEFRAID THE COSTS OF PROVIDING THE SERVICES SPECIFIED IN THIS  
12 SECTION; AND

13 (II) COLLECTED AT RATES THAT ARE REASONABLY CALCULATED  
14 BASED ON THE COSTS OF THE SERVICES PROVIDED BY THE ENTERPRISE;  
15 AND

16 (h) SO LONG AS THE ENTERPRISE QUALIFIES AS AN ENTERPRISE FOR  
17 PURPOSES OF SECTION 20 OF ARTICLE X OF THE STATE CONSTITUTION, THE  
18 ENTERPRISE'S REVENUE IS NOT STATE FISCAL YEAR SPENDING, AS DEFINED  
19 IN SECTION 24-77-102 (17), OR STATE REVENUES, AS DEFINED IN SECTION  
20 24-77-103.6 (6)(c), AND DOES NOT COUNT AGAINST EITHER THE STATE  
21 FISCAL YEAR SPENDING LIMIT IMPOSED BY SECTION 20 OF ARTICLE X OF  
22 THE STATE CONSTITUTION OR THE EXCESS STATE REVENUES CAP, AS  
23 DEFINED IN SECTION 24-77-103.6 (6)(b).

24 (2) AS USED IN THIS SECTION:

25 (a) "ENTERPRISE" MEANS THE WORKFORCE DEVELOPMENT  
26 ENTERPRISE CREATED IN SUBSECTION (3) OF THIS SECTION.

27 (b) "FUND" MEANS THE WORKFORCE DEVELOPMENT FUND

1       CREATED IN SUBSECTION (4) OF THIS SECTION.

2               (3) THE WORKFORCE DEVELOPMENT ENTERPRISE IS CREATED IN  
3       THE DIVISION. THE BUSINESS PURPOSE OF THE ENTERPRISE IS TO ENSURE  
4       COLORADO WORKERS HAVE ACCESS TO WORKFORCE DEVELOPMENT  
5       SERVICES AND ACCESS TO COLORADO'S WORKFORCE DEVELOPMENT  
6       CENTERS. THE WORKFORCE DEVELOPMENT ENTERPRISE CONSTITUTES AN  
7       ENTERPRISE FOR PURPOSES OF SECTION 20 OF ARTICLE X OF THE STATE  
8       CONSTITUTION, SO LONG AS IT RETAINS THE AUTHORITY TO ISSUE REVENUE  
9       BONDS AND RECEIVES LESS THAN TEN PERCENT OF ITS TOTAL ANNUAL  
10      REVENUE IN GRANTS FROM ALL COLORADO STATE AND LOCAL  
11      GOVERNMENTS COMBINED. SO LONG AS IT CONSTITUTES AN ENTERPRISE  
12      PURSUANT TO THIS SUBSECTION (3), THE ENTERPRISE IS NOT SUBJECT TO  
13      SECTION 20 OF ARTICLE X OF THE STATE CONSTITUTION.

14              (4) THE WORKFORCE DEVELOPMENT FUND IS CREATED IN THE  
15      STATE TREASURY. MONEY IN THE FUND SHALL BE USED BY THE  
16      WORKFORCE DEVELOPMENT ENTERPRISE TO ENGAGE IN AND SUPPORT  
17      EMPLOYMENT AND TRAINING WORKFORCE INITIATIVES THROUGHOUT  
18      COLORADO. THE WORKFORCE DEVELOPMENT ENTERPRISE MAY DEPOSIT OR  
19      PERMIT OTHERS TO DEPOSIT OTHER MONEY INTO THE WORKFORCE  
20      DEVELOPMENT FUND. THE WORKFORCE DEVELOPMENT FUND CONSISTS OF  
21      THE FOLLOWING:

22              (a) FOURTEEN PERCENT OF THE SUPPORT SURCHARGE COLLECTED  
23      PURSUANT TO SECTION 8-76-102.5 (3)(a)(IV);

24              (b) ANY MONEY APPROPRIATED TO THE FUND BY THE GENERAL  
25      ASSEMBLY;

26              (c) ANY MONEY GRANTED TO THE ENTERPRISE FROM A FEDERAL  
27      AGENCY FOR WORKFORCE DEVELOPMENT PURPOSES;

1 (d) ANY MONEY FROM BONDS ISSUED PURSUANT TO SUBSECTION  
2 (6) OF THIS SECTION; AND

3 (e) ANY GIFTS, GRANT, DONATIONS, OR OTHER MONEY RECEIVED  
4 BY THE ENTERPRISE.

5 (5) THE ENTERPRISE MAY ENGAGE THE SERVICES OF CONTRACTORS  
6 AND CONSULTANTS, INCLUDING THE DEPARTMENT OF LABOR AND  
7 EMPLOYMENT AND THE ATTORNEY GENERAL'S OFFICE, FOR PROFESSIONAL  
8 AND TECHNICAL ASSISTANCE AND ADVICE AND TO SUPPLY OTHER  
9 SERVICES RELATED TO THE CONDUCT OF THE AFFAIRS OF THE ENTERPRISE.

10 (6) (a) THE ENTERPRISE IS AUTHORIZED TO ISSUE REVENUE BONDS  
11 FOR THE EXPENSES OF THE ENTERPRISE, WHICH BONDS MAY BE SECURED  
12 BY ANY REVENUES OF THE ENTERPRISE. REVENUE FROM THE BONDS ISSUED  
13 PURSUANT TO THIS SUBSECTION (6)(a) SHALL BE DEPOSITED INTO THE  
14 FUND.

15 (b) THE BOARD OF DIRECTORS FOR THE ENTERPRISE IS AS FOLLOWS:

16 (I) THE DIRECTOR OF THE COLORADO WORKFORCE DEVELOPMENT  
17 COUNCIL OR THE DIRECTOR'S DESIGNEE; AND

18 (II) TEN MEMBERS, ONE REPRESENTING EACH LOCAL WORKFORCE  
19 COUNCIL, APPOINTED BY THE EXECUTIVE DIRECTOR OF THE DEPARTMENT  
20 OF LABOR AND EMPLOYMENT. <{Should a deadline be added for the  
21 appointments to be made?}>

22 (c) THE BOARD HAS THE FOLLOWING POWERS AND DUTIES:

23 (I) TO SUPERVISE THE ENTERPRISE;

24 (II) TO ISSUE REVENUE BONDS;

25 (III) TO ACQUIRE, HOLD TITLE TO, AND DISPOSE OF REAL AND  
26 PERSONAL PROPERTY AS NECESSARY IN THE EXERCISE OF ITS POWERS AND  
27 PERFORMANCE OF ITS DUTIES;

1 (IV) TO ENTER INTO AGREEMENTS WITH THE DEPARTMENT;

2 (V) TO REQUEST THE STATE TREASURER TO ACT AS ADVISOR TO  
3 THE FUND TO ISSUE SUCH BONDS AND NOTES AS ARE NECESSARY TO  
4 MAINTAIN ADEQUATE BALANCES IN THE FUND; AND

5 (VI) TO HAVE AND EXERCISE ALL RIGHTS AND POWERS NECESSARY  
6 OR INCIDENTAL TO OR IMPLIED FROM THE SPECIFIC POWERS AND DUTIES  
7 GRANTED BY THIS SECTION.

8 (7) EXCEPT AS PROVIDED IN SUBSECTION (9) OF THIS SECTION, THE  
9 STATE TREASURER SHALL CREDIT ALL INTEREST AND INCOME DERIVED  
10 FROM THE DEPOSIT AND INVESTMENT OF MONEY IN THE WORKFORCE  
11 DEVELOPMENT FUND TO THE FUND. MONEY IN THE FUND SHALL NOT BE  
12 CREDITED OR TRANSFERRED TO THE GENERAL FUND OR ANY OTHER FUND  
13 AT THE END OF THE FISCAL YEAR.

14 (8) THE GENERAL ASSEMBLY SHALL APPROPRIATE THE MONEY IN  
15 THE WORKFORCE DEVELOPMENT FUND ANNUALLY TO THE DEPARTMENT OF  
16 LABOR AND EMPLOYMENT.

17 (9) (a) AT THE END OF THE 2024-25 STATE FISCAL YEAR, IF THE  
18 AMOUNT IN THE FUND EXCEEDS TEN MILLION DOLLARS, THE STATE  
19 TREASURER SHALL TRANSFER THE MONEY IN THE FUND IN EXCESS OF TEN  
20 MILLION DOLLARS TO THE UNEMPLOYMENT COMPENSATION FUND  
21 CREATED IN SECTION 8-77-101 (1).

22 (b) AT THE END OF THE 2025-26 STATE FISCAL YEAR, AND EACH  
23 STATE FISCAL YEAR THEREAFTER, IF THE AMOUNT IN THE FUND EXCEEDS  
24 TEN MILLION DOLLARS, AS ADJUSTED FOR THE UNITED STATES  
25 DEPARTMENT OF LABOR'S BUREAU OF LABOR STATISTICS CONSUMER PRICE  
26 INDEX FOR DENVER-AURORA-LAKEWOOD OR ITS SUCCESSOR INDEX, THE  
27 STATE TREASURER SHALL CREDIT ANY MONEY COLLECTED PURSUANT TO

1 THIS SECTION THAT WOULD CAUSE THE BALANCE IN THE FUND TO EXCEED  
2 THE ADJUSTED AMOUNT TO THE UNEMPLOYMENT COMPENSATION FUND  
3 CREATED IN SECTION 8-77-101 (1).

4 **SECTION 5. Appropriation - adjustments to 2023 long bill.**

5 (1) To implement this act, appropriations made in the annual general  
6 appropriation act for the 2023-24 state fiscal year to the department of  
7 labor and employment are adjusted as follows:

8 (a) The cash funds appropriation from the employment support  
9 fund created in section 8-77-109 (1)(b), C.R.S., for program costs related  
10 to the division of unemployment insurance is decreased by \$10,457,137;

11 (b) The cash funds appropriation from the employment and  
12 training technology fund created in section 8-77-109 (2)(a.9)(II)(A),  
13 C.R.S., for program costs related to the division of unemployment  
14 insurance is increased by \$10,457,137;

15 (c) The cash funds appropriation from the employment support  
16 fund created in section 8-77-109 (1)(b), C.R.S., for state operations and  
17 program costs related to the division of employment and training is  
18 decreased by \$3,669,974, and the related FTE is decreased by 57.4 FTE;

19 (d) The cash funds appropriation from the workforce development  
20 fund created in section 8-83-107 (4), C.R.S., for program costs related to  
21 the workforce development enterprise in the division of employment and  
22 training is increased by \$3,669,974. This is based on an assumption the  
23 division will require an additional 93.4 FTE.

24 (e) (I) The cash funds appropriation from the employment support  
25 fund created in section 8-77-109 (1)(b), C.R.S., for one-stop workforce  
26 center contracts related to the division of employment and training is  
27 decreased by \$9,829,126, and the related FTE is decreased by 36.0 FTE.

1 (II) The decrease of the appropriation in subsection (1)(e)(I) of  
2 this section is based on the assumption that the anticipated amount of  
3 federal funds received for the 2023-24 state fiscal year by the department  
4 of labor and employment for one-stop workforce center contracts will  
5 decrease by \$11,031,925.

6 (f) (I) The cash funds appropriation from the SPARC program  
7 fund created in section 24-46.3-505 (1), C.R.S., for one-stop workforce  
8 center contracts related to the division of employment and training is  
9 decreased by \$68,513; and

10 (II) The cash funds appropriation from the SPARC program fund  
11 created in section 24-46.3-505 (1), C.R.S., for one-stop workforce center  
12 contracts related to the workforce development enterprise in the division  
13 of employment and training is increased by \$68,513; and

14 (g) (I) The cash funds appropriation from the workforce  
15 development fund created in section 8-83-107 (4), C.R.S., for one-stop  
16 workforce center contracts related to the workforce development  
17 enterprise in the division of employment and training is increased by  
18 \$9,829,126.

19 (II) The increase of the appropriation in subsection (1)(g)(I) of  
20 this section is based on the assumption that the anticipated amount of  
21 federal funds received for the 2023-24 state fiscal year by the department  
22 of labor and employment for one-stop workforce center contracts related  
23 to the workforce development enterprise in the division of employment  
24 and training will increase by \$11,031,925.

25 **SECTION 6. Appropriation.** (1) For the 2024-25 state fiscal  
26 year, \$10,459,436 is appropriated to the department of labor and  
27 employment for use by the unemployment insurance division. This

1 appropriation is from the employment and training technology fund  
2 created in section 8-77-109 (2)(a.9)(II)(A), C.R.S. To implement this act,  
3 the division may use this appropriation for program costs.

4 (2) For the 2024-25 state fiscal year, \$14,003,304 is appropriated  
5 to the department of labor and employment for use by the division of  
6 employment and training. This appropriation is from the workforce  
7 development fund created in section 8-83-107 (4), C.R.S. To implement  
8 this act, the division may use this appropriation as follows:

9 (a) (I) \$4,174,178 for program costs related to the workforce  
10 development enterprise.

11 (II) The increase of the appropriation in subsection (2)(a)(I) of this  
12 section is based on the assumption that the anticipated amount of federal  
13 funds received for the 2024-25 state fiscal year by the department of labor  
14 and employment for one-stop workforce center contracts related to the  
15 workforce development enterprise in the division of employment and  
16 training will increase by \$11,194,271.

17 (b) \$9,829,126 for one-stop workforce center contracts related to  
18 the workforce development enterprise in the division of employment and  
19 training.

20 **SECTION 7. Effective date.** This act takes effect July 1, 2024.

21 **SECTION 8. Safety clause.** The general assembly finds,  
22 determines, and declares that this act is necessary for the immediate  
23 preservation of the public peace, health, or safety or for appropriations for  
24 the support and maintenance of the departments of the state and state  
25 institutions.

# MEMORANDUM



## JOINT BUDGET COMMITTEE

TO Members of the Joint Budget Committee  
FROM Emily Hansen, JBC Staff (303-866-4961)  
DATE March 12, 2024  
SUBJECT HCPF Behavioral Health Potential Legislation

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Staff met with the Department of Health Care Policy and Financing to discuss the Committee's request for legislation regarding the implementation of the Certified Community Behavioral Health Clinic grant application, reporting related to the implementation of the retroactive rate increase in FY 2023-24, and pursuit of a 1115 waiver for IMD stays up to an average length of stay of 30 days.

### **CERTIFIED COMMUNITY BEHAVIORAL HEALTH CLINICS**

As was presented during the Department Hearings, both HCPF and the Behavioral Health Administration (BHA) indicate that they have dedicated staff and are well underway with pursuing a CCBHC application in the 2024 calendar year. It is staff's understanding that both agencies are willing to support statutory language that the application be pursued as long as it appears to be in the best interest of the State, and submit a report detailing why the grant was not pursued if in fact the agencies determine that the application is no longer in best interest.

This language is because the agencies currently expect that only a dramatic change to cost or policy at the federal level would prevent the application from moving forward. The Department is concerned about any language that requires HCPF to "pursue" a CCBHC model as was indicated in the Committee's motion as both agencies are currently aligning policy and payment structures as closely to the CCBHC model as possible without actually receiving the federal benefit. The Department is concerned that the Committee expects HCPF to implement a system that looks like CCBHC regardless of whether or not the federal benefit is awarded.

While Community Mental Health Centers (CMHCs) have been supportive of the CCBHC model due to an expected increase in federal funds, other safety net providers are not supportive of the model. CCBHC may enhance support for CMHCs without providing similar support for other safety net providers that already struggle to compete and provide services.

Staff recommends aligning with language proposed by HCPF and the BHA to ensure that the CCBHC grant application is pursued as long as the current expectations for cost and policy continue, and ask for a report to the Committee detailing whether or not the application is submitted and if not, why.

### **RETROACTIVE RATE INCREASE**

Staff and the Department agree that information on the implementation of the retroactive rate increase in FY 2023-24 is best suited for an RFI, rather than a statutory legislative report. Staff will continue to work with the Department to propose language to ensure language is technically accurate. Staff will bring this back for the Committee's consideration when RFIs are finalized after Long Bill passage.

### **1115 IMD 30 DAY WAIVER**

The Committee approved funding for IMD stays up to an average length of stay of 30 days and asked whether legislation was necessary to authorize or require the Department to apply for a waiver. The Department indicates that the application for the waiver will be submitted April 1 and already states

MARCH 12, 2024

that application is subject to legislative appropriations. Applications for waivers are within the Department's existing statutory authority, but have been legislatively mandated for specific programs in the past. Staff and the Department agree that legislation is not necessary since the application will likely be submitted before legislation could be passed.

Staff recommends including an RFI for the Department to report on utilization of IMD stays following the Committee's action and Department application for the waiver.

# MEMORANDUM



## JOINT BUDGET COMMITTEE

TO Members of the Joint Budget Committee  
FROM Emily Hansen, JBC Staff (303-866-4961)  
DATE March 12, 2024  
SUBJECT Foster Youth Social Security Utilization Bill Update

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During the Figure Setting presentation for the Office of Children, Youth and Families in the Department of Human Services, the Committee discussed potential legislation related to the utilization of Social Security benefits by counties to cover the cost of foster care. The proposal is following legislation recently passed in Arizona and other states that requires human services departments to screen all foster youth for Social Security eligibility, and deposit benefits into a savings account for the youth rather than utilizing benefits to cover the cost of care.

During the presentation, the Committee expressed interest in the following proposals:

1. Require that county departments apply for and set up savings accounts for only Survivor's Benefits (Title II), and not SSI benefits (Title XVI). There are more restrictions on the use of SSI benefits, and eligibility is more difficult to maintain.
2. Provide a new General Fund allocation to counties to establish savings accounts for foster youth in an amount equal to Social Security benefits utilized by the county. This option achieves the goal of establishing savings accounts for foster youth while avoiding some of the administrative and legal concerns with social security.
3. Require that county departments report to the youth, guardian, or attorney, and state department if the county is applying to become the representative payee for a child, the result of the application, and amount of benefits received.

Staff has had multiple meetings with representatives from counties, the state department, and advocates and administrators involved with implementing practice changes in Arizona. Stakeholders have indicated that the approach in Arizona was to cease using benefits to cover the cost of care, and partner with a third party to determine how the Department will move forward. The Department has partnered with PCG, who has also operated as a third party consultant in Colorado, and is still in the process of determining how to implement savings accounts and comply with federal rules.

The Arizona Department is aiming to screen all youth for Social Security eligibility within 30 days of entering care. Benefits may still be utilized by or for the child but must be for "unmet needs" that are in addition to basic costs expected to be covered by the state child welfare system. For example, the account cannot be utilized for the cost of food and housing, but could be used to cover costs associated with travel to visit family. It is unclear how this aligns with federal rule on the use of funds to cover the basic cost of care (food, shelter, and medical care), but the Arizona Department indicates that they are in weekly conversations with the Social Security Administration to inform program implementation and allowable use of funds.

MARCH 12, 2024

The Arizona Department has set up ABLE accounts and personal needs accounts for eligible youth. ABLE accounts are operated with a bank, and allow states to create tax-advantaged savings accounts for persons with disabilities to maintain benefit eligibility while establishing savings assets. Personal needs accounts are being managed within the Department using basic accounting software, rather than with a bank. The Department appears to be charged with determining what costs do and don't constitute an unmet need for youth to utilize the accounts.

The Arizona Department confirmed that SSI benefits are reassessed and decreased by \$300 when the benefit is not used to support housing. County Departments in Colorado also indicate that when youth transition out of Department care, unused benefits transfer back to the Social Security Administration and must be recovered by the guardian, often with assistance from the county.

Arizona also confirmed that youth cannot receive Social Security benefits and be Title IV-E eligible. Title IV-E is the primary federal fund source for child welfare, and entitles youth in out-of-home care up to 50.0 percent federal reimbursement. Counties and the State are also eligible for reimbursement for administrative costs. Both the Colorado and Arizona Departments agree that increased workload could increase federal drawdown for administrative costs, but this benefit has yet to be realized in Arizona and is not expected to meaningfully offset General Fund costs.

Stakeholders supportive of the Arizona legislation are interested in pursuing legislation in Colorado to stop the utilization of benefits to cover the cost of care by a certain date, and allow one planning year to determine implementation details. In staff's view, counties and the State have expressed hesitancy to move forward with dates certain, but are more comfortable pursuing SSA/Title II and are not comfortable pursuing SSI/Title XVI benefits at this time.

Due to the hesitancy expressed by the administrators who have been working on this issue for many years, staff is not comfortable moving forward with requiring counties to establish savings accounts for either benefit at this time, particularly after having insight into current operations in Arizona. **If the Committee intends to pursue legislation, staff recommends including the following components.**

1. Require that county departments report to the youth, guardian, or attorney, and state department if the county is applying to become the representative payee for a child, the result of the application, and amount of benefits received.
2. Require the Colorado Department of Human Services to promulgate rules to counties regarding the utilization of Social Security benefits to cover the cost of care.
3. Establish a working group to provide recommendations to the Committee by next January regarding an implementation plan for establishing savings accounts for foster youth utilizing SSI benefits or General Fund.

While working groups are not an ideal step forward, staff finds that counties and the state are currently operating as an informal working group. Most parties appear to be aligned, but there is not a clear path forward. Tasking a set group of people to establish a path by a certain date for the Committee's consideration next Session is the next step that staff is most comfortable supporting.

# MEMORANDUM



## JOINT BUDGET COMMITTEE

TO Members of the Joint Budget Committee  
FROM Andrew McLeer, JBC Staff (303-866-4959)  
DATE March 13, 2024  
SUBJECT Transfer to the Hazardous Substance Response Fund (HSRF)

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As part of the compliance plan for the HSRF, which is currently insolvent, the Department of Public Health and Environment is requesting that the remaining balance of the HSSRF be transferred to the HSRF. If approved, this transfer will be coupled with fee increases to bring the fund into solvency through at least FY 2033-34.

*REQUEST:* The Department has requested to transfer the remaining balance from the Hazardous Substance Site Response Fund (HSSRF) to the HSRF, with the transfer totaling approximately \$9,353,617. This transfer will allow the Department to meet ongoing CERCLA obligations as solid waste fee increases are implemented to make the HSRF solvent.

*RECOMMENDATION:* **Staff recommends JBC-sponsored legislation to transfer the remaining balance of the HSSRF to the HSRF for the purpose of meeting CERCLA obligations.**

*ANALYSIS:* The HSRF was established to fund the state's hazardous material disposal needs, including management of Colorado's Superfund sites as required under the federal Comprehensive Environmental Response, Compensation and Liability Act of 1980 (CERCLA). The Department submitted a compliance plan to the Committee to bring the HSRF into solvency on February 26, 2024. A key element of this solvency plan is the transfer of the remaining balance of the HSSRF to the HSRF as fee increases are phased in. Presently, the HSRF is projected to have a balance of -\$2.0 million in FY 2025-26, growing to -\$8.5 million by FY 2026-27. The Department has suggested increasing the portion of the solid waste user fee going to the HSRF from the current \$0.10 per cubic yard to \$0.24 per cubic yard by FY 2027-28, with \$0.01 annual inflationary increases thereafter.

The Department requests that the remaining balance of the HSSRF be transferred, as the only purpose of the fund is to augment the HSRF as needed to meet CERCLA obligations. The current balance of the HSSRF is nearly \$9.4 million. Transferring these funds will bring the HSRF into solvency through at least FY 2026-27, which will allow the Department to phase-in fee increases. If the Committee approves this transfer and the Department raises fees as described, the HSRF is projected to be solvent through FY 2033-34.