



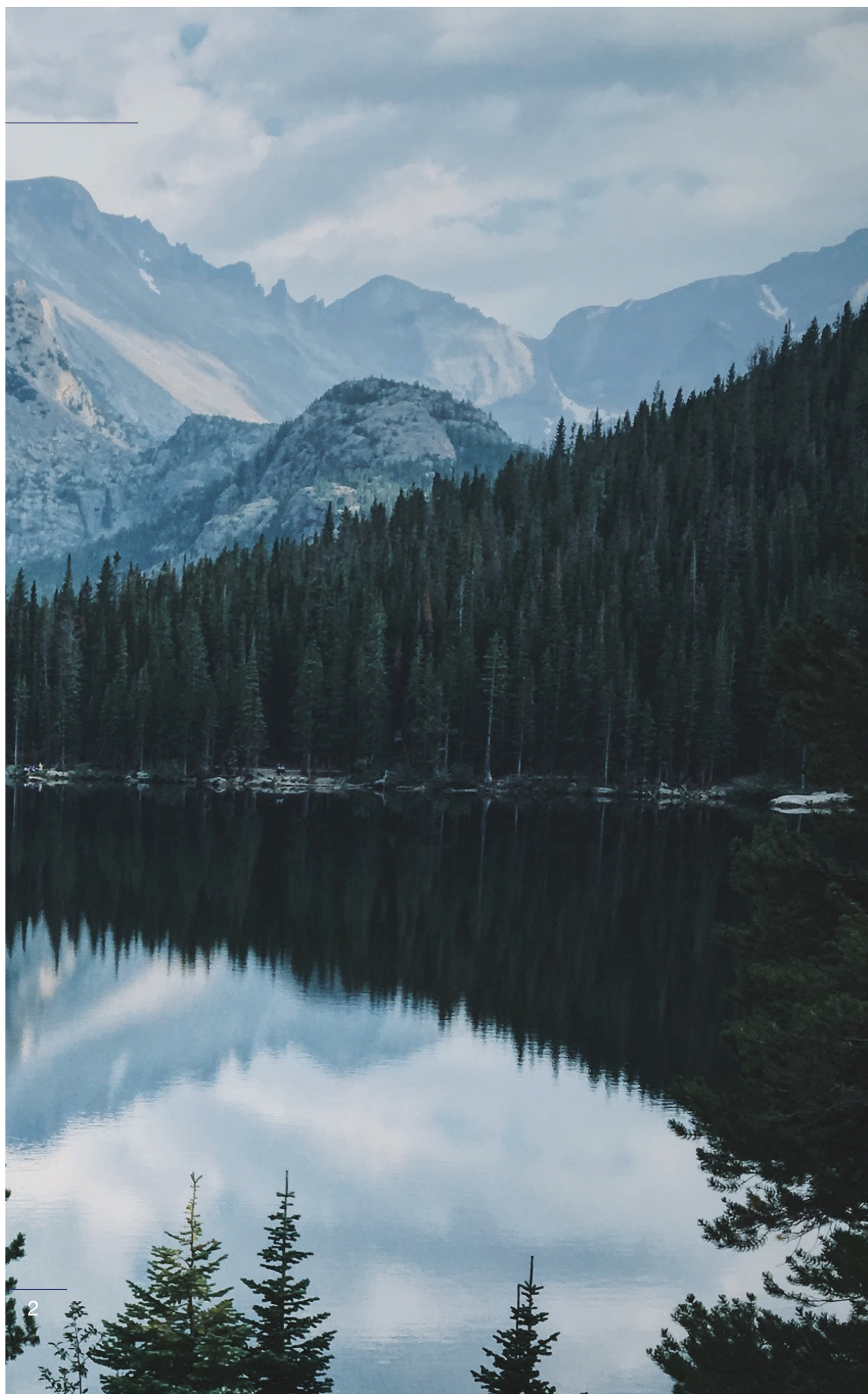
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# **FY 2020-21 BUDGET REQUEST**

**Governor Jared Polis**

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November 1, 2019





## TO THE JOINT BUDGET COMMITTEE AND THE GENERAL ASSEMBLY:

Together, we have already made significant progress in achieving a bold future for all Coloradans. From providing free full-day kindergarten to our state's children, to saving hard-working families thousands on their health care costs, to setting us on a path to 100% renewable energy, Coloradans are seeing real results in their daily lives. To continue this progress, I've set out roadmaps to achieve our bold goals for the state, and each of my cabinet members have clearly defined goals. This budget, following those roadmaps and our Administration's goals, provides clarity on the fiscal steps needed next year and beyond.

My request for the FY 2020-21 budget is for **\$34.5** billion in Total Funds, an increase of **\$897** million and **2.7** percent, and **\$13.8** billion General Fund, an increase of **\$389** million and **2.9** percent. This balanced budget sets out a proposal for every department and program in the state. While long and detailed, it is important not to miss that the budget includes priorities that will make a real difference in people's daily lives, for example:

- New and significant investments in our K-12 education system
- Expanding free preschool to serve 6,000 more children – building capacity and the foundation for universal preschool
- Innovations to continue lowering health care and prescription drug costs
- Making it easy to enjoy our state parks – more parking, campgrounds, bike trails, and yes we heard you, more restrooms! Plus a beautiful new state park in southern Colorado
- Offering paid family leave to state employees
- New funds for transportation maintenance and construction

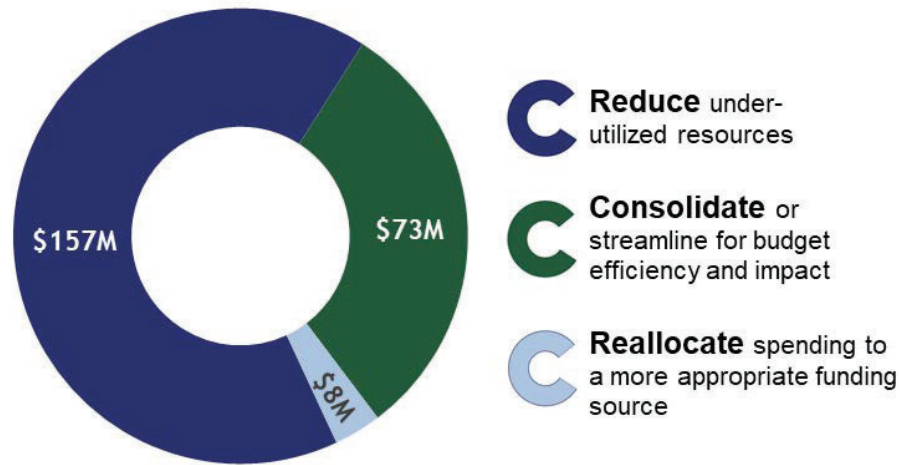
### NEED FOR FISCAL RESPONSIBILITY

Our State faces funding needs in many areas, including education and transportation. Next week, voters will decide if revenue collected in excess of the cap set by the State Constitution may be utilized to address those needs (Proposition CC). This budget, however, is based on the status quo without including the passage of Proposition CC, and thus I may quickly propose amendments to reflect changes that result from the election. But I know that first and foremost, the voters want their state government to make the most of the funds it currently has. Since taking office I have systematically focused on fiscal responsibility and ensuring that tax dollars are being used to best serve the people.

My Administration has undertaken a six-month long, thorough budget review, and identified **\$238** million in budget savings, of which **\$73** million are General Fund savings. We are working hard to ensure that every tax dollar provides the highest return on investment to all of Colorado's communities.

# \$238 MILLION SAVED

by eliminating unused, duplicative and unnecessary spending



The chart above shows the types of savings proposals we identified, such as consolidating or streamlining programs for budget efficiency, reallocating resources to improve program impact, and reducing under-utilized resources. The full package of savings proposals can be viewed in Attachment 2.

## A note on Prop CC

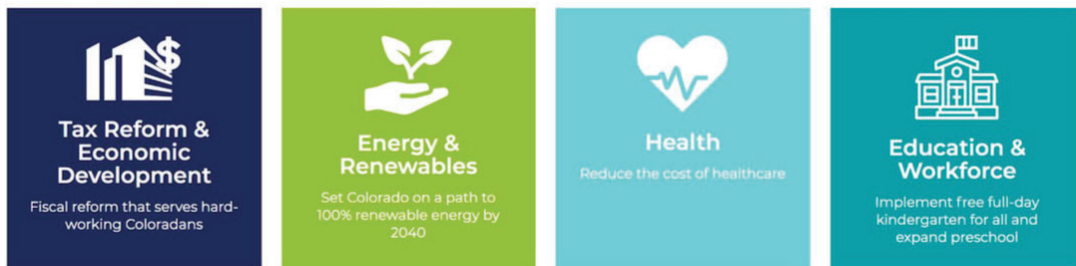
In just four short days, the election for Proposition CC may change the amount of available resources in this budget. I will propose amendments to this budget to reflect changes that result from the election. A summary of those possible amendments is included in Attachment 1, and describes additional funds for K-12 Education, Higher Education, and Transportation.



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## THE BOLD FOUR

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### Linking to Results

In July, I launched a dashboard to hold myself and my Administration accountable for achieving results for Coloradans. Clear and continuously updated, the dashboard helps every agency know the specific goals they are working to achieve. Colorado was recently recognized for being the #1 state in the country for holding ourselves accountable for strategic goals, and for tying our budget to data and evidence (*2019 Invest in What Works State Standard of Excellence*).

Guided by my Administration's roadmaps and strategic goal dashboard, we developed this budget focused on results. At the end of this letter, you will find a table of budget requests listed by dashboard area, along with links to the specifics of each of those requests. Thus, you can navigate my budget with-out having to know all the structural details and acronyms about how state government is organized. For more information about how we incorporate data and evidence in the budget, please see Attachment 3.



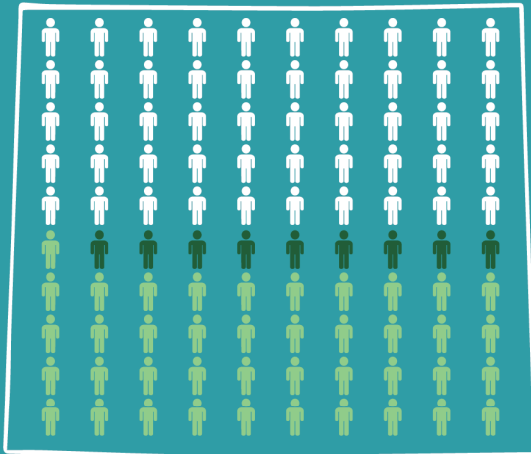
## EDUCATION

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This fall we were able to provide free full-day kindergarten to all Colorado children without burdening the General Fund. This was thanks to rising property values and the State not having to backfill the local share of school funding as much as in recent history, along with the hard work of parents, educators, and the General Assembly. As anticipated for this year's budget, even with kindergarten funded for a full day like every other grade 1-12, the State's required K-12 increase for the FY 2020-21 General Fund budget is quite modest, estimated to be only \$7 million.

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# CHILDREN ELIGIBLE FOR THE COLORADO PRESCHOOL PROGRAM



- **41% currently served (light green)**
- **9% proposed expanded coverage (dark green)**
- **50% remaining unserved (white)**

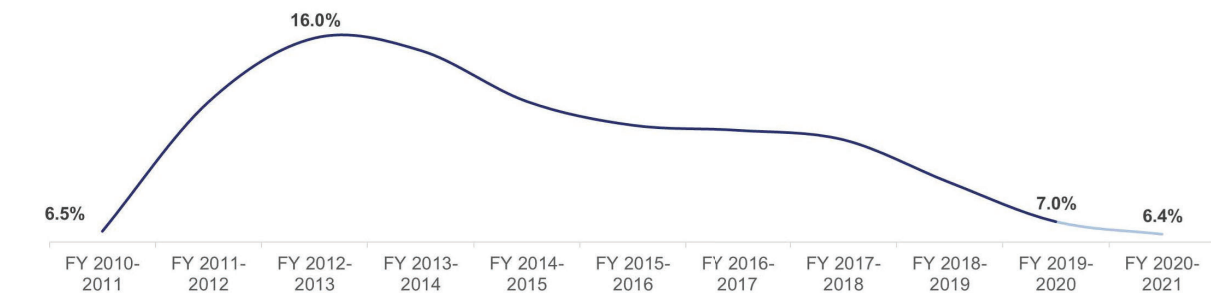
We know that quality education at a young age enhances social skills, improves learning outcomes, helps to identify special education needs more quickly, and even leads to higher postsecondary attainment. Because of this, my FY 2020-21 budget continues to invest in our youngest learners with \$27.6 million to expand the Colorado Preschool Program for children in low-income families or who are at-risk. This request would eliminate the reported waitlist and provide funding for half of eligible children, an increase from the current 41% (chart above).

My Administration will continue to work to find a new revenue source so that by the end of my first term we can make universal quality preschool available for all four-year-olds in Colorado, but progress this year is critical because children are only four years old once.

While we continue to invest in expanding access to our education system, we must remember to invest in the quality of child care right from birth. Our state needs to be a more family-friendly state. The budget includes an additional \$6 million to help child care providers ensure young children receive a high-quality education through our Colorado SHINES program, bringing the number of children receiving high-quality care from 64,000 to 81,000 statewide.

## K-12 BUDGET STABILIZATION

K-12 Budget Stabilization Factor reduced to a 10-year low



Source: Colorado Department of Education

Investing in our public schools is one of the most effective ways to invest in our future, and this budget continues to make progress on adequately funding our schools.

I propose to reduce the Budget Stabilization Factor by an additional \$40 million to 6.4% of Total Program funding, down from a high of 16% in FY 2012-13. In addition, I am proposing two initiatives to improve K-12 education that align with the bipartisan Education Leadership Council State of Education report. These include funding to support struggling schools earlier with evidence-based interventions and investments to empower parents with more meaningful information about their children's schools and school districts. Finally, this budget helps improve educator evaluation, including funding to enhance the quality of observations, support innovative approaches like peer evaluation, and help to ensure evaluation is a tool for supporting educators in improving their practice.

In addition to continuing to improve access to a high-quality education, it is imperative that we work together to make sure that our young people are safe to go to school, no matter where they live. In June, I proposed \$3.4 million in supplemental funding to add to the \$29 million the State is currently spending on school safety. This budget request includes a legislative set-aside to support the work of the legislature's interim committee on school safety, including training for educators on evidence-based programs to improve school climate and behavioral health.

Let's not forget who is driving success in our schools and community-based programs - our dedicated teachers and early childhood educators. My budget increases funding for scholarships and loan forgiveness for educators, and provides funding for low-cost pathways to teaching degrees through concurrent enrollment and apprenticeships. We will continue to support and help build a teaching community that can lead the nation.





## ENERGY & RENEWABLES

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Colorado is taking bold action to transition to a renewable energy economy and combat climate change. In the past 10 months we have set economy-wide greenhouse gas emission goals in statute; overhauled the statutory mission of the Oil and Gas Conservation Commission to prioritize health, welfare, and the environment; established a pathway for our largest utility to reduce greenhouse gas pollution 80% by 2030; adopted a Zero Emission Vehicle Rule that will reduce air pollution and benefit consumers across the state; and created new grant opportunities to support local communities in their transitions to 100% renewable energy.

**AIR QUALITY PROTECTION:** But despite this progress our work is not done. Poor air quality continues to negatively impact Coloradans' lives and livelihoods. Since the inception of federal ozone standards, Colorado's Denver Metro/North Front Range area has never attained compliance, as shown in the graph on the next page. My budget provides a 26% increase (\$2.3M) in resources for the Stationary Sources Program to improve and enhance air quality in Colorado.

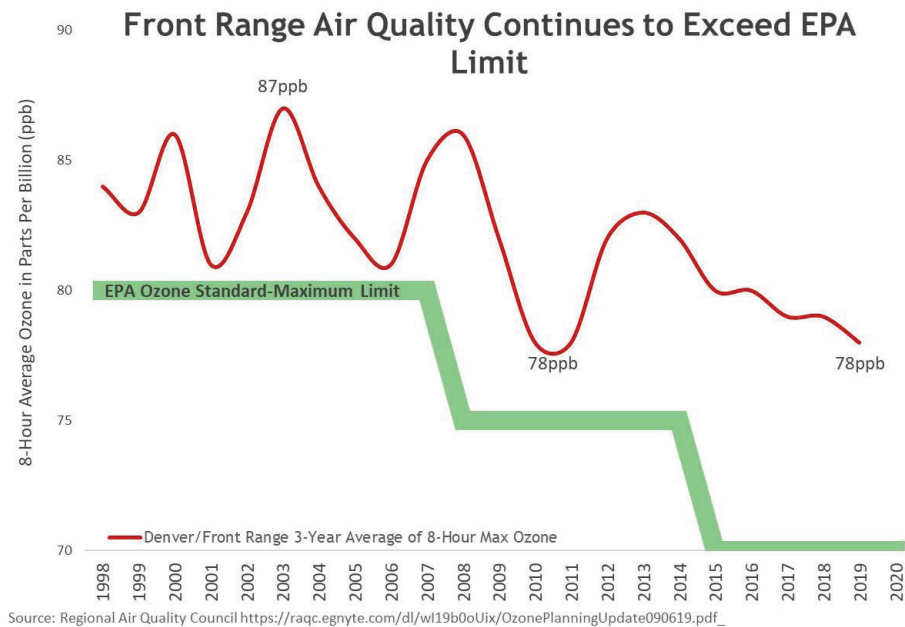
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**"WE DON'T HAVE TO CHOOSE BETWEEN CREATING GOOD-PAYING JOBS AND SAVING OUR AIR, OUR WATER, AND OUR WAY OF LIFE – WE CAN DO BOTH BY GROWING OUR RENEWABLE ENERGY SECTOR."**



**[CLICK HERE FOR ROADMAP TO 100%  
RENEWABLE ENERGY BY 2040](#)**

## OZONE TRENDS AND FEDERAL STANDARDS

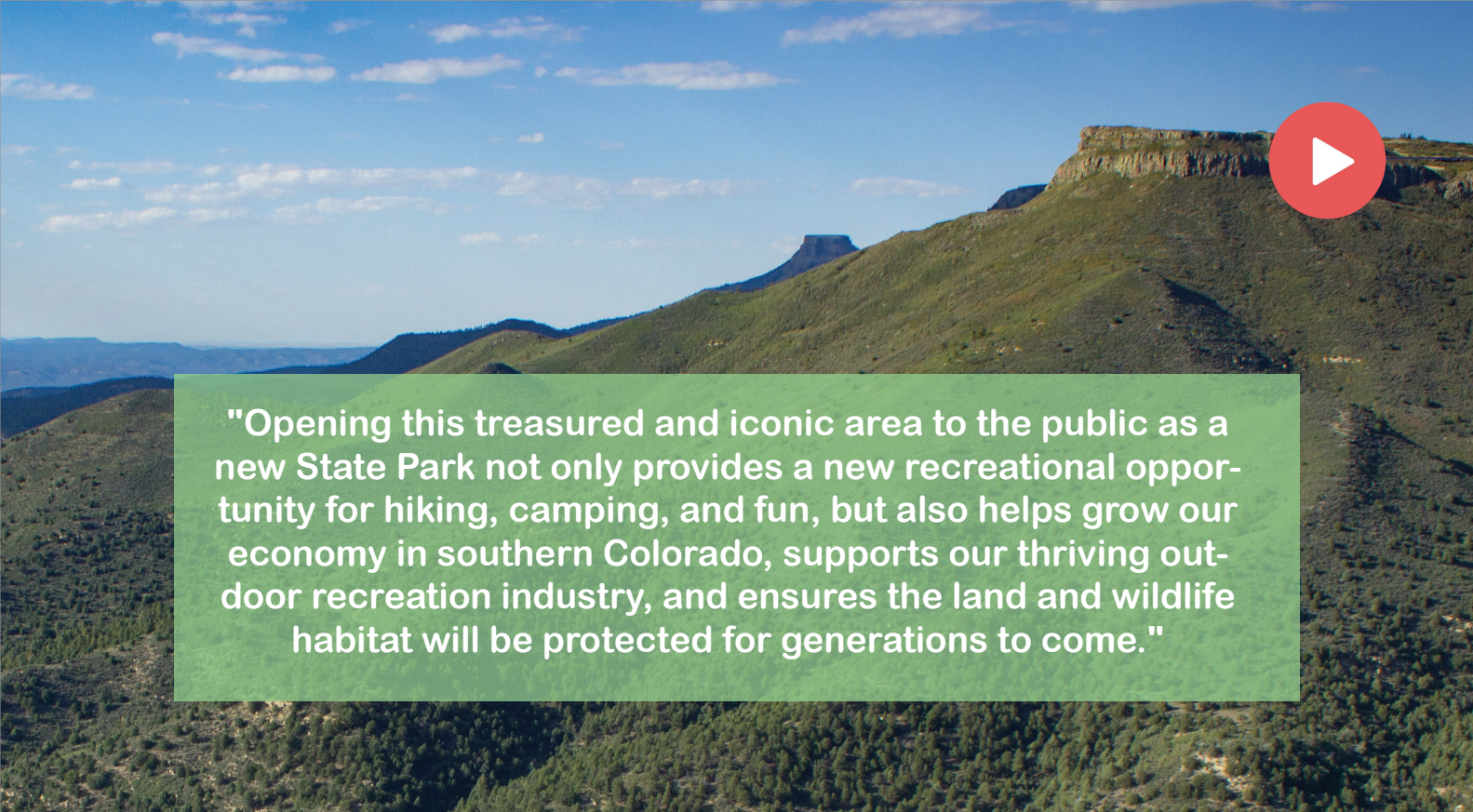


**ELECTRIC STATE FLEET:** We are asking the private sector to meet bold goals when it comes to sustainability and renewables, and it is important that the public sector lead by example. Working together to advance bold climate action and reach 100% renewable energy by 2040, my budget provides the resources to begin replacing all suitable state fleet vehicles with electric vehicles, establishing our state government as a national leader in this space.

**PIPELINE SAFETY:** I have included a budget request to improve regulation of our intrastate pipelines in a way that consistently prioritizes public health, safety, and the environment. We have both a moral imperative to protect the qualities that make Colorado such a special place to call home, and an economic opportunity to support a swift transition to renewable energy and a clean energy economy.

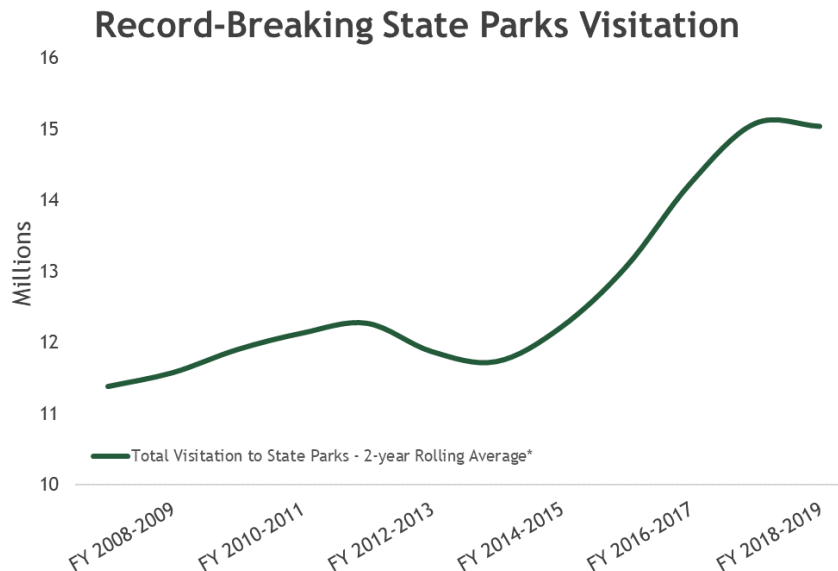
**INVESTING IN WATER INFRASTRUCTURE:** Additionally, we can continue to support the Colorado way of life by building on last year's historic allocation of General Fund resources to implement the State's Water Plan. My budget continues this commitment by including \$10 million to invest in water infrastructure improvements to protect our state's water future. Additional resources will be available for water infrastructure if Proposition DD passes at the ballot this month.

**"Colorado has so much to offer, and as Governor I am focused on ensuring we improve access to our great outdoors and create real opportunities for job growth in rural Colorado."**



"Opening this treasured and iconic area to the public as a new State Park not only provides a new recreational opportunity for hiking, camping, and fun, but also helps grow our economy in southern Colorado, supports our thriving outdoor recreation industry, and ensures the land and wildlife habitat will be protected for generations to come."

**EXPANDING ACCESS TO PUBLIC LANDS:** As we protect the environment for future generations, we must also ensure that Coloradans continue to enjoy our beautiful surroundings. My budget includes \$10 million in FY 2019-2020 to expand access to our state park system and continue to accommodate record-breaking attendance figures. Not only does this investment establish Colorado's newest State Park, Fishers Peak, but it also makes improvements across our park system to protect our Colorado way of life. Park fees support upkeep and modest improvements, but occasional requests once every few years for additional resources are the only way to keep up with visitation increases under the current budget structure.



Source: Colorado Parks and Wildlife  
\*Rolling average used to smooth data for seasonality



## HEALTH

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My Administration and legislative leaders are fervently focused on an issue that worries every family and business in Colorado: saving people money on health care. Our Office of Saving People Money on Health Care, led by Lieutenant Governor Dianne Primavera, has delivered on several money-saving milestones already.

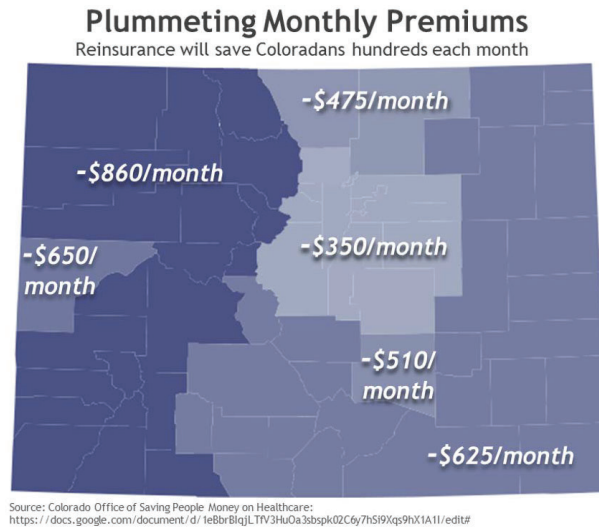
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**[CLICK HERE FOR ROADMAP TO  
SAVING COLORADANS MONEY ON  
HEALTH CARE](#)**



**INSURANCE PRICES:** We beat the legislature's targeted savings in implementing a reinsurance program that will bring relief to the hundreds of thousands of Coloradans who buy their own insurance in the individual market. For the first time, insurance premiums are going down in 2020, thanks to reinsurance. On average, premiums will drop by 20.2 percent, with even larger declines of 28 to 30 percent on the Western Slope and the Eastern Plains. This budget continues this successful program. The reinsurance program is a shining example of what we can achieve through bipartisan efforts and collaboration with the health care industry.



*As a result of reinsurance, Coloradans will see their monthly health insurance premiums plummet across the state. An average family of four using the individual market will save **between \$350 and \$860 each month** on health insurance.*

**MENTAL AND BEHAVIORAL HEALTH:** We are working to improve access to and quality of mental health and substance use disorder programs for Coloradans across the state. For the first time, the budget funds Medicaid coverage for substance use disorder treatment services at a total cost of \$87 million starting July 2020, including residential, inpatient, and medical detoxification, as well as recovery services. The State also received a federal grant for addressing the opioid crisis; \$15 million is allocated for the budget year. New programs passed last session also include screening and treatment for children and youth, the expansion of medication-assisted treatment, and parity for behavioral and physical health. The recommendations of Colorado's Behavioral Health Task Force, expected in July 2020, will lay out a blueprint not only for substance use disorder treatment but for reforming our entire behavioral health system.

**PHARMACEUTICAL COSTS:** We are also working on ways to control the rapidly rising costs of pharmaceuticals. First, we are funding the development of an innovative tool that physicians and other providers can use to make better and more cost-effective prescribing decisions. We project that this tool will reduce Medicaid's drug budget by millions of dollars. And my Administration will pursue legislation to require greater transparency in the pharmaceutical industry and control drug spending, as well as continue our efforts on prescription drug importation at reduced costs for Coloradans.

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**INCREASING IMMUNIZATIONS AND IMPROVING CHILDREN'S HEALTH:** This budget requests \$2.5 million to improve the health of our school children, who currently have the lowest vaccination rates in the country. Only 87.4% of kindergartners in Colorado are protected against measles, mumps, and rubella. We want to raise vaccination rates by pursuing a strategy of outreach and education to combat preventable diseases.

In addition, we must invest more in the Children's Health Insurance Program in the face of declining federal dollars for this important program. To ensure health coverage for kids in low-income families, the budget backfills \$30 million in federal dollars scheduled to be cut.

**IDENTIFYING TOXIC POLLUTANTS:** We are making strides to ensure the health of Coloradans is not compromised by a polluted environment. In September, I requested resources to address growing concerns about toxic pollutants that are contaminating our waterways and potentially creating health risks: perfluoroalkyl and polyfluoroalkyl substances (PFAS). This group of chemicals has been used in firefighting foam, industrial processes, and consumer products. We need to address the growing concern about this potential health hazard.

**PROVIDING PAID FAMILY AND MEDICAL LEAVE:** To improve employee retention and morale, the State should be a model employer. The budget funds a 2% pay raise for State employees, and adds a much-in-demand benefit for paid family and medical leave. The proposal starts at 8 weeks of paid leave and would enable the State's workforce to care for a new child, aging partner or parent. Currently, State workers have no paid family and medical leave outside their sick days and paid time off policy; this proposal brings the State in line with a common private industry benefit as we continue to work towards expanding paid family and medical leave to all Colorado employees.

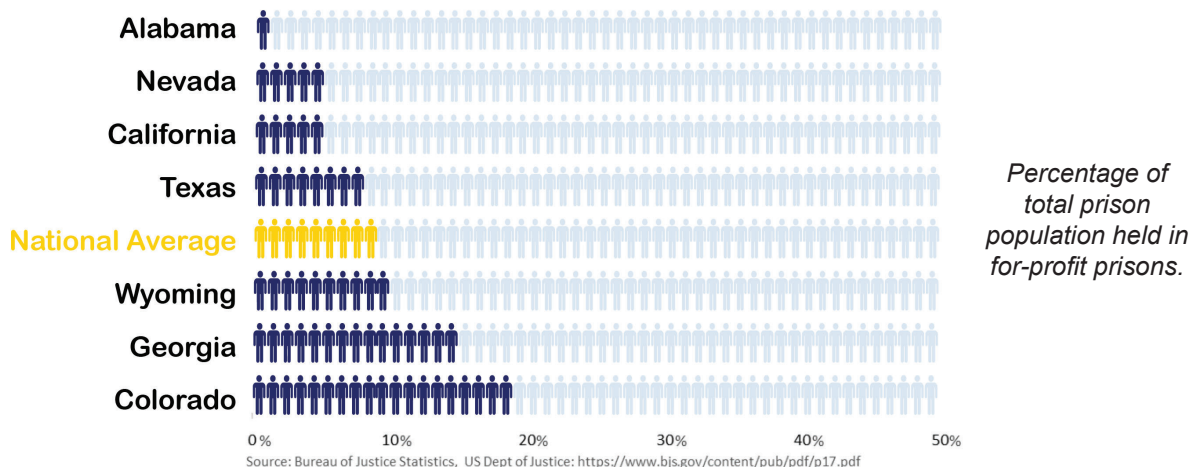
## CRIMINAL JUSTICE

My Administration is committed to reducing recidivism among adults and youth. Recidivism rates are highest for those who serve their time in private prisons vs. State-operated prisons, and we know that Colorado relies on private prisons far more than the national average - 19% compared to 8%.

Given that inequities make people of color, individuals living with mental health/substance use disorders, and individuals experiencing poverty more likely to face incarceration, Colorado needs a prison system that works better. That is why my budget includes \$9 million to close the private Cheyenne Mountain Re-entry Center by opening two towers in the state's Centennial Correctional Facility-South. This transition will enable improved re-entry programming for offenders who are at a higher risk of returning to prison. This closure is just the beginning of improving services that reduce recidivism. I look forward to working with the General Assembly to create a plan to transition the State completely away from private prisons over time in a responsible way, while taking into account the impacts that transition would have on those communities.

To advance our goals to reduce juvenile recidivism, my budget includes investments in youth services centers. These investments will strengthen youth relationships with instructors and case workers, upgrade facility conditions and safety, and improve programming to facilitate a smooth re-entry and reduce recidivism. These improvements will allow for a more safe and secure environment for youth to work toward treatment and educational goals.

### COLORADO IS OVERLY RELIANT ON PRIVATE PRISONS



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## RURAL ECONOMIC DEVELOPMENT

This budget's investments, including health care and education, will significantly benefit Colorado's rural communities. In addition, we must also ensure that our rural communities are prepared for the economy of the future. To that end, my budget includes a 33 percent increase in grants to rural governments to leverage local investment and existing assets to diversify local economies and create new jobs. I'm also proposing new resources to provide grants and assistance to agricultural producers to install energy efficiency or renewable energy solutions on their lands.

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## RESERVES

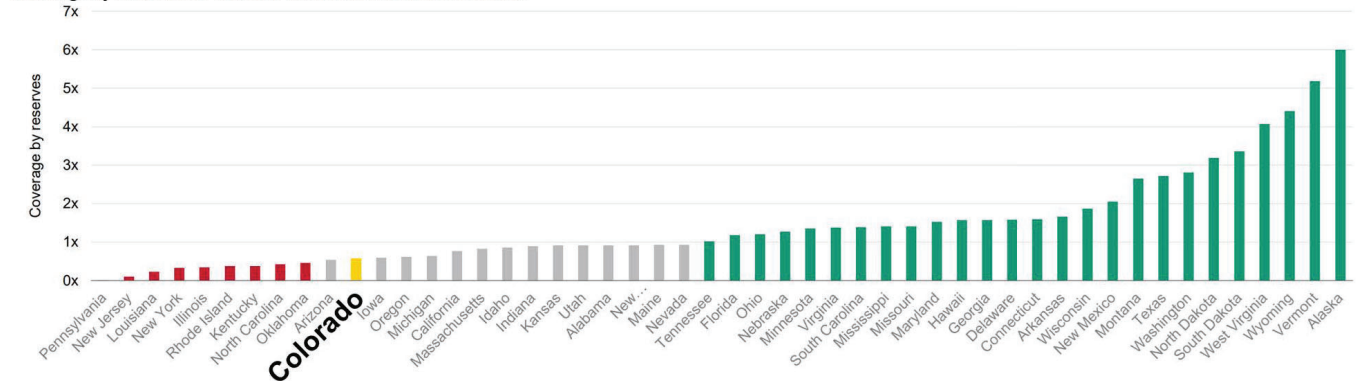
The last two economic recessions (2001 and 2008) each saw General Fund revenues decline by 16.5% over two years. Our reserve levels are behind the national average, and are not sufficient to manage the next recession. My budget recommends \$31 million to increase the General Fund reserve from 7.25% to 7.50% of appropriations, the bare minimum to return our reserves to the national average. In addition, the State has not paid back many of the one-time tools that were used to manage previous recessions. We recommend paying back a recession-era accounting adjustment regarding employee pay dates. As noted in the analysis below, one national ratings agency assesses that Colorado is ranked 11th lowest out of 50 states for the number of months our reserves would withstand a recession, and adopting greater reserves would improve our ranking.





## COVERAGE BY RESERVES OF REVENUE DECLINE IN RECESSION SCENARIO

**26 states could cover a full year of revenue declines solely with reserves on hand**  
**Coverage by reserves of revenue decline in recession scenario**



Source: Moody's Investors Service

As described in Attachment 4, my budget also includes a legislative package for better economic planning, including statutory tools for the following:

- Stretching out the State's reserves given the multi-year budget impact of most downturns
- Automatic triggers for refilling reserves after they are drawn down, including a glide path back to fiscal stability

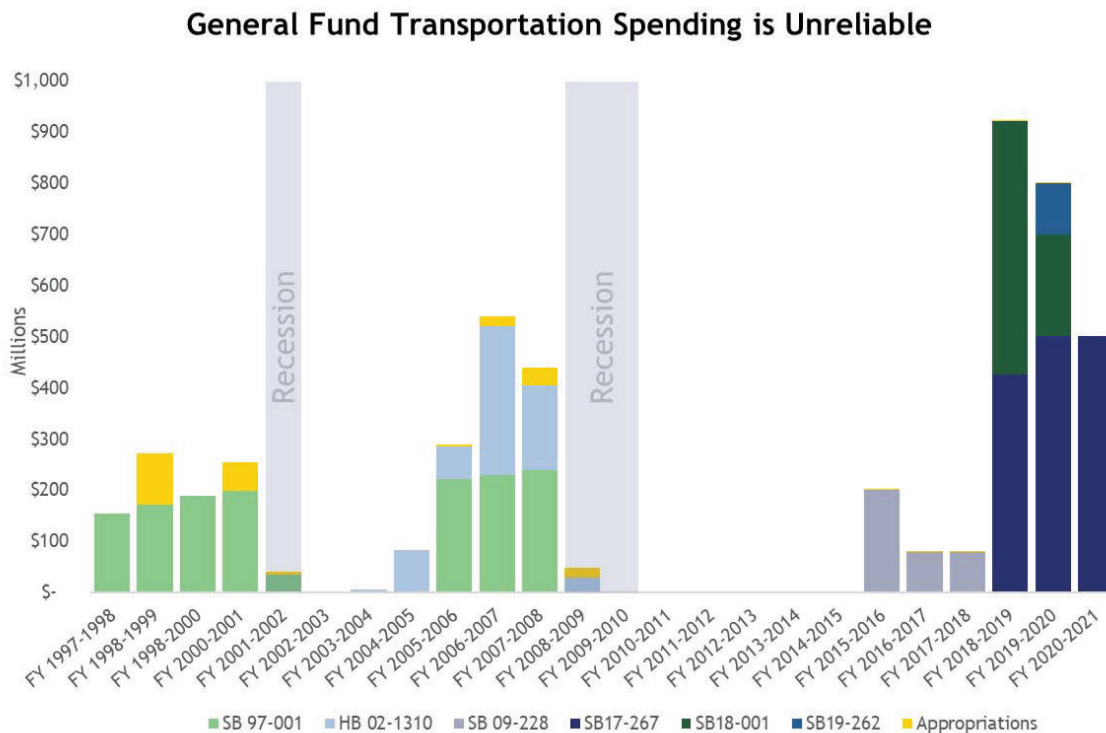


The next pages outline the budget requests and funding trends for two spending areas hardest hit by an economic downturn: transportation and higher education.

# TRANSPORTATION

This budget includes \$550 million in new funding for transportation for FY 2020-21. This includes \$500 million funded by the General Fund, and a \$25 million transfer from capital reversions. In addition, CDOT has scrubbed their books and doubled this transfer by finding \$25 million in savings that will be redirected as new funds for construction, maintenance, and operations programs.

But even with these significant resources for FY 2020-21, we know the State needs a more sustainable funding solution for transportation. As the value of fuel tax revenue erodes due to the effect of inflation, the state's transportation infrastructure has become more reliant on General Fund, yet drawing on the General Fund for the billions needed in road improvements is not a sustainable solution. As shown in the graph below, General Fund transfers to transportation tend to dry up during a downturn. I hope to work with stakeholders this legislative session to craft a forward-looking solution that addresses our transportation needs across the state.



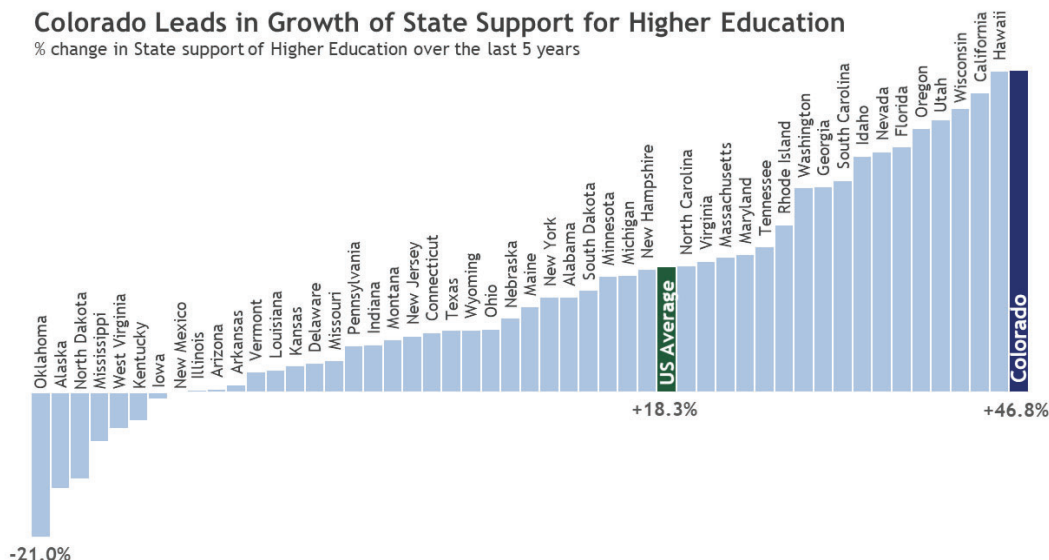
Source: OSPB

# HIGHER EDUCATION

Similar to transportation, higher education funding tends to dry up during an economic downturn. During the past five years, however, Colorado has increased State support for higher education by 47%, a higher rate than any other state in the country (see graph below). During the same period, resident tuition at Colorado public institutions increased by 29%.

Last year the General Fund provided an unprecedented increase of \$121 million to offset operating costs for our public institutions of higher education. That investment is now included in the higher education base for this budget; plus we propose an additional \$26 million, limiting tuition increases to no more than 3% on average. Thus over the last two years, this investment in higher education represents \$147 million in new funds. If Proposition CC passes, I will be submitting a budget amendment to allocate an additional estimated \$116 million toward higher education (Attachment 1).

Higher education needs are changing as the economy changes, and my Administration is leading by creating an office for the future of work. We also will be putting forth reforms to the funding formula that will incentivize containment of costs, and will continue to seek increased value for students from all institutions of higher education. In addition, my budget supports more scholarships for Colorado students, and a new accountability dashboard to help parents and students compare institutions when seeking value for their higher education dollar.



Source: Illinois State University, College of Education *Grapevine*: [https://education.illinoisstate.edu/downloads/grapevine/tables/GPV\\_Table1\\_FY19.pdf](https://education.illinoisstate.edu/downloads/grapevine/tables/GPV_Table1_FY19.pdf)



# FY 2020-21 BUDGET NAVIGATOR

Finally, this letter includes a guide to help link my budget requests to outcomes, aligned to my public-facing dashboard. If you are accessing this document online this "Budget Navigator" provides hyperlinks to the detailed budget requests and evidence that supports them.



## EDUCATION AND WORKFORCE

REDUCE K-12 BUDGET STABILIZATION FACTOR	CDE R-01 Total Program Increase
EXPAND COLORADO PRESCHOOL PROGRAM	CDE R-06 Colorado Preschool Program Expansion
IMPROVE EARLY CHILDHOOD CARE QUALITY	CDHS R-01 Comprehensive Approach to Improving Child Care Quality
EXPAND TEACHER SCHOLARSHIPS AND APPRENTICESHIPS	CDHS R-08 Scholarships for Early Childhood Educators CDHE R-09 Early Education Talent Pipeline Scholarship CDLE R-01 Expand Access to Work-Based Learning
EXPAND EDUCATION LOAN FORGIVENESS	CDHE R-10 Loan Forgiveness for Early Childhood Educators
EXPAND CONCURRENT ENROLLMENT	CDE R-05 Concurrent Enrollment for Educators
EXPAND ACCESS TO SCHOOL INFORMATION FOR PARENTS	CDE R-09 Empowering Parents with School Information
IMPROVE EDUCATOR EVALUATIONS	CDE R-10 Educator Evaluations
EXPAND ELIGIBILITY FOR SCHOOL IMPROVEMENT FUNDS	CDE R-12 Expanding Eligibility for School Improvement Funds
IMPROVE SCHOOL SAFETY	DPS R-02 Additional Resources for School Safety Attachment 5: Statewide Analysis Legislative Placeholders
EXPAND SCHOLARSHIPS	CDHE R-11 Colorado Opportunity Scholarship



## ENERGY AND RENEWABLES

INCREASE STATE PARKS ACCESS	Forthcoming FY 2019-2020 Supplemental
IMPROVE AIR QUALITY ENFORCEMENT	CDPHE R-01 Enforcement, Compliance, and Permitting Initiative
IMPROVE PIPELINE REGULATION	DORA R-02 Intrastate Pipeline Safety Enhancements
CONTINUE WATER PLAN FUNDING	Attachment 5: Statewide Analysis - Capital
ACCELERATE ELECTRIC VEHICLE USE IN STATE FLEET	DPA R-05 Annual Fleet Request





## ECONOMIC DEVELOPMENT & TAX REFORM

EXPAND RURAL ECONOMIC DEVELOPMENT GRANTS	DOLA R-01 Rural Economic Development Initiative Funding Increase
EXTEND PROCUREMENT SUPPORT FOR CO BUSINESSES BIDDING ON GOV CONTRACTS	OEDIT R-01 Extend Procurement Technical Assistance Center
SUPPORT SMALL BUSINESS DEVELOPMENT CENTERS	OEDIT R-02 Small Business Development Center Increase
EXTEND RURAL JUMP START	OEDIT R-03 Extend Rural Jump Start
INVEST ADMINISTRATIVE SAVINGS IN TRANSPORTATION	CDOT R-01 Administrative Efficiency Savings



## HEALTH

IMPROVE IMMUNIZATION RATE	CDPHE R-02 Immunization Outreach
MONITORING WATER QUALITY FOR TOXIC POLLUTANTS (PFAS)	Approved 1331 Emergency Supplemental
IMPLEMENT PAID FAMILY LEAVE FOR STATE EMPLOYEES	DPA R-01 Paid Family Leave
CONTINUE REINSURANCE PROGRAM	Reinsurance and Insurance Premiums
DEVELOP A PRESCRIBER TOOL TO LOWER DRUG SPENDING	HCPF R-07 Pharmacy Pricing and Technology



## OTHER

SAVINGS TO IMPROVE GOVERNMENT EFFICIENCY	Attachment 2: Savings
REDUCING PRIVATE PRISON USE	DOC R-03 Reducing Private Prison Use
SUPPORTING COUNTY PRETRIAL SERVICES	Attachment 5: Statewide Analysis Legislative Placeholders
IMPROVING YOUTH SERVICES CENTERS	CDHS R-05b Splitting Lookout Mountain into Distinct Facilities CDHS R-05c Supervisor Salary Increase CDHS R-07b Homelike Environment at Lookout Mountain

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## CONCLUSION

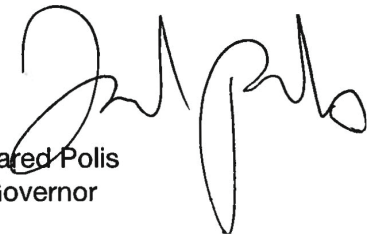
The Budget also includes the following attachments.

1. Proposition CC Potential Budget Amendments
2. Savings
3. Evidence-Based Policy
4. Reserves
5. Statewide Analysis
6. Budget Tables, by Funding Source and Department
7. Decision Item List by Department
8. Economic Conditions

Complete details on all budget requests, including accounting schedules, may be found on the OSPB website [www.colorado.gov/ospb](http://www.colorado.gov/ospb).

Thank you for your consideration of our roadmaps to bold results, and the fiscal resources needed to accomplish them. I look forward to working together for Colorado.

Sincerely ,



**Jared Polis**  
Governor

Copy:

Representative Daneya Esgar, Joint Budget Committee  
Senator Dominick Moreno, Joint Budget Committee  
Representative Chris Hansen, Joint Budget Committee  
Senator Bob Rankin, Joint Budget Committee  
Representative Kim Ransom, Joint Budget Committee  
Senator Rachel Zenzinger, Joint Budget Committee  
Senate President Leroy Garcia  
Speaker of the House of Representatives KC Becker  
Ms. Carolyn Kampman, Joint Budget Committee Staff Director



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Beauclarine Thomas

Tyson Thornburg

Edmond Toy

Seth Walter

Isaac Yoder

### Proposition CC Potential Budget Amendments

In just four short days, Colorado voters' decision on Proposition CC may change the amount of available resources in this budget. Proposition CC would allow the state to retain revenue it is currently required to refund under the Taxpayer's Bill of Rights. House Bill 19-1258 requires that any revenues retained if Proposition CC passes be allocated to public schools, higher education, and roads, bridges, and transit.

Once the election results are known, I will propose amendments to this budget to reflect changes that result from the election. Below are details of how my amended budget would propose that the revenue would be allocated. The current revenue estimate from the Office of State Planning and Budgeting (OSPB) is \$348 million for the budget year FY 2020-21. This estimate will be updated in December 2019.

	Amount Available (millions)
Public Schools	\$116
Higher Education	\$116
Transportation	\$116
<b>Total</b>	<b>\$348</b>

#### Public Schools

If Proposition CC passes, I will propose a budget amendment to allocate  $\frac{1}{3}$  of the available funds to support public schools as required by HB 19-1258 and approved by voters. Based on OSPB's current estimate, this will provide an additional \$116 million to invest in our public education system. This new funding for public schools will be distributed on a per-pupil basis and used by districts to improve classrooms and instruction, attract and retain teachers, and acquire books and technology. This infusion of funding will support continued improvement in the educational opportunities our students need and deserve.

**Higher Education**

If Proposition CC passes, I will propose a budget amendment to allocate  $\frac{1}{3}$  of the available funds to support higher education as required by HB 19-1258 and approved by voters. Based on OSPB's current estimate, this will provide an additional \$116 million to transform the educational opportunities available to all Coloradans.

	Estimated Cost (millions)
Debt-Free Community College	\$45
"Get On Your Feet" Colorado	\$11
Freeze Tuition at Colorado Institutions	\$60
<b>Total</b>	<b>\$116</b>

*Debt-Free Community College:* I propose using a portion of these revenues to create a fund to allow any Colorado student to pay for tuition, fees, and books at any community college in our state debt-free. In 2017-18, 55% of Coloradans graduating with an Associate's degree incurred student loan debt. Relieving this burden for new community college students will enable Coloradans to learn new skills, begin a new career, or jump-start their four-year college education without incurring student loan debt. The estimated funding available in FY 2020-21 is expected to be sufficient to pay benefits for two graduating classes.

*"Get On Your Feet" Colorado:* In addition to Debt-Free Community College, I propose that we use funds made available by Proposition CC to create a fund to repay federal student loan debt for a period of two years for new graduates from any higher education institution in Colorado who enroll in an income-based repayment plan. Sixty-seven percent of Colorado students graduate our 4-year institutions with an average debt burden of \$23,425. This debt limits students' ability to start businesses, work in critical careers like teaching, start families, and contribute to our state's economy. Giving these students two years to get on their feet would set them, and our state, on the road to success. The estimated funding available in FY 2020-21 is expected to be sufficient to fund student-loan repayment for two cohorts.

*Freeze Tuition at Colorado Institutions:* Finally, I propose using Proposition CC funds to freeze resident undergraduate tuition at Colorado's institutions of higher education. Last year the General Fund provided an unprecedented investment of \$121 million to hold tuition flat. But ever-increasing contributions from the General Fund are not sustainable. This year's budget requests an additional \$26 million in General Fund to offset operating costs at our public institutions of higher education and requires that institutions not increase tuition more than 3% on average. An additional \$60 million of revenues made available by Proposition CC will allow institutions to freeze tuition for one year. As these revenues can only be counted on for one year and will not be added to institutions' base budget, my Administration is leading reforms to the funding formula that will incentivize containment of costs and increased value for students.



**Transportation**

If Proposition CC passes, I will propose a budget amendment to transfer  $\frac{1}{3}$  of the available funds to the highway users tax fund as required by HB 19-1258 and approved by voters. Based on OSPB's current estimate, this will provide an additional \$116 million to improve our transportation infrastructure. This amount would be allocated 60% to the State Highway Fund, 22% to counties, and 18% to cities and towns. HB 19-1258 also requires that no more than 85% of the money allocated to the State Highway Fund be expended on highway improvements and at least 15% must be expended for transit. These investments will enable significant improvements in our state's infrastructure to support our economy, reduce congestion, and continue to improve mobility.

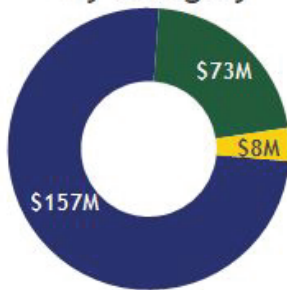
	Amount Available (percent)	Amount Available (millions)
State Highway Fund	60%	\$69.6
<i>Highway improvements</i>	<85%	<\$59.2
<i>Transit improvements</i>	>15%	>\$10.4
Counties	22%	\$25.5
Cities and Towns	18%	\$20.9
<b>Total</b>	<b>100%</b>	<b>\$116.0</b>

## Budgetary Savings

Coloradans want their State government to make the most of every budget dollar. Since taking office, Governor Polis has systematically focused on fiscal responsibility and on ensuring that every tax dollar is used wisely. That is why the Administration has undertaken a six-months long, thorough budget review, and identified more than (\$238) million in budget savings proposals, of which nearly (\$73) million are General Fund savings. These savings can be grouped into 3 different categories, described below:

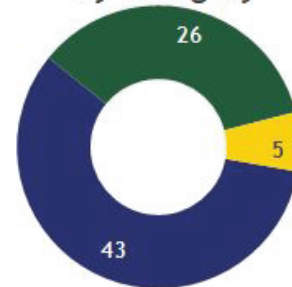
Summary of Savings Categories and Fiscal Impact						
#	Category	TF		GF	Count	
1	Reduce under-utilized resources and reversions	\$	(156,586,229)	\$	(44,784,299)	43
2	Consolidate or streamline for budget efficiency	\$	(73,327,579)	\$	(20,436,197)	26
3	Reallocate spending to a more appropriate source	\$	(8,346,644)	\$	(7,648,903)	5
	Total	\$	(238,260,452)	\$	(72,869,399)	74

Total Funds Savings  
By Category



- C **Reduce** under-utilized resources
- C **Consolidate** or streamline for budget efficiency and impact
- C **Reallocate** spending to more appropriate funding source

Number of Decisions  
by Category



## Savings Categories and Examples

### 1. Reduce under-utilized resources and reversions.

Proposals in this category include changes needed to right-size spending levels. In government, budget estimates are often updated when there is an increased need for a program, but rarely revisited when there is a decreased need. Areas we reviewed for proposals in this category include the following: updating budget estimates based on actual data, shifts in program needs, and other changing trends; reviewing line items with spending authority that exceeds funding needs; analyzing large fund balances that accumulated over time; and identifying programs that consistently revert funds.

*For example, there were several requirements associated with the Affordable Care Act that required large mass mailings to Medicaid members about the changes that were occurring.*

*Now that the changes have been implemented, and members have been notified, we no longer need to budget for these mass mailings, saving the State \$3 million every year.*

2. Consolidate or streamline for budget efficiency and impact

Proposals in this category harness basic principles of economics and business efficiency to do more with less. Principles such as economies of scale, streamlining, and consolidation can yield real budget savings. There are also a few places in government where spending is duplicative, no longer needed, or at a higher pricing level than justified.

*For example, the Department of Revenue is undertaking changes designed to improve customer service during tax season. By pursuing these process improvements, DOR is able to free up existing highly skilled employees during the busy season to ensure taxpayers receive high quality help during a stressful and complex government interaction. These changes enable the Tax Conferee's Office to reduce the costs spent on temporary workers during tax season.*

3. Reallocate spending to a more appropriate funding source

Occasionally, the General Fund includes appropriations that are more appropriately funded through an alternative funding source such as federal funds, user fees, or other cash funds.

*For example, the DMV is currently funded mostly by the fees drivers pay for a license. But some General Fund spending continues to maintain the DRIVES information technology system that helps run and manage the drivers' license process. This activity is more appropriately financed by the same fees that fund the rest of the DMV, freeing up \$1 million of General Fund resources.*

## Attachment 2: Savings

Category 1: Reduce under-utilized resources and reversions				
Agency	Priority #	Savings Title	TF	GF
CDA	R-8	Unused Spending Authority Adjustment	-\$382,528	\$-
CDLE	R-05	Business Enterprise Cash Fund Spending Authority	-\$200,000	\$-
CDLE	R-04	Adjust Federal Social Security Reimbursements	-\$178,043	\$-
CDLE	R-03	School to Work Alliance Unused Spending Authority	-\$191,617	\$-
CDPHE	R-04	Technical Reductions to Spending Authority	-\$6,301,844	\$-
DHS	R-27	Redirect Intrastate Redistribution Funding	-\$1,500,000	\$-
DHS	R-21	Youth Services Expenditure Alignment	-\$3,222,298	-\$3,082,683
DHS	R-33	Adjust Excess Reserves Older Coloradans Cash Fund	\$-	-\$3,000,000
DHS	R-23	Adjust Leased Space Funding Grand Junction Regional Center	-\$48,558	\$-
DHS	R-24	Adjust Old Age Pension Funding Based on Caseload	-\$22,268,490	\$-
DHS	R-22	Adjust Medicaid Funding for Eligibility	-\$1,900,000	\$-
DHS	R-26	Adjust Veteran Community Living Center Reserves	\$-	-\$3,469,922
DMVA	R-03	Technical Re-Estimate for Tuition Assistance	-\$175,000	-\$175,000
DNR	R-10	True-up of Coal Program Spending Authority	-\$164,500	\$-
DNR	R-05	True-up of Orphaned Well and Emergency Response Spending Authority	-\$1,761,000	\$-
DOC	R-10	Reduce Unused Spending Authority for Various Programs	-\$228,887	\$-
DOC	R-07	Correctional Industries Raw Materials Adjustments	-\$937,085	\$-
DOC	R-04	Hepatitis C Treatment Cost Reduction	-\$10,145,760	-\$10,145,760
DOC	R-05	Jail Bed Caseload Reduction	-\$1,004,497	-\$1,004,497
DOC	R-11	Radio Replacement	-\$1,875,800	-\$1,875,800
DOC	R-08	Reduce Reversions in Multiple Programs	-\$350,000	-\$350,000
DOLA	R-5	Gray & Black Market Marijuana Unused Funds Adjustment	-\$4,000,000	\$-
DOLA	R-4	Crime Prevention Initiative Unused Funds Adjustment	-\$1,000,000	-\$1,000,000
DOLA	R-7	Moffat Tunnel District Spending Authority Adjustment	-\$95,000	\$-
DOR	R-2	Utilization Reduction - Product Materials	-\$28,646	\$-
DORA	R-01	Adjust Unused Telecommunications Spending Authority	-\$561,860	\$-
DPA	R-07	Unused Authority for License Plate Registrations	-\$1,000,000	\$-
DPA	R-09	Postage Spending Authority Reduction	-\$3,000,000	\$-
DPA	R-10	Statewide Planning Services Unused Spending Authority	-\$980,000	-\$980,000
DPS	R-08	Adjust Funding for Early Completion of Fire System	-\$573,404	-\$573,404
DPS	R-20	Adjust Funds for Civil Asset Forfeiture Reforms Grant	-\$495,703	\$-
DPS	R-14	Reduce Administrative Services Spending Authority	-\$33,301	\$-
DPS	R-16	Reduce Unused Leased Space Spending Authority	-\$100,000	\$-
DPS	R-11	Reduce Unused Colorado State Patrol Spending Authority	-\$800,000	\$-
DPS	R-10	Reduce Unused Disaster Emergency Fund Flood Recovery	-\$3,665,918	-\$1,832,959
DPS	R-18	Medical Marijuana Database Funding Efficiency	-\$16,000	\$-
DPS	R-12	Motor Vehicle Recyclers Spending Authority Reduction	-\$70,322	\$-
DPS	R-15	Remove Unused Emergency Management Spending Authority	-\$10,988	\$-
DPS	R-17	Reduce Unused Spending Authority in Facility Inspection	-\$144,336	\$-
DPS	R-19	Senate Bill 17-096 Technical Correction	-\$16,224	\$-
HCPF	R-11	Patient Placement and Benefit Implementation	-\$86,934,035	-\$17,074,274
OEDIT	R-5	(OEDIT) PTAC Technical Adjustment	-\$220,000	-\$220,000
OEDIT	R-6	(OEDIT) Administrative Funds Technical Adjustment	-\$4,585	\$-
Category 1 Total			<b>-\$156,586,229</b>	<b>-\$44,784,299</b>

## Attachment 2: Savings

Category 2: Consolidate or streamline for budget efficiency and impact				
Agency	Priority #	Savings Title	TF	GF
CDA	R-9	Implementing Budget Efficiencies	-\$214,143	-\$89,300
CDOT	R-01	Administrative Efficiency Savings	-\$1,124,675	
DHS	R-31	Increased Efficiency of Resource and Referral Funding	-\$630,350	-\$315,175
DHS	R-29	Reduce Duplicative Activities	-\$380,000	\$-
DHS	R-30	Revert Evaluation Funding of Discontinued Program	-\$50,000	\$-
DNR	Base Adjustme	Colorado Parks and Wildlife Technical Adjustment	-\$25,000	-\$25,000
DOR	R-08	Budget Efficiencies- Executive Director's Office	-\$50,000	\$-
DOR	R-05	Budget Efficiencies- Gaming Division	-\$450,000	\$-
DOR	R-06	Resource Efficiencies- License Plate Services	-\$2,000,000	\$-
DOR	R-03	Budget Efficiencies- Taxation and Compliance Division	-\$310,466	\$-
DOR	R-07	Budget Efficiencies- Tax Conferee Office	-\$200,000	-\$200,000
DOR	R-04	Budget Efficiencies- Taxpayer Services Division	-\$70,500	\$-
DPS	R-07	Fire Prevention and Control Line Item Consolidation	-\$144,336	-\$144,336
DPS	R-09	Consolidate Line Items in Executive Director's Office	-\$71,572	\$-
DPS	R-13	Office of Prevention & Security Consolidation	-\$8,319	\$-
HCPF	R-15	Medicaid Recovery and Third Party Liability Modernization	-\$12,301,943	-\$3,468,482
HCPF	R-12	Work Number Verification	-\$22,577,733	-\$3,791,252
HCPF	R-10	Parity for Nursing Facilities Rates and Anesthesia Rates	-\$26,981,281	-\$12,291,547
OIT	R-12	OIT Applications Budget Efficiency Savings	-\$541,802	-\$67,098
OIT	R-09	OIT Central Administration Budget Efficiency Savings	-\$473,728	\$-
OIT	R-13	OIT IT Server Management Budget Efficiency Savings	-\$1,945,120	\$-
OIT	R-08	OIT Mainframe Services Budget Efficiency Savings	-\$222,714	\$-
OIT	R-10	OIT Network Services Budget Efficiency Savings	-\$209,000	\$-
OIT	R-14	OIT Voice and Data Services Budget Efficiency Savings	-\$2,200,000	\$-
CDPHE	R-08	External Boards Support Reduction	-\$44,007	-\$44,007
CDPHE	R-07	Eliminate Duplicative Waste Grease Program	-\$100,890	\$-
Category 3 Total			-\$73,327,579	-\$20,436,197

Category 3: Reallocate spending to a more appropriate source				
Agency	Priority #	Savings Title	TF	GF
DHS	R-25	Refinance Substance Use Treatment Services	-\$2,800,000	-\$1,300,000
DHS	R-28	Post Affordable Care Act Reductions	-\$965,500	-\$400,000
DOC	R-06	Realign Funding for Offender Services	-\$4,581,144	-\$4,581,144
DOR	R-09	Shift Spending to Cash Funds- Division of Motor Vehicles	\$-	-\$1,000,000
HCPF	R-16	Case Management and State-only Programs Modernization	\$-	-\$367,759
Category 4 Total			-\$8,346,644	-\$7,648,903



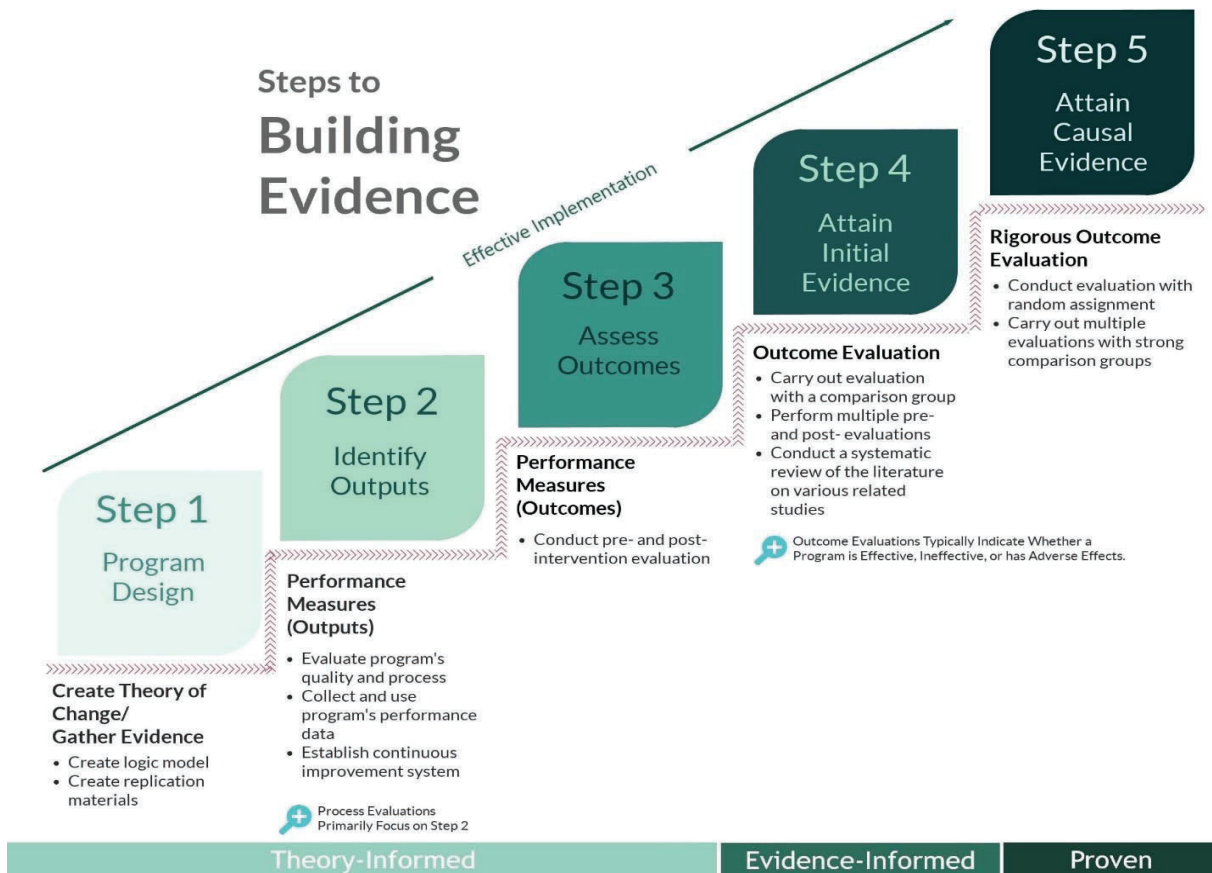
## Evidenced-Based Policy

Colorado was recently honored as the top state in the nation for connecting its budget to data and evidence - and that is more clear in this budget than any in our state's history. We are making a concerted effort to focus our resources on programs that are proven successes through data and research. The Governor's Office of State Planning and Budgeting (OSPB) is working with state agencies to improve the use of evidence-based policymaking to inform resource allocation, program design, and program implementation. We will continue to expand the role of evidence-based policymaking and seek to help programs progress along the State's Evidence Continuum, which has been jointly adopted by the Joint Budget Committee and OSPB (See Figure 1 below), in order to improve program outcomes for Coloradans.

OSPB is dedicated to expanding the influence of evidence-based policy in the State of Colorado, including incorporating evidence-based policy into the preparation of the Governor's FY 2020-21 budget. OSPB evaluated each budget request it received for FY 2020-21 to determine its alignment with and position on the Evidence Continuum. OSPB then incorporated those evaluations into our recommendations for each relevant decision item in the form of an "evidence meter," shown here. This decision tool elevated evidence-based discussions to the Governor, and helped to formulate a budget rooted in sound data and evidence, and where evidence is missing, advances the research needed to collect it.



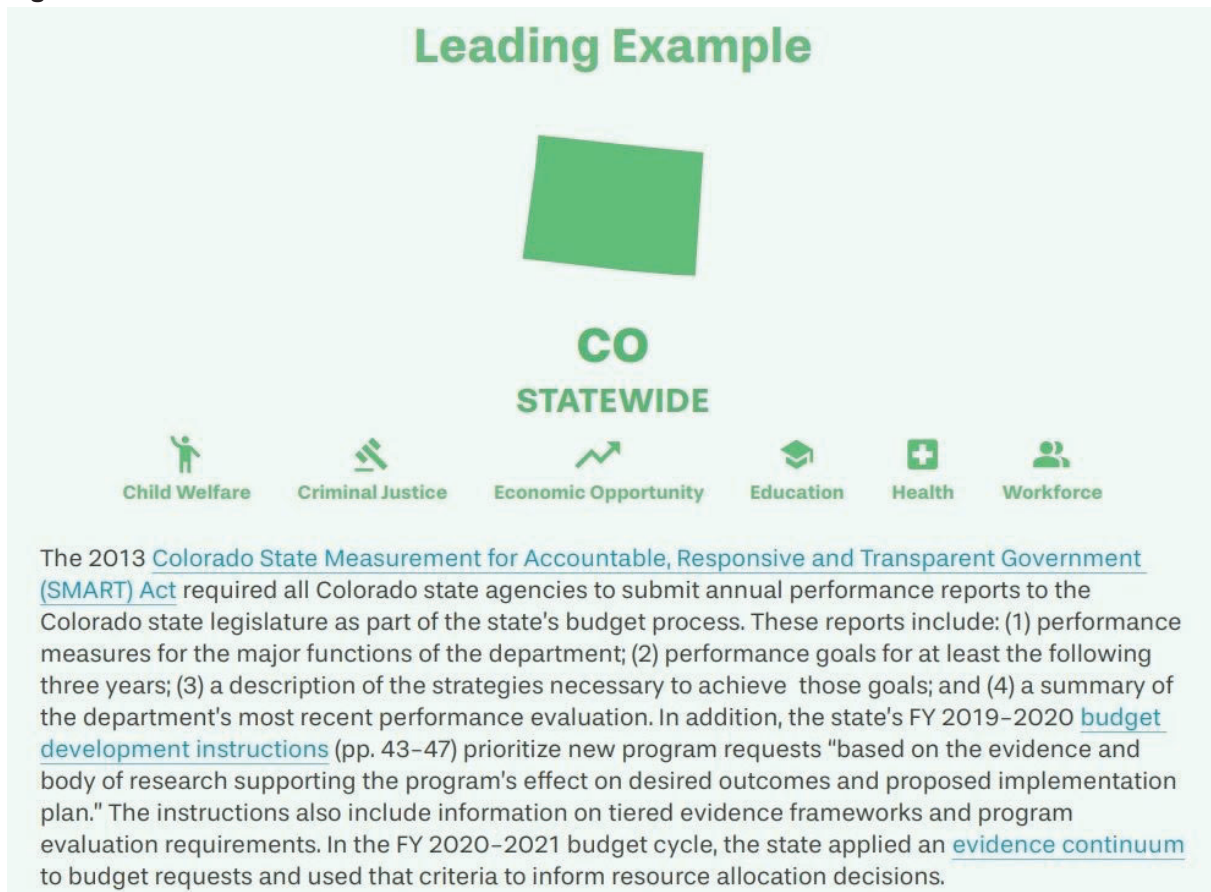
**Figure 1: The Evidence Continuum**



Further, OSPB has expanded responsibility for considering the evidence base of programs from a small team within the office to the expectation that all OSPB analysts work with the Departments on evidence-based policy and how to apply evidence to program design and implementation. In addition, core competencies for OSPB staff include quantitative analysis and evaluation. The goal is to embed the mindset of evidence-based policy and expand its reach to all policy areas.

Finally, Colorado was recently recognized as the #1 state in the country for its use of evidence and performance measures in budgeting by Results for America. In an event co-hosted by the National Governors Association, Results for America specifically identified Colorado's State Measurement for Accountable, Responsive and Transparent Government (SMART) Act, as well as the inclusion of the Evidence Continuum in annual budget instructions, as a leading example of how states can use outcomes data and tie evidence and data to the budget process.<sup>1</sup>

**Figure 2: Results for America State Standard of Excellence**



The Governor's Budget requests funding for 46 existing or newly proposed programs that OSPB identified as appropriate for considering on the Evidence Continuum; 50% of which (23 programs) meet the high standard of achieving a Step 3 or above on the Evidence Continuum. (See Section 1 for a description of each of these programs.) To continue this progress, this

<sup>1</sup> Results for America, "2019 State Standard of Excellence – Outcome Data," accessed on October 7, 2019. Available at: <https://2019state.results4america.org/state-standard-of-excellence/outcome-data.html#leading-example>

budget also includes funding to evaluate 10 ongoing and newly requested programs to determine if they are a wise investment. (See Section 2 for additional information.)

In addition to supporting Departments in the application of the principles of evidence-based policymaking and performance management as part of the budget process, OSPB receives an appropriation to provide grants to Departments for evaluation and implementation support. This funding helps Departments evaluate their programs and ensure proper program implementation. OSPB's website provides an update on these ongoing evaluation projects.

Finally, OSPB has identified several opportunities to continue to expand the influence of evidence in budget decisions and ongoing management of government programs. These include:

- Using the annual budget development process to drive funding decisions towards programs with strong evidence of results and to allocate resources to evaluate existing and newly proposed programs to ensure that they work;
- Expanding the use of evidence beyond areas of traditional emphasis such as healthcare, criminal justice, and education to all areas of State programming, including environment and transportation;
- Encouraging Departments to incorporate evidence into their internal management decisions about programs and allocation of resources and building capacity and coordination within the Governor's Office to support Departments in applying evidence and evaluation to program design and implementation;
- Ensuring Departments have the guidance and resources needed to identify programs that are good candidates for performance measures or evaluation; and
- Continuing and expanding the State's collaboration with external partners to explore ways to incorporate evidence and evaluation into existing and proposed programs.

For more information about OSPB's evidence-based policy work please contact: Aaron Ray, OSPB Deputy Director for Education, Workforce, and Environment, at [aaron.ray@state.co.us](mailto:aaron.ray@state.co.us) or 303-866-2067.

## Section 1: Select FY 2020-21 Requests with Evidence-Based Policymaking Emphasis

In the FY 2020-21 budget, OSPB identified the following requests as opportunities to use evidence to improve program outcomes. Overall, OSPB received more requests with an evidence-based emphasis than in previous years, including a number of proposals with an evaluation component. As compared to the prior budget cycle, these requests suggest the State of Colorado is making progress in the implementation of evidence-based policy.

### Department of Education

#### R-06 Colorado Preschool Program (CPP) Expansion

The Department of Education requests \$27.6M to expand access to the Colorado Preschool Program (CPP). The General Assembly established CPP in 1988 to provide high-quality early childhood education and family support to at-risk 3- and 4-year old children. The General Assembly has provided regular increases over the past 30 years, totaling about \$122.5M through FY 2019-20. However, the funds have been insufficient to meet the demand for CPP. In 2018-19, CPP served only 38% of eligible children, leaving 47,050 potentially eligible children unserved. This request would increase preschool access to nearly 6,000 at-risk 3- and 4-year-olds across the state, increasing the percent of eligible children served to 50%.



High-quality early childhood education has demonstrated positive outcomes across numerous indicators for both children and families in the short- and long-term. The early childhood period (birth to age 5) is a time of rapid brain development, with one million new connections forming every second.<sup>2</sup> Early experiences play a large role in determining how brain connections are formed and in the “wiring” that becomes the foundation upon which all later learning is built. The learning gap between advantaged and at-risk children can form as early as 9 months of age, and at-risk children can start kindergarten as many as 18 months behind their peers.<sup>3</sup> Many of these children never catch up, and are at an increased risk of dropping out of high school.

A recent national analysis of high-quality experimental and quasi-experimental studies of the impact of early childhood education conducted between 1960 and 2016 found that, on average, participation in early childhood education leads to statistically significant reductions in special education placement (-8.1 percentage points), grade retention (-8.3 percentage points), and increases in high school graduation rates (+11.4 percentage points).<sup>4</sup> Separate economic analyses based on longitudinal studies of preschool programs similar to CPP have demonstrated that the benefits of early childhood education outweigh the costs of providing early educational opportunities, with seven to twelve dollars saved for every dollar invested.<sup>5</sup>

<sup>2</sup> Harvard University Center on the Developing Child. Brain Architecture. Available at: <https://developingchild.harvard.edu/science/key-concepts/brain-architecture/>

<sup>3</sup> Barnett, W, Tarr, J, Lamy, C, & Frede, E. 2001. Fragile lives, shattered dreams: A report on implementation of preschool education in New Jersey’s Abbott Districts. New Brunswick, NJ: National Institute for Early Education Research.

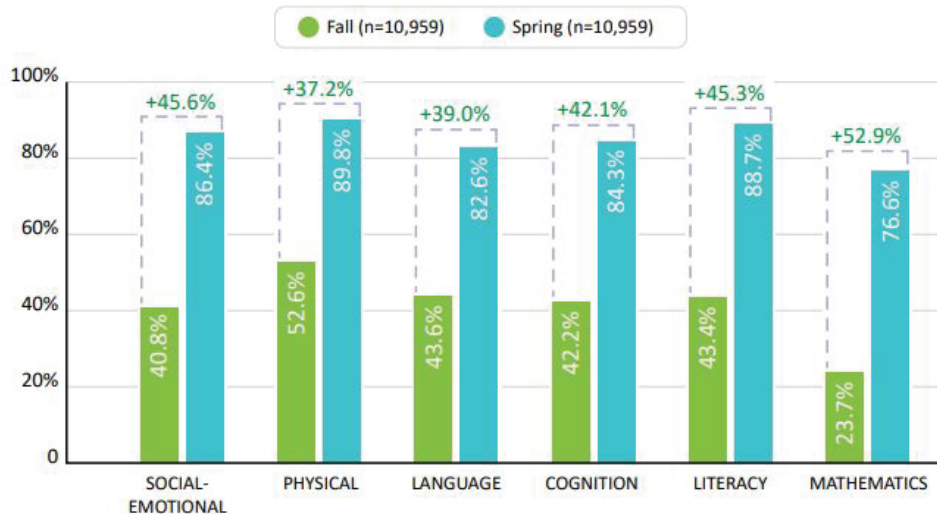
<sup>4</sup> McCoy, D. C., Yoshikawa, H., Ziol-Guest, K. M., Duncan, G. J., Schindler, H. S., Magnuson, K., Shonkoff, J. P. 2017. Impacts of Early Childhood Education on Medium- and Long-Term Educational Outcomes. *Educational Researcher*, 46(8), 474–487. <https://doi.org/10.3102/0013189X17737739>

<sup>5</sup> High Scope Perry Preschool Project. Available at: <https://highscope.org/perry-preschool-project/>

CPP has continuously produced positive outcomes for participating children. Last year, the Department of Education reported that participants were less likely to be identified with a significant reading deficiency, less likely to be retained in the same grade level, and had better on-time high-school graduation rates than their peers who did not participate in CPP. The state's observational child assessment tool, Results Matter, found substantial gains among participants from the beginning to the end of participating children's school year in the six measured outcome areas: social emotional, physical, language, cognition, literacy, and math.<sup>6</sup> The graph, below, depicts the growth children enrolled in CPP made across each domain from the fall to the spring. In each area, children made significant overall gains in learning and development over the course of the school year.

### **Percentage of CPP Four-Year-Olds Meeting or Exceeding Expectations in 2017-18**

Source: CPP Legislative Report 2019



Outcomes that the Department of Education has used to measure and evaluate CPP to date include:

- Improved kindergarten readiness;
- Reduced likelihood of a reading deficiency;
- Higher test scores;
- Reduced grade repetition;
- Reduced need for remedial education;
- Reduced special education placement; and
- Better high school graduation rates.

### **R-10 Educator Evaluations**

The Governor's Office is requesting \$0.5M to improve evaluations and supports for Colorado educators. The requested funding would enable improvements to Colorado's educator evaluation system, including:

- Free training through the Department of Education for evaluators in best practices in observation;
- Establishing an online repository of differentiated rubrics for school districts to use for educator evaluations;
- Funding to support school districts' use of innovative approaches to teacher evaluation, including video evaluations and allowing peers or departmental leads to evaluate educators.



<sup>6</sup> CDE Legislative Report. 2019. Available at: <https://www.cde.state.co.us/cpplegreport>



A strong teacher evaluation system not only helps teachers improve their practice, which in turn improves student learning, but can also help promote retention. Studies have shown that teachers who are given opportunities to grow in the profession are more likely to stay in education.<sup>7</sup> In contrast, an evaluation that does not accurately predict teacher effectiveness may run counter to both of those goals. A nationwide survey by Rand found that “teachers are more likely to value and respond constructively to feedback from an evaluation system that they feel is fair and insightful and holds expectations that can be supported by school resources.”<sup>8</sup>

Innovative types of educator evaluations such as peer assistance and review have been shown to increase teacher retention, instruction, and are likely to have a positive impact on student achievement.<sup>9</sup> Peer or departmental evaluation can help to free up time for school leaders to concentrate on other priorities or spend more time with struggling educators. In addition, evaluation systems in which educators can submit videos of their instruction led teachers to “perceive the evaluation process as more fair, less adversarial, and more useful in identifying aspects of their practice leading change.”<sup>10</sup> Providing funding for a pilot program for innovative approaches to evaluation can also help to increase the body of research around what works when it comes to educator evaluation.

## R-12 Expanding Eligibility for School Improvement Funds

The Governor’s Office is requesting \$1M to increase evidence-based supports for struggling schools that have been identified as in need of support under the State’s accountability system. Under current law, schools that are identified as struggling by either state or federal rules are eligible for financial support and assistance under the Empowering Action for School Improvement (EASI) program. Schools or school districts that apply for support must commit to implement or continue evidence-based approaches to school improvement that leverage WestEd’s “Four Domains for Rapid School Improvement”<sup>11</sup>, including:



- Exploration supports for districts to better understand the needs of the school and community, and planning to address those needs;
- District-designed plans that meet evidence requirements and school needs and involve pursuing grant funds to support improvement activities; and
- Participation in an evidence-based CDE-sponsored program or support aimed at improving school systems. These opportunities include implementing Connect for Success, the Turnaround Network, multi-tiered systems of support (CO-MTSS), and the school turnaround leaders’ development program.

In 2019, less than half of schools that were identified for support received any funding. In addition, schools that were rated “improvement” but very close to being identified as

<sup>7</sup> Education Commission of the States. 2016. Available at:

<https://www.ecs.org/wp-content/uploads/Mitigating-Teacher-Shortages-Teacher-leaders.pdf>

<sup>8</sup> Prado Tuma, Andrea, Laura S. Hamilton, and Tiffany Tsai, How Do Teachers Perceive Feedback and Evaluation Systems? Findings from the American Teacher Panel. Santa Monica, CA: RAND Corporation, 2018. Available at: [https://www.rand.org/pubs/research\\_briefs/RB10023.html](https://www.rand.org/pubs/research_briefs/RB10023.html)

<sup>9</sup> Papay, J. P., & Johnson, S. M. 2012. Is PAR a Good Investment? Understanding the Costs and Benefits of Teacher Peer Assistance and Review Programs. *Educational Policy*, 26(5), 696–729. <https://doi.org/10.1177/0895904811417584>

<sup>10</sup> Harvard University Center for Education Policy Research. Available at: <https://cepr.harvard.edu/best-foot-forward-project>

<sup>11</sup> WestEd. Four Domains for Rapid School Improvement. Available at: <https://www.wested.org/four-domains-for-rapid-school-improvement/>

underperforming were not eligible for State resources. The Governor's Budget request increases funding for evidence-based supports and expands eligibility to allow improvement schools to apply for funding. This will allow 19 new schools to receive evidence-based supports or interventions that can help students excel.

In addition to requiring that all interventions funded through the program meet a high bar for evidence, CDE has conducted an evaluation of the program that demonstrates that schools that participate in CDE-offered supports (specifically the Turnaround Network and Connect for Success) come off the State's "accountability clock" and are no longer identified as underperforming, and stay off the clock at a higher rate than schools that do not participate. In addition, CDE is in the beginning stages of establishing a more rigorous evaluation of supports for low-performing schools.

## Department of Human Services

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### R-02 Early Intervention Caseload Growth

The Department of Human Services requests \$3.2M to address growing caseload in the Early Intervention (EI) program. The EI program identifies developmental delays in infants and toddlers to proactively address these delays and mitigate the impact they have on a child's growth so that the child will have as many skills as possible when they enter preschool. The developmental areas that EI services target are adaptive skills, cognitive skills, communication skills, motor skills, and social and emotional skills.



The Department of Human Services projects a need to serve 361 additional children in FY 2020-21, which represents a 3.7% caseload increase. This caseload growth is largely driven by increased physician referrals, improved collaboration with Child Welfare, increased exposure of infants to developmentally harmful substances, and enhanced outreach to Level 1 Neonatal Intensive Care Units. Without additional General Funds to increase the program's capacity, the EI program risks losing its federal funding through Part C of the Individuals with Disabilities Education Act (IDEA). The Department's request for an increase of \$3.2M will provide additional EI direct services and service coordination associated with projected caseload growth.

Pre- and post-evaluations of Colorado children enrolled in the EI program have demonstrated positive outcomes and potential preventive cost-savings, including:

- Nearly half (49%) of children enrolled in EI do not go on to receive Part B Preschool Special Education services;
- 99% of children show at least some progress in development; and
- 60% of children show significant progress toward reaching development closer to their same-age peers.

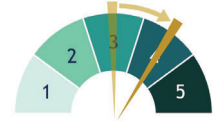
The Department currently evaluates the EI program across several outcome measures and includes the progress across these indicators in its Annual Performance Report submitted to the federal EI partners each February. Examples of measures tracked include the percent of infants and toddlers with Individual Family Service Plans (IFSPs) who:

- Receive the early intervention services on their IFSPs in a timely manner;
- Primarily receive EI services in the home or community-based settings; and
- Demonstrate improved, a) positive social-emotional skills, b) acquisition and use of knowledge and skills, and c) use of appropriate behaviors to meet their needs.

The EI program is required to serve all eligible children. As a result, studies utilizing random assignment of services are not possible.

### R-08 TEACH Scholarships for Early Childhood Education Professionals

The Department of Human Services is requesting \$0.6M to establish State support for TEACH (Teacher Education and Compensation Helps Early Childhood) early childhood scholarships.



Qualified early childhood education (ECE) professionals are key to children's positive early learning and development. Research is clear that skilled ECE professionals "are the single most important factor" in providing children with the early experiences necessary to foster children's positive learning and development in ECE settings, including social and emotional development.<sup>12</sup> Likewise, the need for ECE professionals is significant throughout the state with a 44 percent increase in openings.<sup>13</sup>

The TEACH program, which has agreements with eight four-year institutions, including Colorado State University, University of Northern Colorado, and University of Colorado at Denver, and 15 two-year institutions, provides 90% of the cost of tuition and books for participants, paid release time, and a raise and bonus upon successful completion. TEACH requires participants to remain employed at their child care program for one year following completion if they earn a degree and for six months following completion if they earn licensing credentials.

TEACH Early Childhood Colorado produced the following results during FY 2017-18:

- 100% retention rate for associate degree scholarship recipients
- 100% retention rate for bachelor's degree scholarship recipients
- 100% of surveyed TEACH recipients indicated they would recommend TEACH to their peers and 100% of surveyed employers would recommend TEACH
- The average increase in earnings for a TEACH recipient on an associate or bachelor's degree scholarship was 4%.<sup>14</sup>

The Department is also requesting an FTE to support the evaluation of the TEACH program and the ongoing workforce challenges. Incorporating and implementing this evaluation component could move the TEACH program from Step 3 to Step 4 on the Evidence Continuum. Specific outcomes that the Department may measure, as compared to professionals not in the TEACH scholarship program, are:

- Retention rate by degree program
- Satisfaction rate for scholarship recipients
- Average increase in earnings

<sup>12</sup> United States Department of Health and Human Services and United States Department of Education. 2016. "High quality early learning settings depend on a high-quality workforce: Low compensation determines quality." Available at: [https://www.acf.hhs.gov/sites/default/files/ece/ece\\_low\\_compensation\\_undermines\\_quality\\_report\\_june\\_10\\_2016\\_508.pdf](https://www.acf.hhs.gov/sites/default/files/ece/ece_low_compensation_undermines_quality_report_june_10_2016_508.pdf)

<sup>13</sup> Colorado Workforce Development Council, Talent Pipeline Report. 2018. Available at: [https://www.colorado.gov/pacific/sites/default/files/2018\\_Talent\\_Pipeline\\_Report\\_Web.pdf](https://www.colorado.gov/pacific/sites/default/files/2018_Talent_Pipeline_Report_Web.pdf)

<sup>14</sup> TEACH Colorado FY 2018 Results. Available at: <https://ecclacolorado.org/wp-content/uploads/2019/01/State-Profile-FY18-TEACH-CO.pdf>

## R-09 Expansion of Evidence-Based Home Visiting

The Department of Human Services is requesting \$0.5M to expand two evidence-based home visiting programs, Healthy Steps and Home Instruction of Parents of Preschool Youngsters (HIPPY). Home visiting is a strategy to provide education and modeling for parents and home-based child care providers so that children can begin school ready to learn.



The Department will use the requested funding to add four Healthy Steps sites (320 additional children) and expand HIPPY in two locations (40 additional children). Both programs have demonstrated positive outcomes and strong return on investment. Specifically, the total benefit to cost ratio of Healthy Steps is \$2.60 per \$1 invested, while HIPPY is \$6.10 per \$1 invested. Both Healthy Steps and HIPPY have been evaluated nationally and in Colorado and have been associated with positive outcomes for both children and their families.

For Healthy Steps, these outcomes include:

- Families received more anticipatory guidance that matched their needs.
- Parents demonstrated a better understanding of infant development.
- Mothers were 22% more likely to show picture books to their infants every day.
- Parents were 2x more likely to report that someone at the practice went out of the way for them, and they were 1.5x more likely to rely on someone in the practice for advice (rather than a friend or relative).
- Children were 1.4 times more likely to have nonmedical referrals, including for behavior, speech, hearing, child abuse or neglect, and early intervention.
- Mothers with depressive symptoms reported fewer symptoms after 3 months in the program.
- Parents were 22% less likely to rely on harsh punishment (e.g., yelling, spanking by hand).
- Parents were less likely to use severe discipline (e.g., face slap, spanking with objects).
- Children whose mothers reported childhood trauma scored better on a social-emotional screening after receiving Healthy Steps than comparable children who did not receive the program.
- Children were 23% less likely to visit the emergency room for injuries.<sup>15</sup>

For HIPPY, these outcomes include:

- Home literacy environments improve and parent involvement in children's academic learning increases for families enrolled in HIPPY.
- Parents participating in the HIPPY program report spending more time reading to their children; teaching them letters, words and numbers; visiting the library; and monitoring their child's TV use.
- Children participating in HIPPY have demonstrated statistically significant higher achievement scores in reading, math, and social studies in third, fifth, and sixth grades based on multiple measures used in Arkansas, Texas, Florida and Colorado.<sup>16</sup>

<sup>15</sup> National Healthy Steps data comes from evaluation from Zero to Three, a national organization dedicated to advancing the healthy development of young children. More information available at: <https://www.healthysteps.org/article/national-and-site-level-evaluations-9>

<sup>16</sup> National HIPPY data comes from a series of studies including randomized controlled trials, quasi-experimental designs, and evaluation studies. More information available at: <https://www.hippyusa.org/research/>

Likewise, two years of Colorado-specific Bracken School Readiness pre- and post-testing shows that over the course of the nine month program, a significant number of children in HIPPPY move from testing as delayed to testing on-track as compared to their same age peers. Additionally, a significant number of children in this program move from on-track into the advanced category. This request will increase access to school readiness programs for children who do not have access to high-quality early care and learning in their community.

### R-10 Child Support Pass-Through

The Department of Human Services is requesting \$0.8M to support the child support pass-through program. Families eligible for Temporary Assistance for Needy Families (TANF) are required to cooperate with Child Support Services and forgo their rights to child support while receiving TANF benefits. States are required to direct approximately 50% of child support collected on behalf of children receiving TANF cash assistance to the federal government. States are allowed to retain the remaining 50% of child support payments collected on behalf of TANF families to offset the cost of welfare payments or to pass some or all current support collected to the custodial parent. Colorado's full pass-through policy allows the custodial parent receiving TANF cash assistance, usually the mother, to receive all child support paid. The request aims to ensure sufficient resources are available to continue the child support pass-through program, which was implemented in April 2017.



Multiple studies have found this program to be effective. According to the Pew Foundation's Results First Clearinghouse Database, a comprehensive resource on the available evidence for nearly 3,000 programs, it has "a positive impact based on the most rigorous evidence" and met Pew's criteria for "highest rated" evidence.<sup>17</sup> There is strong evidence that full pass-through increases custodial parents' likelihood of receiving payments as well as the amount they receive. Paternity is also established more quickly when the custodial parent receives all child support paid on their child's behalf and when that amount is not considered in benefit calculations, than when child support payments are retained to offset welfare payments.<sup>18</sup> Full pass-through may also reduce the risk of child maltreatment.<sup>19</sup> Generous pass-through policies generally decrease government outlays on some safety net services such as child care and food stamps but can increase other government costs.<sup>20</sup>

<sup>17</sup> For further information about the Pew Results First initiative, see <https://www.pewtrusts.org/en/research-and-analysis/data-visualizations/2015/results-first-clearinghouse-database>.

<sup>18</sup> Laura Wheaton and Elaine Sorensen. 2008. *The Potential Impact of Increasing Child Support Payments to TANF Families*. Urban Institute. Cancian, M., D. R. Meyer, et al. 2008. "Welfare and Child Support: Complements, Not Substitutes." *Journal of Policy Analysis & Management* 27(2): 354-75; Cancian, M., Meyer, D. R., & Roff, J. 2007. *Testing new ways to increase the economic wellbeing of single-parent families: The effects of child support policies for welfare participants*. Madison, WI: Institute for Research on Poverty; Pirog, M. A. and Ziol-Guest, K. M. 2006. *Child support enforcement: Programs and policies, impacts and questions*. *Journal of Policy Analysis and Management*, 25: 943-990.; Cassetty JH, Hutson R. Effectiveness of federal incentives in shaping child support enforcement outcomes. *Children and Youth Services Review*. 2005;27(3):271-89.

<sup>19</sup> Cancian, M., Heinrich, C. J. and Chung, Y. 2013. Discouraging Disadvantaged Fathers' Employment: An Unintended Consequence of Policies Designed to Support Families. *J. Pol. Anal. Manage.*, 32: 758-784. doi:10.1002/pam.21707

<sup>20</sup> Pirog, M. A. and Ziol-Guest, K. M. 2006. Child support enforcement: Programs and policies, impacts and questions. *Journal of Policy Analysis and Management*, 25: 943-990.



DHS is conducting an evaluation of the pass-through program using a quasi-experimental design. The work is expected to continue at least through FY 2020-21. To date, the Department has collected preliminary evidence suggesting that more TANF cases are establishing child support orders, more non-custodial parents are paying child support, and child support is being paid at a higher rate. The Department also tracks the outcomes measures below to assess program performance:

- Number of TANF cases established by child support orders
- Number of non-custodial parents paying child support
- Rate of child support payment
- Proportion of children in poverty

### **R-11 Respite Care Task Force Funding Adjustments**

The Department of Human Services is requesting \$0.4M to support the next phase of the respite study. The initial study conducted in FY 2017-18 identified positive impacts of respite services related to economic, fiscal, and client satisfaction. The Department plans to pilot the evidence-based caregiver assessment tool, Tailored Care (also known as TCARE), to identify the best ways to support family and informal caregivers. Washington State implemented this model and identified an estimated savings of \$19.4M in both State and Medicaid costs.<sup>21</sup> The Department will pilot this tool in Colorado in FY 2019-20 and analyze the results of the pilot in FY 2020-21.



A sample of Area Agencies on Aging, Single Entry Points, and Community Centered Boards around Colorado will pilot the TCARE model during FY 2019-20. The control groups will utilize an initial ten question screening tool to identify if a caregiver is experiencing stress and/or identity discrepancy (loss of identity in relationship to the care recipient) associated with providing care. The treatment group will utilize the same ten question screening tool and then provide the TCARE assessment for those caregivers experiencing stress and/or identity discrepancy associated with providing care. In FY 2020-21, the Colorado Evaluation and Action Lab at the University of Denver will evaluate and analyze the information provided by the pilot sites.

The Department has identified the following outcome measures to assess program performance:

- Number of caregivers in the control and treatment groups that identified as experiencing stress and/or identity discrepancy as a result of providing care
- Number of caregivers in the treatment group that received the full TCARE assessment to identify methods of addressing the stress and/or identity discrepancy experienced by the caregiver
- Difference between the providers' scores on the initial screening tool and the follow-up screening tool in both the control and treatment groups to identify the impact of the TCARE assessment

<sup>21</sup> Bridget Lavelle, PhD; David Mancuso, PhD; Alice Huber, PhD, Barbara E.M. Felver, MES, MPA. 2014. *Expanding the Eligibility for Family Caregiver Support Program in SFY: Updated Findings*. Olympia, WA: Department of Social and Health Services, Research and Data Analysis Division.

### R-08 Subsidized Employment Continuation

The Department of Human Services is requesting \$4M to continue to connect public assistance recipients with employment opportunities. The funding will continue the Employment Opportunities with Wages program, created by SB 17-292. That bill invested in the subsidized employment program, Colorado Works Subsidized Training and Employment (CW STEP), directly benefiting families via immediate income and on-the-job experience to facilitate future employment.



This program achieved the highest rating for evidence in Pew's Results First Clearinghouse. There is strong evidence that transitional and subsidized jobs programs increase employment and earnings for low income adults, youth, unemployed individuals, TANF recipients, and recently released former prisoners for the duration of their subsidized position.<sup>22</sup>

The Department is planning a rigorous evaluation of the program and is working with OSPB on the design. During the first 18 months of CW STEP implementation (January 2018 through June 2019), the Department collected preliminary program participant data to determine the methodology for evaluating program impact prior to the second contracting period (July 2019 through June 2020). Additionally, the Department interviewed and observed program vendors to understand their processes and structures in administering CW STEP to inform the best fit for an evaluation methodology. The evaluation team at the University of Colorado-Boulder presented three potential methodologies to the Department: a matching design, an encouragement design, and a random assignment experimental design.

The Department chose to pursue a quasi-experimental matching design for the CW STEP evaluation. This choice requires no additional work from vendors or caseworkers. Using administrative data, the Department will be able to create a group of TANF recipients who did not participate in CW STEP, yet match that group with a group of CW STEP participants among several variables, including demographics, education, benefits history, and employment/earnings history. Comparing the outcomes among CW STEP participants to those of the matched group, the Department will be able to estimate the causal impact of CW STEP participation.

The Department has identified the following outcome measures to assess program performance:

- Receipt of high-quality childcare in the parents' community
- Post-participation wage progression
- Employment retention at 90 days
- Reduction or elimination of receipt of public assistance

<sup>22</sup> Nan L. Maxwell and Dana Rotz. 2015. *Building the Employment and Economic Self-Sufficiency of the Disadvantaged: The Potential of Social Enterprises*. Working Paper 35, Mathematica Policy Research; David Butler, Julianna Alson, Dan Bloom, Victoria Deitch, Aaron Hill, JoAnn Hsueh, Erin Jacobs, Sue Kim, Reanin McRoberts, Cindy Redcross. 2012. *Enhanced Services for the Hard-to-Employ Demonstration and Evaluation Project: Final Results of the Hard-to-Employ Demonstration and Evaluation Project and Selected Sites from the Employment Retention and Advancement Project*. OPRE Report 2012-08, Washington, DC: Office of Planning, Research and Evaluation, Administration for Children and Families, U.S. Department of Health and Human Services.; Jacobs E. 2012. *Returning to work after prison: final results from the transitional jobs reentry demonstration*. MDRC, New York, Redcross, C., Millenky, M., Rudd, T. and Levshin, V. 2012. *More than a Job: Final Results from the Evaluation of the Center for Employment Opportunities (CEO) Transitional Jobs Program*. OPRE Report 2011-18. Washington, DC: Office of Planning, Research and Evaluation, Administration for Children and Families, U.S. Department of Health and Human Services.

- Securing health and/or other benefits with employment
- TwoGen outcomes, including educational success (from early childhood through postsecondary), workforce development, economic assets, social capital, and health and well-being

### R-05d Youth Services Day Reporting

The Department of Human Services is requesting \$0.7M General Fund to implement a day reporting pilot program with a comprehensive evaluation to support reducing youth recidivism rates. Day reporting is an option for youth ready to step down from community placement but who need continued counseling, support, and access to resources. These programs provide supervision, educational planning and assistance, independent living skills, community and recreational activities, and community service projects. Randomized controlled trials have established the effectiveness of day reporting in adult populations. The day reporting program will be monitored by regional staff who oversee juvenile parole and non-residential services youth receive while in transition and on parole. The request includes funding to evaluate the program's efficacy in achieving outcomes of interest including reduced recidivism and other measures for youth involved in this pilot program.



## Department of Public Safety

### R-01 Performance Based Contracting

The Department of Public Safety is requesting \$0.2M to implement performance based contracting. This funding will allow the Department to develop tools to measure standards and practices related to recidivism reduction and evaluation of core correctional standards. Performance based contracting is a results-oriented contracting method that focuses on the outputs, quality, or outcomes that may tie at least a portion of a contractor's payment, contract extensions, or contract renewals to the achievement of specific, measurable performance standards and requirements. This request will allow the Department to track and measure outcomes for community corrections clients and improve the performance of providers.



## Department of Personnel and Administration

### R-01 Paid Family Leave

The Department of Personnel and Administration requests \$10M to support the adoption of eight weeks of paid family leave for State of Colorado employees in FY 2020-21.



Paid Family Leave is a policy that has been shown through academic research to move the needle on a variety of social outcomes, including increased labor force participation, increased employee retention, increased lifetime earnings and retirement security (especially among women), and a reduction in the gender pay gap as a result of increasing usage of leave among working fathers. Research has also identified improved infant and child health outcomes, including reduced infant hospitalizations and fewer infants with low birth weight.<sup>23</sup>

<sup>23</sup> Barbara Gault, et al., "Paid Parental Leave in the United States," Institute for Women's Policy Research, accessed on October 7, 2019. Available at:

### R-02 Telematics

The Department of Personnel and Administration requests \$0.4M to install telematics within the State fleet, starting with 25% in the first year and expanding to 100% over four years. This technology solution allows real-time, accurate collection of data on fleet usage, speed, location, idling time, maintenance issues, and more. The implementation of this kind of data infrastructure will allow the agency to manage several outputs of the State's fleet system, making it a strong candidate for a Step 2 on the Continuum. The request also includes 1 FTE, who will manage the system, develop and help agencies use reports, as well as assist in setting long-term measurable outcomes for the State fleet, and elevating the request to a Step 3 over time. For example this could include reducing maintenance costs, reducing emissions, improving safety for State employees, and more.



## Department of Health Care Policy and Financing

### R-06 Improve Customer Service

HCPF is requesting \$3.4M TF and \$1.0M GF to improve customer service to 1.2 million Medicaid members. HCPF will use artificial intelligence and chatbot technologies to automate common customer service requests, integrate multiple data systems to speed processing time, and hire four term-limited FTE to bolster its call center resources.



HCPF uses key metrics to assess its performance in delivering outstanding customer service. For example, HCPF measures the Average Speed to Answer (ASA) calls and the rate at which customers abandon their calls to the HCPF's customer service center. HCPF implemented several strategies in 2018 and reduced the ASA from 59 minutes to 25 minutes and reduced the abandonment rate from 25 percent to 7 percent. HCPF will continue to assess customer service metrics as it implements these proposals to improve customer service. HCPF has a goal to achieve an ASA of 9 minutes or less.

### R-07 Pharmacy Pricing and Technology

HCPF is requesting \$4.9M TF and \$1.2M GF for initiatives to help control rising Medicaid expenditures for pharmaceuticals. One component of this request seeks funds to allow Medicaid prescribers to access Colorado's Prescription Drug Monitoring Program (PDMP), which will better inform their decisions related to opioid prescriptions.



Medicaid prescribers do not currently have complete data on opioid prescriptions for Medicaid members who may also access those drugs through private insurance. This inhibits prescribers' ability to prevent the overuse of opioids. Existing studies show that when states have expanded PDMP data access in their Medicaid programs, opioid use declines among Medicaid members, which can help address the ongoing opioid crisis.

## Department of Agriculture

### R-01 Renewable Energy and Energy Efficiency (ACRE3) Funding

The Department is requesting both \$0.1M in General Fund and reestablishing a \$0.5M transfer of severance tax funds to support the Renewable Energy and Energy Efficiency (ACRE3) program. This program supports renewable energy and energy efficiency improvements to Colorado's agricultural producers. Projects may include recommendations from vetted agricultural energy efficiency audit reports, hydro-powered irrigation systems, and technical assistance and funding for solar electric, solar thermal, and geo-exchange projects, among others. To qualify for funding, projects must demonstrate that they have a payback period of less than 15 years and less than the project's lifecycle through a detailed, standardized technical study. Projects are further screened for eligibility and ranked for funding.



As part of its program management, the Department tracks the number of farms and ranches participating, estimated energy savings and electricity generated from renewable energy projects, as well as estimated energy cost savings and carbon dioxide reductions associated with energy efficiency projects. Additionally, the Department requests billing data on large projects to verify these savings, and all of these metrics are tracked and recorded in the Department's annual performance plan. In 2018-19, for example, the Department estimates that ACRE3 projects generated 2.3 million kWh of annual energy savings, saving producers \$147,000 yearly, and reducing 1,134 MT of CO<sub>2</sub>.

## Governor's Office - Office of Economic Development and International Trade

### R-01 Extend Procurement Technical Assistance Center

OEDIT is requesting to extend a \$0.2M General Fund transfer and continue cash funding spending authority for the Procurement Technical Assistance Center (PTAC). The Colorado PTAC is a public private partnership operating under a 501(c)(3) non-profit structure, that helps eligible small businesses obtain and perform government contracts at federal, state, and local levels. The Colorado PTAC is required to track its outputs by statute, including, for example, the number of businesses served, the number of counseling hours provided, and the number of events sponsored. In addition to these statutory requirements, the Colorado PTAC also collects information from businesses on the value of government contract awards won by its clients to track the results of its work.



### R-02 Small Business Development Center Increase

OEDIT is requesting an additional \$0.1M in funding to support rural Small Business Development Centers (SBDCs) in Colorado. SBDCs provide technical assistance to small business owners and aspiring entrepreneurs in the form of free one-on-one business consulting and low-cost training courses. SBDCs are, in part, federally funded in partnership with the federal Small Business Administration. OEDIT collects data on SBDC outputs, including the number of attendees at training courses and the number of clients receiving one-on-one consulting. OEDIT also collects data on the outcomes of businesses that work with SBDCs, including the number of new businesses created, the number of jobs created, the value of capital formation by those businesses, and the value of increases in sales. This information is collected from small business owners who indicate these outcomes are attributable to their work with the SBDCs, tracked in a database, and accredited every five years.





## Department of Public Health and Environment

**R-01 Enforcement, Compliance, and Permitting Initiative**

The Department of Public Health and Environment (CDPHE) is requesting a \$2.4M increase in cash fund spending authority to protect and improve air quality in Colorado. New staff and funds, dedicated to the Air Pollution Control Division (APCD) will expand capacity for permitting, compliance, enforcement, and ambient air quality monitoring. The APCD oversees the development and implementation of Colorado's air quality program. Major functions of the APCD include the permitting and compliance oversight of industrial facilities (including but not limited to the oil and gas industry), air quality planning and policy, ambient monitoring of air quality, modeling of air quality, reduction of emissions from vehicles, reducing impacts from asbestos, chlorofluorocarbons and lead, financial stewardship and oversight of its programs and small business assistance.



The APCD tracks progress on a wide variety of outputs and outcomes, most notably reductions of greenhouse gas (GHG), volatile organic compound (VOC), and oxides of nitrogen (NOx) emissions. Outputs and outcomes that will be tracked as a result of this request include, but are not limited to, the number of Title V major sources permitted, the number of new infrared camera partial compliance evaluations conducted, the number for “first 90 days” inspections conducted, and reductions in oil and gas GHG, VOC, and NOx emissions.

**R-02 Immunization Outreach**

CDPHE is requesting an increase of \$2.5M General Fund to implement an evidence-based, multi-pronged, statewide approach to increase immunization rates in counties with low kindergarten measles, mumps, and rubella (MMR) vaccination coverage and to improve local response capacity. The Immunization Branch works to reduce vaccine-preventable disease statewide by promoting education, implementing policies that support vaccination, optimizing vaccine resources, and assuring access to vaccines to positively influence the uptake of immunizations.



Colorado's kindergarten MMR coverage rate of 87.4% in the 2018-19 school year is well below the 92- 94% community immunity threshold needed for protection against measles. As such, the Department proposes a statewide media campaign and a grant program for local public health agencies to implement interventions such as mobile health clinics, community/school-based vaccination clinics, reminder/recall notifications, efforts to improve data accuracy, and incentives for participation.

The Department has a successful history with media campaigns driving behavior change or awareness. Current literature also supports that mobile health clinics are successful in reaching vulnerable populations, by delivering services directly at the curbside in communities of need and flexibly adapting their services based on the changing needs of the community. Furthermore, evidence suggests that mobile health clinics produce significant cost savings and represent a cost-effective care delivery model that improves health outcomes in underserved groups. In addition, the Community Preventive Services Task Force (CPSTF) recommends community-based interventions implemented in combination to increase vaccinations in targeted



populations, on the basis of strong evidence of effectiveness in increasing vaccination rates.<sup>24</sup> The CPSTF also recommends client or family incentive rewards, used alone or in combination with additional interventions, based on sufficient evidence of effectiveness in increasing vaccination rates in children and adults.

## Department of Higher Education

### R-11 Colorado Opportunity Scholarship Initiative

CDHE is requesting an increase of \$3M General Fund to expand the Colorado Opportunity Scholarship Initiative (COSI), which provides scholarships and student support programs for high-achieving, low-income and underrepresented minority students. Sixty four percent of students receiving scholarship support through COSI were students of color in academic year 2017-18, as were 78 percent of students receiving wrap-around support through COSI's Community Partner Program (CPP) grants. In its first five years, COSI has served more than 74,000 students in 61 of 64 Colorado counties, awarding \$47 million in State funds and leveraging an additional \$28 million in local and private investment.



Internal studies using the latest available data show that 87 percent of COSI students enrolled in student support programs persist in their education path.<sup>25</sup> This is a significant outcome because the persistence rate of CPP students is 15 percentage points higher than that of peers in similar demographic groups. Students who receive COSI scholarships perform even better: 89 percent continue in their second and third years, outpacing their non-COSI counterparts by 25 percentage points. COSI recently implemented a new model for CPP grantees that provides greater structure and technical support and assistance and establishes more rigorous program metrics and evaluation.

## Department of Labor and Employment

### R-01 Expand Access to Work-Based Learning

CDLE is requesting an increase of \$1.2M cash fund spending authority to expand access and promote equity in the work-based learning continuum while increasing the availability of work-based learning opportunities in the early childhood care and education field. High quality, paid work-based learning opportunities, including apprenticeships, on-the-job training, and internships, offer numerous benefits to both jobseekers and businesses. According to the U.S. Department of Labor, people who complete an apprenticeship program can expect to earn an average annual income of approximately \$60,000, slightly above the 2016 U.S. national median household income. Employers retain 91% of apprentices once they have completed their programs.<sup>26</sup>



<sup>24</sup> Community Preventive Services Task Force. Increasing Appropriate Vaccination: Community-Based Interventions Implemented in Combination. October 2014. Available at: <https://www.thecommunityguide.org/sites/default/files/assets/Vaccination-Community-Based-in-Combination.pdf>

<sup>25</sup> COSI Outcomes Reports. Available at: <https://sites.google.com/a/state.co.us/cosi/about#TOC-Program-Reports>.

<sup>26</sup> U.S. Department of Labor, "The Federal Resources Playbook for Registered Apprenticeships". Available at: <https://www.doleta.gov/oa/federalresources/playbook.pdf>

Work-based learning provides individuals with marketable business skills and real world experience, and has a lasting impact on students' future earnings.<sup>27</sup> Yet significant barriers exist to participation among women, people of color, and small businesses. This request seeks to provide the supports that businesses and underserved individuals need to access work-based learning opportunities, especially in early childhood education, where Colorado faces shortages of qualified workers.

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<sup>27</sup> Reed, D. et al. 2012. An Effectiveness Assessment and Cost-Benefit Analysis of Registered Apprenticeship in 10 States. Available at: <https://www.mathematica.org/our-publications-and-findings/publications/an-effectiveness-assessment-and-costbenefit-analysis-of-registered-apprenticeship-in-10-states>

## **Section 2: Selected New and Ongoing Program Evaluations**

In order to use evidence to improve program design, implementation, and performance, State agencies and decision-makers must have information to inform those decisions. To complement other program evaluations underway in State agencies and beyond, this budget includes ongoing and newly requested funding to evaluate 10 programs (listed below). These evaluations of existing and proposed programs will provide information to improve program performance and inform future resources allocation.

Ongoing evaluations:

- School Health Professional Grant Program (CDE)
- Student Re-engagement Grant Program (CDE)
- Colorado Preschool Program (CDE)
- Early Intervention Program (CDHS)
- Colorado Works Subsidized Training and Employment Program (CDHS)
- Child Support Pass-Through Program (CDHS)

New planned or requested evaluations:

- Respite Care Program (CDHS)
- TEACH Scholarships for Early Childhood Education Professionals Program (CDHS)
- Youth Services Day Reporting Program (CDHS)
- Concurrent Enrollment for Educators (CDE)

### **Section 3: Additional Opportunities to Adopt Evidence-Based Policy**

In addition to the specific requests included in the Governor's FY 2020-21 budget, OSPB has identified promising programs that would advance evidence-based policy making in Colorado. The budget includes resources in the form of legislative placeholders for the policy areas below.

#### **Department of Human Services**

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##### **Fostering Opportunities**

The Governor's Budget includes a \$0.5M legislative placeholder to improve educational outcomes for children in foster care. While Colorado's statewide graduation rate has increased to approximately 80 percent, students in foster care consistently graduate at a rate of 30 percent or lower. This discrepancy is larger than with any other vulnerable group. In 2018, the State of Colorado launched the Fostering Opportunities project, a pilot program designed to improve educational outcomes for students in out-of-home (foster) care. The Fostering Opportunities program deploys specialists to schools to meet with a caseload of 20 students on a weekly basis to advocate for, support, and mentor the students. Specialists work with school administrators to avoid unnecessary school changes whenever possible, and they advocate for transferable credits and other supports where school changes are unavoidable. This intervention is currently operating in Jefferson County Public Schools, and expects to serve 140 students over four years.



The Colorado Evaluation and Action Lab is conducting an independent evaluation of the Jefferson County project's success using a randomized controlled trial (RCT). Full results will not be available until the conclusion of the four-year project term in FY 2023-24; however, initial results from a 2017 trial of the intervention in Jefferson County demonstrated measurable impact in academic achievement for students served.

#### **Department of Public Safety**

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##### **Pretrial Assessments**

The FY 2020-21 budget includes a \$5M legislative placeholder for the Department of Public Safety to strengthen pretrial services in the state. Pretrial risk assessments are designed to provide information about the risk of failure that a given defendant poses if released before adjudication of his or her case. A pretrial risk assessment instrument (PRAI) can be used to classify defendants based on their flight risk and their threat to community safety. PRAIs have two primary goals: (1) to standardize pretrial recommendations/decisions and (2) to maximize the number of successful pretrial decisions. PRAIs are a way to make sure low risk defendants aren't placed in jail as they await adjudication, reduce the use of cash bail, and reduce overcrowding in jails.



At the pretrial stage, defendants may be classified into one of four categories:

1. Low risk—individuals who can be released with little or no supervisory conditions with reasonable assurances that they will appear in court and will not threaten community safety.
2. Moderate risk—individuals who can be released with conditions placed on them with reasonable assurances that they will appear in court and will not threaten community safety.

3. High risk—individuals who can be released only with the most stringent conditions placed on them with reasonable assurances that they will appear in court and will not threaten community safety.
4. Highest risk—individuals who cannot be released with any reasonable assurance that they will appear in court or that they will not be a threat to community safety.<sup>28</sup>

Research has provided evidence that quantitative risk assessment instruments provide more accurate information about a defendant's failure to appear and risk of reoffense than qualitative risk assessments.<sup>29</sup> By examining a national sample of pretrial programs, Levin found that jurisdictions using quantitative assessments (or a combination of quantitative and qualitative assessments) had fewer failures to appear and rearrests than jurisdictions that either did not have an assessment tool or relied solely on qualitative risk assessments.<sup>30</sup> Using quantitative risk assessment instruments may allow law enforcement to better allocate their resources to those offenders with the highest risk.

## Department of Education

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### Improving School Climate and Safety

The Governor's Budget includes a \$3M legislative placeholder to support efforts to improve school safety, with a specific interest in supporting the implementation and evaluation of prevention efforts aimed at improving school climate and behavioral health.



In recent years, the Colorado General Assembly has invested in several measures to improve school safety. In the 2018 session, the budget was amended to address school safety with an additional \$35M in one-time funding. SB18-269 directed funding “to local school districts, BOCES, and public schools including charter schools to use for capital construction; assistance for physical security; communication improvements; the training of school personnel and school resource officers; and/or coordination with emergency response teams.” Thus, existing State money largely funds mitigation and response to school incidents; yet, limited funds are used for school safety prevention strategies that focus on improving overall school climate and the behavioral health of the student population.

The School Safety Interim Committee has met throughout Summer 2019 with the intent to study Colorado statutes governing school safety, emergency response planning, and prevention of threats, and to review and evaluate programs for identifying and monitoring students in crisis. Much of this conversation has centered around strategies to invest in proven programs to build stronger school climates and address student trauma.

Although limited data on school safety incident prevention exists, randomized controlled trials have demonstrated that socio-emotional programs in schools are associated with lower self-reported violence, lower parent-reported bullying at grade, higher life satisfaction, lower

<sup>28</sup> VanNostrand, M., and Rose, K. 2009. Pretrial Risk Assessment in Virginia. Report for the Virginia Department of Criminal Justice Services, Richmond.

<sup>29</sup> Levin, D. 2007. Examining the Efficacy of Pretrial Release Conditions, Sanctions and Screening with the State Court Processing Statistics Dataseries. Washington, DC: Pretrial Justice Institute.

<sup>30</sup> Ibid.

depression and anxiety, and lower school-level disciplinary referrals and suspensions.<sup>31</sup> Trainings across the state could help educators through a “train the trainer” model in areas such as trauma-informed and restorative practices, social emotional learning, and mental health first aid. In addition, improving access to behavioral health professionals in schools is possible through the School Health Professional Grant program. Recent program evaluations show that:

- 8,632 (or 66 percent) of school personnel and educators indicated increased abilities to support behavioral health needs and identify signs/symptoms; and
- Nearly 80,000 parents reported an increase in knowledge or understanding of behavioral health and parenting.

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<sup>31</sup> Cantone E, Piras AP, Vellante M, et al. Interventions on bullying and cyberbullying in schools: a systematic review. *Clin Pract Epidemiol Ment Health*. 2015;11(Suppl 1 M4):58–76. Published 2015 Feb 26. doi:10.2174/1745017901511010058



## Reserves

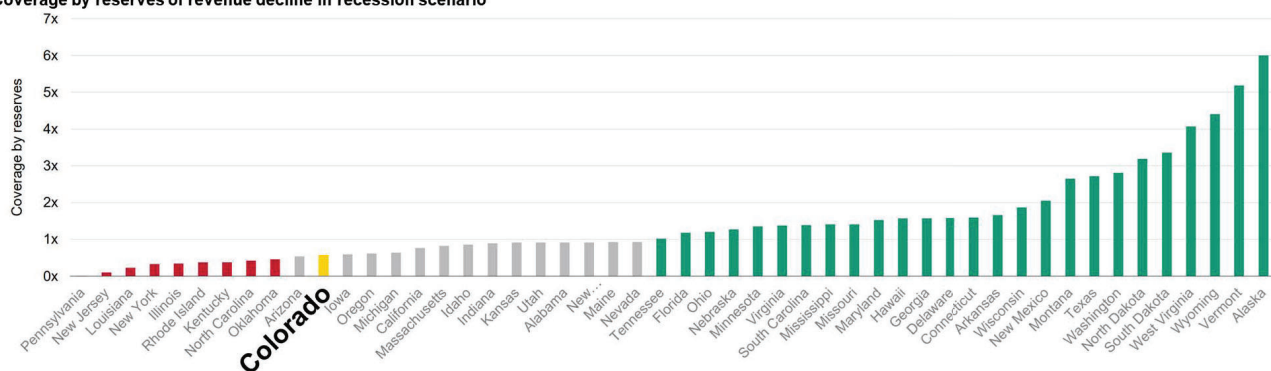
The Governor's budget recommends a package for reserves policy that collectively would add significant financial stability for the State. The economy is currently in the longest expansionary period in history. Being mindful that a downturn in the near future is possible, inadequate reserves would inhibit Colorado's ability to manage such revenue volatility, and would cause difficulty mitigating service disruptions for Coloradans. The budget proposes a package that includes the following elements:

1. Increase General Fund reserves to the national average of 7.5%
2. Pay back a recession-era accounting adjustment regarding employee pay dates
3. Enhance statutory tools for responding to and recovering from a recession

1. Increase General Fund reserves to the national average 7.5%: According to the National Association of Budget Officers (NASBO), states on average now have an equivalent of 7.5% of their General Fund expenditures in reserves. The budget proposes an increase of \$31.4 million in FY 2020-2021 to raise the reserve from 7.25% of General Fund appropriations to the national average of 7.50%. The chart below shows the length of time each state could operate solely based on reserves, with Colorado falling behind the pack.

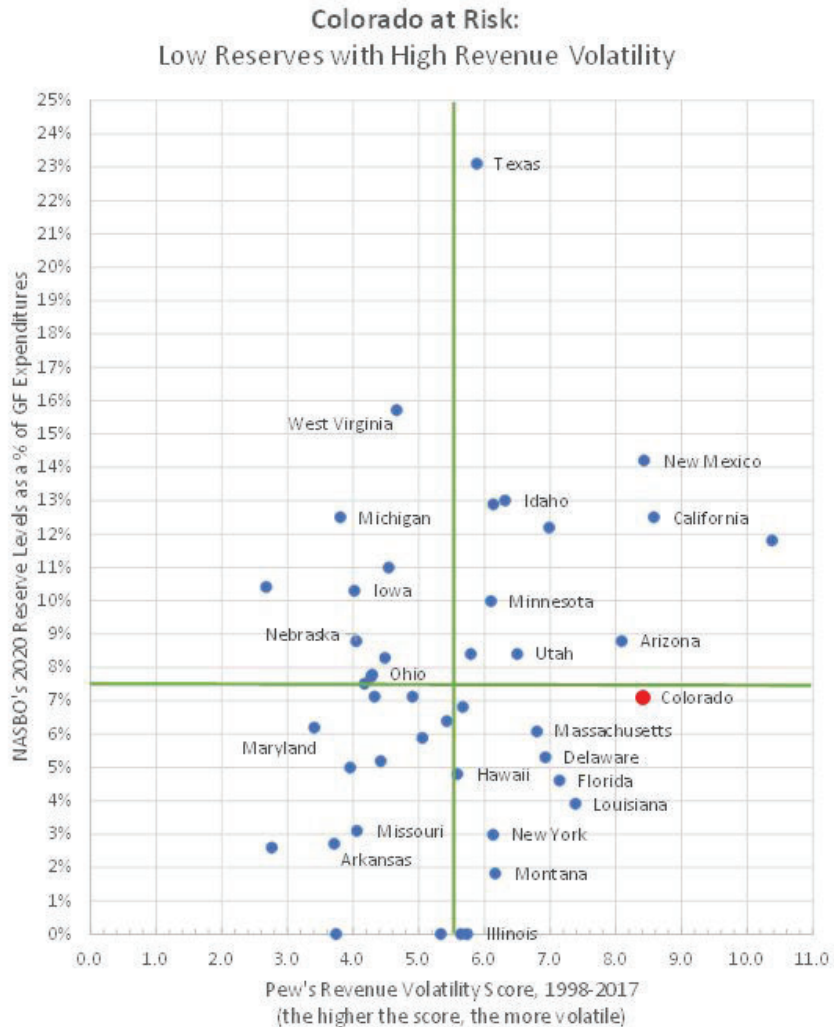
Colorado's required reserve has been gradually increased from a recent low of 2.0% in FY 2009-10. However, this is still far below the budget shortfall that will occur in the event of a recession. Both of the last two recessions (2001 and 2008) each saw General Fund revenues decline by more than 13% in the first fiscal year alone. But recessions last several years, requiring numerous years of budget adjustments to manage the shock. In both of the prior instances, General Fund revenues did not return to pre-recession levels until the fifth year after the recessions began. In the 2001 recession the 4-year revenue shortfall was \$3.3 billion, or 50% of pre-recession annual GF revenues. In 2008, the 4-year revenue shortfall was \$3.0 billion, or 39% of pre-recession annual GF revenues.

**26 states could cover a full year of revenue declines solely with reserves on hand**  
Coverage by reserves of revenue decline in recession scenario



Source: Moody's Investors Service

Another key variable in determining the right size of a reserve depends upon the volatility of a state's revenue structure. Colorado has historically had above-average revenue volatility. The graph below shows reserve levels, and revenue volatility scores for most states according to Pew and the National Association of State Budget Officers (NASBO). The national average is called out in green. You will see that Colorado's relatively high volatility and low reserve levels pose a risk for managing future downturns.



2. Pay back a recession-era accounting adjustment regarding employee pay dates: In prior downturns the State used one-time tools to manage through budgetary difficulties. This included sweeping large balances from cash funds, and using accounting deferrals to push off financial obligations to future years. Many of these tools have never been reset, resulting in additional risk. When the next downturn comes, these tools will no longer be at our disposal. As a result, this budget sets aside a placeholder of \$75 million to undo the pay date shift, an accounting deferral previously used to weather tough economic times.

### 3. Enhance statutory tools for responding to and recovering from a recession

This Governor respectfully requests the Joint Budget Committee sponsor legislation to achieve the following:

- A. **Ensuring our reserves last through the entire downturn.** In advance of a recession, Colorado should develop guidelines for how much of the reserves the General Assembly can access at any one time. This budget respectfully requests the Joint Budget Committee sponsor legislation to establish statutory requirements that only allow the State to access one-third of the total pre-recession reserve amount in any one year, following an economic downturn. This requirement could be overturned by a two-thirds vote of the General Assembly. Knowing that the prior two recessions each took 5 years for funding to return to normal levels, as shown in the table below, the responsible thing to do is to plan for a multi-year downturn.

**GF Revenue Compared to Pre-Recession Levels (Millions \$)**

	Pre-Recession GF Rev	Year 1	Year 2	Year 3	Year 4	Cumulative Shortfall (\$)	Cumulative Shortfall (%)
2001	6,521 (FY01)	(984)	(1,082)	(795)	(400)	(3,261)	-50%
2008	7,743 (FY08)	(1,003)	(1,301)	(678)	(27)	(3,009)	-39%

- B. **Establish automatic reserve refills:** In advance of a recession, Colorado should establish guidelines for ensuring the reserve is re-established after being accessed. This budget respectfully requests the Joint Budget Committee sponsor legislation to increase the reserve level by an automatic 0.5 percent every year after the recession has ended. We propose adopting the same methodology used in SB 09-228, i.e., establishing a refill requirement with a trigger tied to an economic indicator, such as personal income growth.

Although similar to SB 09-228, this proposal would have no automatic shutoff valve at a reserve level of 6.5 percent. As noted above, our current reserve level of 7.25 percent is insufficient, and below the national average. It is crucial that we continue to save throughout the good times, to be prepared during low times. OSPB additionally recommends that any future cap be tied not only to expenditure levels, but also to measurements of revenue volatility. The reserve level should increase as revenue volatility of the state's revenue sources increases.

- C. **Funding source for automatic refills.** In addition, this budget respectfully requests the Joint Budget Committee sponsor legislation to create an automatic mechanism to credit a fixed percent of all General Fund reversions to the reserve. This could be done by creating a separate rainy day account for collecting those reversions. This could also be accomplished by automatically increasing the reserve percentage requirement by a proportionate amount compared to the dollar value of the reversions from the prior fiscal year.

These policies are supported by data, and have been adopted by several other states. For example:

- Minnesota has established automatic reserve refills for their rainy day fund, as well as providing limitations on the amount of reserves the legislature is able to access in any given year.
- Virginia, Tennessee, Idaho, Washington and Hawaii tie rainy day fund deposits to volatility within their major or total revenue streams.
- Alaska, Louisiana, Massachusetts, and Texas tie rainy day fund deposits to specific volatile revenue sources.
- Arizona, Indiana, and Michigan tie reserve increases to fluctuations in personal income.

For these legislative proposals, OSPB will submit proposed statutory changes for consideration by the Joint Budget Committee. To advise on these changes, OSPB will consult with the CFO Council, an informal group currently meeting quarterly that is comprised of the State Treasurer, the State Controller, and the OSPB Director.

## Statewide Analysis

The following section outlines various issues of statewide concern, including supplemental requests, legislative placeholders, employee compensation, provider rates, the capital budget, and more.

### General Fund Overview

The FY 2020-2021 budget includes total General Fund expenditures of \$13.8 billion, which represents an increase of \$388.8 million, or 2.9% over FY 2019-2020, as shown in the table below. This \$13.8 billion includes \$12.4 billion within agency budgets, \$182 million set aside for placeholders and budget adjustments, as well as \$1.2 billion of transfers and expenditures not subject to the appropriations limit and reserve requirement. This budget is balanced, with a projected ending General Fund balance of \$942.6 million, or \$1.1 million above the requested 7.5% reserve level.

General Fund Overview				
General Fund Request	FY 2019-2020	FY 2020-2021	\$ Change	% Change
Total General Fund Available	\$14,434,355,310	\$14,701,003,314	\$266,648,004	1.85%
Total General Fund Expenditures	\$13,369,605,804	\$13,758,370,945	\$388,765,141	2.91%
General Fund Expenditures Subject to Reserve	\$12,098,128,081	\$12,553,824,966	\$455,696,885	3.77%
General Fund Expenditures Exempt from Reserve	\$1,271,477,723	\$1,204,545,979	-\$66,931,744	-5.26%
Ending General Fund	\$1,064,749,506	\$942,632,369	-\$122,117,137	-11.47%
Required/Requested Reserve	7.25%	7.50%	0.25%	10.30%
Required/Requested Reserve Amount	\$877,114,286	\$941,536,872	\$64,422,587	7.34%
Above/(Below) Reserve Level	\$187,635,220	\$1,095,497	-\$186,539,724	N/A

### FY 2019-2020 Supplementals

The FY 2020-2021 budget has set aside funds for previously approved, and forthcoming supplemental requests that affect FY 2019-2020 appropriations, as outlined below:

Emergency Supplementals Approved by JBC (per HB 98-1331)				
#	Description	Agency	TF	GF
1	TRAILS (IT Capital funding)*	DHS	\$9,829,233	\$5,897,540
2	TRAILS (Operating funding)	DHS	\$1,692,819	\$1,332,590
3	Annex Building (Capital Construction)*	DPA / DOR	\$4,070,023	\$4,070,023
4	Colorado Digital Services	OIT	\$607,454	\$607,454
5	Hepatitis A Outbreak	CDPHE	\$538,999	\$538,999
6	Monitoring Toxic Pollutants (PFAS)	CDPHE	\$500,000	\$500,000
7	School Safety Initiative	DPS	\$327,549	\$0
8	Background Investigations	DHS	\$139,766	-\$125,304
9	FLSA Compliance and Backpay	DPS	\$610,827	\$95,289
Grand Total			\$18,316,670	\$12,916,591

\* Note that Capital 1331s are financed through a General Fund transfer to the Capital Construction Fund. More details can be found in the capital section of this request.



Anticipated caseload supplementals, not included in agency requests (for submission on January 2, 2020)				
#	Description	Agency	TF	GF
1	Community Corrections Caseload	DPS	\$2,601,195	\$2,601,195
2	Early Intervention Caseload	DHS	\$1,503,074	\$1,503,074
3	Medical Caseload	DOC	\$7,438,696	\$7,438,696
4	External Capacity Caseload	DOC	\$998,003	\$998,003
5	Medical Services Premiums Caseload	HCPF	-\$41,937,654	\$36,885,502
6	Behavioral Health Caseload	HCPF	-\$15,654,741	-\$2,733,519
7	Child Health Plan Plus Caseload	HCPF	-\$3,536,486	\$0
8	Medicare Modernization Act Caseload	HCPF	\$9,321,829	\$9,321,829
9	Office of Community Living Caseload	HCPF	-\$2,658,717	-\$1,098,342
10	Total Program Mid-year Supplemental	CDE	\$15,000,000	\$15,000,000
11	PERADirect Distribution	Several	\$2,114,653	\$2,114,653
Grand Total			-\$24,810,148	\$72,031,091

Anticipated operating supplementals, already included in agency requests					
#	Priority	Description	Agency	TF	GF
1	R-07	Chief Educational Equity Officer	CDHE	\$55,020	\$55,020
2	R-05a	Drug Detection Devices, Canines, and Staffing	DHS	\$366,500	\$366,500
3	R-05b	Splitting Lookout Mountain into Distinct Facilities	DHS	\$180,410	\$180,410
4	R-10	Child Support Pass-Through	DHS	\$800,182	\$800,182
5	R-01	Electronic Oil and Gas Filing System	DNR	\$350,000	\$0
6	R-03	Reducing Private Prison Use	DOC	\$4,077,095	\$4,077,095
7	R-08	Collections Services Refinance & restructure	DPA	-\$677,373	\$1,499,330
8	R-06	Fire Inspector Overtime Compensation	DPS	\$610,000	\$97,000
9	R-07	Pharmacy Pricing and Technology	HCPF	\$7,135,879	\$1,408,842
10	R-11	Patient Placement and Benefit Implementation	HCPF	\$80,000	\$26,400
11	R-19	Leased Space	HCPF	\$72,035	\$29,865
Grand Total				\$13,049,748	\$8,540,644

### Other Elected Officials, the Legislative Branch, and the Judicial Branch

Other statewide elected officials, as well as the Judiciary, will recommend their proposed FY 2020-2021 budget directly to the General Assembly. The Governor's recommendation has allocated sufficient General Fund to accommodate anticipated growth in total compensation costs, along with a 2.0 percent placeholder for any General Fund increases.

### Pay Date Shift

The budget sets aside \$75,780,323 to undo the pay date shift established in SB 03-197. This accounting deferral pushed the last paycheck of the fiscal year into the first day of the following fiscal year. Allowing 1/12th of all employee salary and benefits to be paid in the following fiscal year alleviated budgetary constraints at a time when the State was trying to manage an economic recession. HB 12-1246 subsequently "fixed" the pay date shift for part time employees. Setting aside resources to resolve the pay date shift in FY 2020-2021 allows



State employees to be paid on a regular schedule beginning June 2021, and puts the State on stronger fiscal footing. If a future downturn were ever to create budgetary constraints, the pay date shift would be a tool that could be reinstated.

The mechanics of fixing the pay date shift include the cadence of employee pay, as well as the implementation of the state's new human resources system, HR Works. Because this policy change marginally impacts dozens of decision items in the budget, the dollar amount has been requested here as a placeholder for separate consideration through the Joint Budget Committee's figure setting process. In addition, due to the large budgetary impact of fixing the pay date shift, this budget does not shift the pay dates for the Judiciary Branch and several independent agencies.

### Total Compensation

The Governor's recommendation reflects resources to maintain a competitive package for State employee salary and benefits compared to the marketplace. Based on the [FY 2020-2021 Annual Compensation Report](#), State employee salaries remain competitive, falling within the "highly competitive" range of 5% from the market across all job classifications, on average. As such, the Governor proposes a 2% across the board (ATB) increase for State employee salaries beginning July 1, 2020, slightly above the expected 2019 inflation rate of 1.7%.

In contrast to salaries, the Annual Compensation Report finds that State employee benefits lag the market. The Governor recommends 8 weeks of Paid Family Leave for state employees, setting aside \$10 million to backfill critical positions during utilization of the new benefit. This budget also funds the state's share of a 5% increase for Health, Life, and Dental costs to keep pace with the rising costs in the market.

Total Compensation Summary – Statewide Requested Increase		
# Category	TF	GF*
1 Paid Family Leave	\$9,996,442	\$5,494,624
2 Salary Survey (2% ATB)	\$41,589,232	\$22,163,035
3 Health Life Dental	\$22,775,563	\$9,435,112
4 Short-Term Disability	\$104,183	\$51,722
5 PERA - AED	\$3,736,818	\$2,221,270
6 PERA - SAED	\$3,914,726	\$2,397,962
7 PERA - Employer Contribution Increase	\$15,148,456	\$7,980,768
8 PERA Direct Distribution**	-\$4,167,413	-\$3,009,587
9 Shift Differential	\$47,855	\$52,633
<b>Grand Total</b>	<b>\$93,145,862</b>	<b>\$46,787,539</b>

\* Estimated.

\*\* Note that the PERA Direct Distribution is an operating common policy, but is shown here to demonstrate all the costs associated with pension liabilities.

### PERA and Pension Liabilities

The FY 2020-2021 total compensation request includes annualizations attributable to S.B. 18-200, including resources for the increased employer contribution to PERA from 10.4% to 10.9%.

The PERA Direct Distribution common policy is requested using the same methodology as last year, by allocating resources across fund types in the same proportion as Amortization Equalization Disbursement (AED) and the Supplemental Amortization Equalization Disbursement (SAED). It is important to note, however, that the federal government is not consistent in their approach for funding state pension liabilities through direct billing mechanisms such as this. As a result, OSPB may need to submit a supplemental request to provide General Fund resources to fund the costs that the federal government may not pay through direct billing. The FY 2020-2021 recommendation anticipates a \$2 million General Fund request as a FY 2019-2020 supplemental for a portion of the federal funds from last year's proposal. For more details, including agency specific impacts, please see the detailed Common Policy report provided by DPA, which can be found on the OSPB website.

### Targeted State Employee Compensation

In addition to the proposed across the board increase for all state employees, this budget proposes \$1.1 million for a salary increase for supervisors at the Division of Youth Services, Department of Human Services. This targeted increase is to resolve compression issues from prior year salary raises. This request is jointly reviewed by OSPB and the Department of Personnel and Administration (DPA) through a coordinated compensation process that aims to ensure equity across state government. More details about this targeted proposal can be reviewed within DHS' budget request, which can be found on the OSPB website.

### Statewide Provider Rate Increase

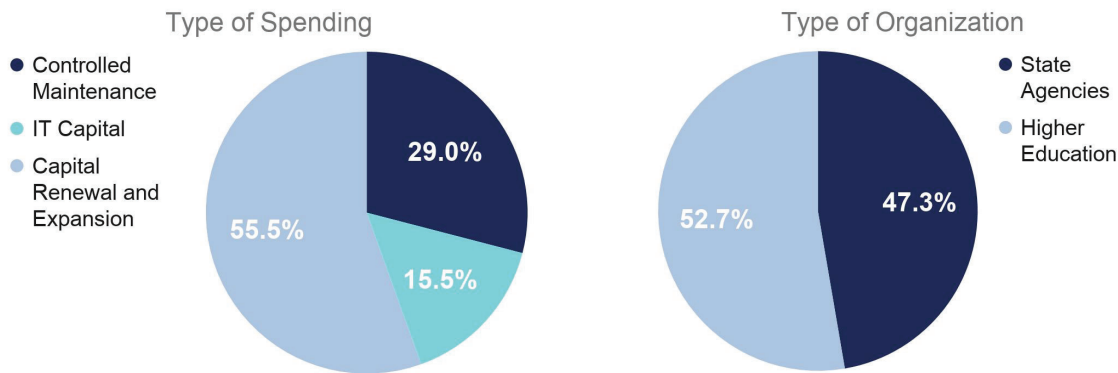
This budget includes a 0.5 percent across-the-board increase for community providers. The table below shows the department decision items that include the across-the-board adjustment as well as the total dollar amount of the increase. Please note that the dollar amounts shown in the table below for provider adjustments at HCPF are inclusive of both targeted and across-the-board rate changes.

Statewide Provider Rate Increase (0.5%)				
#	Agency	Description	TF	GF
1	DOC	R-13 Statewide 0.5% Provider Rate Increase	\$669,163	\$657,952
2	HCPF	R-10 Provider Rate Adjustments	\$24,537,361	\$10,563,040
3	DHS	R-35 Community Provider Rate Increase	\$4,647,901	\$2,721,608
4	CDLE	R-06 Statewide 0.5% Provider Rate Increase	\$35,698	\$34,004
5	CDPHE	R-11 Statewide 0.5% Provider Rate Increase	\$47,325	\$34,506
Grand Total			\$29,937,448	\$14,011,110

Note: This table excludes community corrections providers from the across-the-board increase. For the current fiscal year, community corrections providers received a 9% increase, and the budget recommends that any future increases be tied to performance. See the decision item in the Department of Public Safety requesting a modest increase to implement performance-based contracting.

### Capital Construction

The total capital construction budget in the FY 2020-2021 recommendation totals \$396 million, which includes \$164 million for projects funded solely by cash funds, and another \$232 million for projects that include some General Fund amount. That \$232 million includes \$42 million from cash funds, as well as a transfer of \$189.6 million from the General Fund. This \$189 General Fund investment can be detailed as follows:



Capital Request by Type of Spending		
Description	\$	%
Controlled Maintenance	\$55,063,610	29.0%
IT Capital	\$29,334,215	15.5%
Capital Renewal and Expansion	\$105,207,460	55.5%
<b>Total</b>	<b>\$189,605,285</b>	<b>100.0%</b>

Capital Request by Type of Organization		
Description	\$	%
State Agencies	\$89,678,919	47.3%
Higher Education Institutions	\$99,926,366	52.7%
<b>Total</b>	<b>\$189,605,285</b>	<b>100.0%</b>

In FY 2019-2020, OSPB recommends a transfer of \$25 million, \$10 million of which are emergency supplemental requests already approved by the Joint Budget Committee. In FY 2020-2021, OSPB recommends a transfer of \$164 million, as shown in the table below. A complete list of projects in the request can be found in our budget submission documents to the Capital Development Committee and Joint Technology Committee, located on the OSPB website.

<b>General Fund Transfer to the Capital Construction Fund</b>		
<b>Description</b>	<b>FY 2019-2020</b>	<b>FY 2020-2021</b>
1331 Approved Capital Projects	\$9,967,563	
New Capital Requests	\$14,948,189	\$164,689,533
<b>Total Transfer by Fiscal Year</b>	<b>\$24,915,752</b>	<b>\$164,689,533</b>
<b>Total Transfer</b>		<b>\$189,605,285</b>

There is one IT capital project that the Administration has not yet submitted - HR Works. The project, which is receiving direct support from the newly established Colorado Digital Services, will require additional funding both in FY 2019-2020 and FY 2020-2021. A new assessment of the project will be completed in late November, and will help determine the project's remaining scope, timeline, and expected cost. OSPB plans to submit this project on the December 10th statutory deadline for capital supplemental and budget amendment requests, per C.R.S. § 24-37-304.

In addition to the amount dedicated for capital spending in this request, the budget proposes to redirect unneeded capital reversions to the state's large infrastructure needs. On October 2, 2019 the Office of the State Controller reported more than \$30 million in capital reversions from FY 2018-19. The majority of this amount is a result of the successful completion of the DRIVES IT system. The budget recommends transferring \$25 million of the \$30 million in reversions to CDOT's State Highway Fund.

The budget recommends transferring the remaining \$5 million of capital reversions to the Severance Tax Perpetual Base Fund for implementation of the Colorado Water Plan. This \$5 million transfer, combined with a \$5 million General Fund transfer, continues last year's precedent of a \$10 million investment for this crucial infrastructure.

#### **Cash Funds and the TABOR Refund**

State revenues are currently above the constitutional TABOR limit, requiring a refund of any excess revenues directly to the people of Colorado. When the State increases revenue, it creates an additional refund obligation financed from the General Fund. In this way, fee increases in cash funds can create additional General Fund obligations. In the FY 2020-2021 recommendation, there are 2 decision items that create an increase in fees, which will increase General Fund obligation for TABOR refunds. This new \$4 million in TABOR refunds would bring OSPB's estimate for the FY 2020-21 refund up from \$551 million to \$555 million.

Cash Funded Items that increase the TABOR Refund			
#	Description	Agency	GF
1	Enforcement Compliance and Permitting	CDPHE	\$3,266,989
2	myColorado	OIT / DOR	\$792,485
Grand Total			\$4,059,474

### Reinsurance

This budget strengthens the financing for continuation of the state's Reinsurance Program, which is reducing premiums by an average of 20 percent for those buying their own health insurance on the individual market in 2020. The Reinsurance Program is funded by federal and state money, and this budget transfers an additional \$30 million in General Fund to continue the program.

### 2020 Legislative Placeholders

This budget includes multiple decision items that require a legislative change. In addition, the budget sets aside funds for categories of legislation anticipated during the 2020 session of the General Assembly, as outlined below.

Legislative Placeholders with General Fund Impact		
#	Description	GF
1	Improving School Climate and Safety	\$3,000,000
2	Public Option (HB 19-1004)	\$1,000,000
3	Pharmaceutical Cost Transparency	\$300,000
4	Pharmaceutical Rebates	\$50,000
5	Hospital Non-Competitive Trade Practices	\$62,000
6	Not-For-Profit Hospitals	\$170,000
7	Pretrial Assessment and Supervision	\$5,000,000
8	Preventing Targeted Violence	\$575,000
9	Foster Care Education	\$515,000
10	Uniform regulation of intrastate pipelines	\$360,000
11	Search and Rescue	\$180,000
Grand Total		\$11,212,000



## Total Funds

	2019-20	2020-21		
	Initial	Nov 1		
	Appropriation	Governor's	\$	%
		Request	Change	Change
Department of Agriculture	\$55,440,261	\$57,528,066	\$2,087,805	3.77%
Department of Corrections	\$988,046,445	\$1,007,020,518	\$18,974,073	1.92%
Department of Education	\$6,194,837,360	\$6,351,300,176	\$156,462,816	2.53%
Governor - Lt. Governor - State Planning and Budgeting	\$405,151,943	\$412,832,077	\$7,680,134	1.90%
Department of Health Care Policy and Financing	\$10,689,061,864	\$11,217,371,086	\$528,309,222	4.94%
Department of Higher Education	\$4,875,838,547	\$5,033,108,316	\$157,269,769	3.23%
Department of Human Services	\$2,344,561,981	\$2,381,611,463	\$37,049,482	1.58%
Judicial Department	\$840,523,801	\$863,987,908	\$23,464,107	2.79%
Department of Labor and Employment	\$271,969,109	\$270,099,826	(\$1,869,283)	(0.69%)
Department of Law	\$92,366,498	\$92,740,853	\$374,355	0.41%
Legislative Department	\$56,653,663	\$57,757,618	\$1,103,955	1.95%
Department of Local Affairs	\$349,085,163	\$341,553,966	(\$7,531,197)	(2.16%)
Department of Military and Veterans Affairs	\$131,630,851	\$132,256,006	\$625,155	0.47%
Department of Natural Resources	\$337,819,513	\$313,480,652	(\$24,338,861)	(7.20%)
Department of Personnel	\$211,049,602	\$211,951,829	\$902,227	0.43%
Department of Public Health and Environment	\$616,137,812	\$612,483,250	(\$3,654,562)	(0.59%)
Department of Public Safety	\$527,389,957	\$521,484,634	(\$5,905,323)	(1.12%)
Department of Regulatory Agencies	\$118,827,932	\$121,221,644	\$2,393,712	2.01%
Department of Revenue	\$404,621,889	\$417,776,883	\$13,154,994	3.25%
Department of State	\$40,053,629	\$31,237,382	(\$8,816,247)	(22.01%)
Department of Transportation	\$2,112,021,087	\$1,989,996,511	(\$122,024,576)	(5.78%)
Department of the Treasury	\$861,694,883	\$879,244,478	\$17,549,595	2.04%
<b>Subtotal Department Operating Requests</b>	<b>\$32,524,783,790</b>	<b>\$33,318,045,142</b>	<b>\$793,261,352</b>	<b>2.44%</b>
Placeholders for Legislation and Budget Adjustments	(\$15,320,208)	\$181,992,323	\$197,312,531	(1,287.92%)
1331 Approved Supplementals	\$4,417,414	\$0	(\$4,417,414)	(100.00%)
<b>Subtotal Operating Requests</b>	<b>\$32,513,880,996</b>	<b>\$33,500,037,465</b>	<b>\$986,156,469</b>	<b>3.03%</b>



## Total Funds

	2019-20 Initial Appropriation	2020-21 Nov 1 Governor's Request	\$ Change	% Change
Transfer to Capital Construction Fund	\$230,743,540	\$164,689,533	(\$66,054,007)	(28.63%)
TABOR Refund	\$348,136,177	\$555,670,053	\$207,533,877	59.61%
Old Age Pension Fund / Older Coloradans Fund	\$94,475,334	\$94,953,058	\$477,724	0.51%
Interest on School Loans	\$8,465,236	\$9,311,760	\$846,524	10.00%
Transfers to Transportation	\$300,000,000	\$50,000,000	(\$250,000,000)	(83.33%)
Transfers to State Education Fund	\$40,326,896	\$0	(\$40,326,896)	(100.00%)
Transfers to Other Funds	\$209,844,731	\$281,705,254	\$71,860,522	34.24%
Forecast Adjustments	(\$143,736,581)	(\$162,246,350)	(\$18,509,769)	12.88%
Requested Transfers for Investments	\$0	\$5,000,000	\$5,000,000	0.0%
<b>Total Other Obligations</b>	<b>\$1,088,255,332</b>	<b>\$999,083,308</b>	<b>(\$89,172,025)</b>	<b>(8.19%)</b>
<b>TOTAL FUNDS Requests</b>	<b>\$33,602,136,328</b>	<b>\$34,499,120,773</b>	<b>\$896,984,445</b>	<b>2.67%</b>

## Total General Fund

	2019-20 Current Appropriation	2020-21 Nov 1 Governor's Request	\$ Change	% Change
Department of Agriculture	\$12,098,767	\$13,255,932	\$1,157,165	9.56%
Department of Corrections	\$885,094,026	\$904,550,401	\$19,456,375	2.20%
Department of Education	\$4,405,170,565	\$4,437,370,759	\$32,200,194	0.73%
Governor - Lt. Governor - State Planning and Budgeting	\$53,098,394	\$54,914,051	\$1,815,657	3.42%
Department of Health Care Policy and Financing	\$3,151,370,264	\$3,377,544,826	\$226,174,562	7.18%
Department of Higher Education	\$1,112,705,645	\$1,153,864,076	\$41,158,431	3.70%
Department of Human Services	\$1,043,299,934	\$1,074,784,861	\$31,484,927	3.02%
Judicial Department	\$616,134,492	\$639,100,187	\$22,965,695	3.73%
Department of Labor and Employment	\$25,519,883	\$24,674,935	(\$844,948)	(3.31%)
Department of Law	\$18,717,773	\$19,092,128	\$374,355	2.00%
Legislative Department	\$55,197,745	\$56,301,700	\$1,103,955	2.00%
Department of Local Affairs	\$48,716,177	\$44,385,404	(\$4,330,773)	(8.89%)
Department of Military and Veterans Affairs	\$11,615,507	\$11,748,860	\$133,353	1.15%
Department of Natural Resources	\$43,464,597	\$35,196,322	(\$8,268,275)	(19.02%)
Department of Personnel	\$15,633,396	\$15,761,431	\$128,035	0.82%
Department of Public Health and Environment	\$59,177,207	\$61,742,488	\$2,565,281	4.33%
Department of Public Safety	\$166,108,148	\$165,437,823	(\$670,325)	(0.40%)
Department of Regulatory Agencies	\$2,324,519	\$2,159,624	(\$164,895)	(7.09%)
Department of Revenue	\$124,688,584	\$124,532,468	(\$156,116)	(0.13%)
Department of State	\$8,418,590	\$0	(\$8,418,590)	(100.00%)
Department of the Treasury	\$339,275,495	\$360,877,038	\$21,601,543	6.37%
<b>Subtotal Department Operating Requests</b>	<b>\$12,197,829,708</b>	<b>\$12,577,295,314</b>	<b>\$379,465,606</b>	<b>3.11%</b>
Placeholders for Legislation and Budget Adjustments	\$80,571,735	\$181,992,323	\$101,420,588	125.88%
1331 Approved Supplementals	\$2,949,028	\$0	(\$2,949,028)	(100.00%)
<b>Subtotal Operating Requests</b>	<b>\$12,281,350,471</b>	<b>\$12,759,287,637</b>	<b>\$477,937,166</b>	<b>3.89%</b>

## Total General Fund

	2019-20 Current Appropriation	2020-21 Nov 1 Governor's Request	\$ Change	% Change
Transfer to Capital Construction Fund	\$230,743,540	\$164,689,533	(\$66,054,007)	(28.63%)
TABOR Refund	\$348,136,177	\$555,670,053	\$207,533,877	59.61%
Old Age Pension Fund / Older Coloradans Fund	\$94,475,334	\$94,953,058	\$477,724	0.51%
Interest on School Loans	\$8,465,236	\$9,311,760	\$846,524	10.00%
Transfers to Transportation	\$300,000,000	\$50,000,000	(\$250,000,000)	(83.33%)
Transfers to State Education Fund	\$40,326,896	\$0	(\$40,326,896)	(100.00%)
Transfers to Other Funds	\$209,844,731	\$281,705,254	\$71,860,522	34.24%
Forecast Adjustments	(\$143,736,581)	(\$162,246,350)	(\$18,509,769)	12.88%
Requested Transfers for Investments	\$0	\$5,000,000	\$5,000,000	0.0%
<b>Total Other Obligations</b>	<b>\$1,088,255,332</b>	<b>\$999,083,308</b>	<b>(\$89,172,025)</b>	<b>(8.19%)</b>
<b>TOTAL General Fund Requests</b>	<b>\$13,369,605,803</b>	<b>\$13,758,370,945</b>	<b>\$388,765,142</b>	<b>2.91%</b>

## General Fund Subject to the Limit

	2019-20 Current Appropriation	2020-21 Governor's Request	\$ Change	% Change
Department of Agriculture	\$12,098,767	\$13,255,932	\$1,157,165	9.56%
Department of Corrections	\$885,094,026	\$904,550,401	\$19,456,375	2.20%
Department of Education	\$4,405,170,565	\$4,437,370,759	\$32,200,194	0.73%
Governor - Lt. Governor - State Planning and Budgeting	\$53,098,394	\$54,914,051	\$1,815,657	3.42%
Department of Health Care Policy and Financing	\$3,150,962,561	\$3,377,156,374	\$226,193,813	7.18%
Department of Higher Education	\$1,112,705,645	\$1,153,864,076	\$41,158,431	3.70%
Department of Human Services	\$1,043,299,934	\$1,074,784,861	\$31,484,927	3.02%
Judicial Department	\$616,134,492	\$639,100,187	\$22,965,695	3.73%
Department of Labor and Employment	\$25,519,883	\$24,674,935	(\$844,948)	(3.31%)
Department of Law	\$18,717,773	\$19,092,128	\$374,355	2.00%
Legislative Department	\$55,197,745	\$56,301,700	\$1,103,955	2.00%
Department of Local Affairs	\$44,371,177	\$40,040,404	(\$4,330,773)	(9.76%)
Department of Military and Veterans Affairs	\$11,615,507	\$11,748,860	\$133,353	1.15%
Department of Natural Resources	\$43,464,597	\$35,196,322	(\$8,268,275)	(19.02%)
Department of Personnel	\$15,633,396	\$15,761,431	\$128,035	0.82%
Department of Public Health and Environment	\$58,769,504	\$61,334,785	\$2,565,281	4.36%
Department of Public Safety	\$166,108,148	\$165,437,823	(\$670,325)	(0.40%)
Department of Regulatory Agencies	\$2,324,519	\$2,159,624	(\$164,895)	(7.09%)
Department of Revenue	\$87,416,118	\$86,457,302	(\$958,816)	(1.10%)
Department of State	\$8,418,590	\$0	(\$8,418,590)	(100.00%)
Department of the Treasury	\$198,485,977	\$198,630,688	\$144,711	0.07%
<b>Subtotal Department Operating Requests</b>	<b>\$12,014,607,318</b>	<b>\$12,371,832,643</b>	<b>\$357,225,325</b>	<b>2.97%</b>
Placeholders for Legislation and Budget Adjustments	\$80,571,735	\$181,992,323	\$101,420,588	125.88%
1331 Approved Supplementals	\$2,949,028	\$0	(\$2,949,028)	(100.00%)
<b>TOTAL</b>	<b>\$12,098,128,081</b>	<b>\$12,553,824,966</b>	<b>\$455,696,885</b>	<b>3.77%</b>

## General Fund not Subject to Limit

	2019-20 Current Appropriation	2020-21 Nov 1 Governor's Request	\$ Change	% Change
Department of Health Care Policy and Financing	\$407,703	\$388,452	(\$19,251)	(4.72%)
Department of Higher Education	\$0	\$0	\$0	0.0%
Department of Local Affairs	\$4,345,000	\$4,345,000	\$0	0.0%
Department of Public Health and Environment	\$407,703	\$407,703	\$0	0.0%
Department of Revenue	\$37,272,466	\$38,075,166	\$802,700	2.15%
Department of the Treasury	\$140,789,518	\$162,246,350	\$21,456,832	15.24%
<b>Subtotal Department Operating Requests</b>	<b>\$183,222,390</b>	<b>\$205,462,671</b>	<b>\$22,240,281</b>	<b>12.14%</b>
Transfer to Capital Construction Fund	\$230,743,540	\$164,689,533	(\$66,054,007)	(28.63%)
TABOR Refund	\$348,136,177	\$555,670,053	\$207,533,877	59.61%
Old Age Pension Fund / Older Coloradans Fund	\$94,475,334	\$94,953,058	\$477,724	0.51%
Interest on School Loans	\$8,465,236	\$9,311,760	\$846,524	10.00%
Transfers to Transportation	\$300,000,000	\$50,000,000	(\$250,000,000)	(83.33%)
Transfers to State Education Fund	\$40,326,896	\$0	(\$40,326,896)	(100.00%)
Transfers to Other Funds	\$209,844,731	\$281,705,254	\$71,860,522	34.24%
Forecast Adjustments	(\$143,736,581)	(\$162,246,350)	(\$18,509,769)	12.88%
Requested Transfers for Investments	\$0	\$5,000,000	\$5,000,000	0.0%
<b>Total Other Obligations</b>	<b>\$1,088,255,332</b>	<b>\$999,083,308</b>	<b>(\$89,172,025)</b>	<b>(8.19%)</b>
<b>TOTAL</b>	<b>\$1,271,477,722</b>	<b>\$1,204,545,979</b>	<b>(\$66,931,744)</b>	<b>(5.26%)</b>

## Total Cash Funds

	2019-20	2020-21		
	Current	Nov 1		
	Appropriation	Governor's	\$	%
		Request	Change	Change
Department of Agriculture	\$36,935,836	\$37,754,180	\$818,344	2.22%
Department of Corrections	\$47,619,442	\$47,322,148	(\$297,294)	(0.62%)
Department of Education	\$1,127,643,970	\$1,245,876,600	\$118,232,630	10.48%
Governor - Lt. Governor - State Planning and Budgeting	\$51,552,746	\$49,981,869	(\$1,570,877)	(3.05%)
Department of Health Care Policy and Financing	\$1,386,291,098	\$1,519,856,266	\$133,565,168	9.63%
Department of Higher Education	\$2,836,261,687	\$2,930,583,918	\$94,322,231	3.33%
Department of Human Services	\$440,007,083	\$436,842,963	(\$3,164,120)	(0.72%)
Judicial Department	\$170,265,416	\$170,618,098	\$352,682	0.21%
Department of Labor and Employment	\$82,643,259	\$80,668,060	(\$1,975,199)	(2.39%)
Department of Law	\$17,688,477	\$17,688,477	\$0	0.0%
Legislative Department	\$90,000	\$90,000	\$0	0.0%
Department of Local Affairs	\$205,682,582	\$201,169,549	(\$4,513,033)	(2.19%)
Department of Military and Veterans Affairs	\$1,470,429	\$1,514,237	\$43,808	2.98%
Department of Natural Resources	\$260,148,716	\$244,267,527	(\$15,881,189)	(6.10%)
Department of Personnel	\$16,939,500	\$13,324,682	(\$3,614,818)	(21.34%)
Department of Public Health and Environment	\$204,690,749	\$201,451,054	(\$3,239,695)	(1.58%)
Department of Public Safety	\$238,609,816	\$238,253,662	(\$356,154)	(0.15%)
Department of Regulatory Agencies	\$109,697,995	\$112,104,925	\$2,406,930	2.19%
Department of Revenue	\$272,747,155	\$281,320,415	\$8,573,260	3.14%
Department of State	\$31,635,039	\$31,237,382	(\$397,657)	(1.26%)
Department of Transportation	\$1,483,476,167	\$1,361,451,591	(\$122,024,576)	(8.23%)
Department of the Treasury	\$448,514,039	\$444,463,097	(\$4,050,942)	(0.90%)
<b>Subtotal Department Operating Requests</b>	<b>\$9,470,611,201</b>	<b>\$9,667,840,700</b>	<b>\$197,229,499</b>	<b>2.08%</b>
Placeholders for Legislation and Budget Adjustments	(\$12,500,250)	\$0	\$12,500,250	(100.00%)
1331 Approved Supplementals	\$1,108,157	\$0	(\$1,108,157)	(100.00%)
<b>TOTAL Cash Funds</b>	<b>\$9,459,219,108</b>	<b>\$9,667,840,700</b>	<b>\$208,621,592</b>	<b>2.21%</b>



## Total Reappropriated Funds

	2019-20 Current Appropriation	2020-21 Nov 1 Governor's Request	\$ Change	% Change
Department of Agriculture	\$2,496,093	\$2,568,848	\$72,755	2.91%
Department of Corrections	\$51,757,665	\$51,660,507	(\$97,158)	(0.19%)
Department of Education	\$42,577,029	\$48,133,584	\$5,556,555	13.05%
Governor - Lt. Governor - State Planning and Budgeting	\$293,603,363	\$301,247,273	\$7,643,910	2.60%
Department of Health Care Policy and Financing	\$93,615,672	\$93,500,756	(\$114,916)	(0.12%)
Department of Higher Education	\$900,986,375	\$922,729,628	\$21,743,253	2.41%
Department of Human Services	\$214,232,110	\$216,513,013	\$2,280,903	1.06%
Judicial Department	\$49,698,893	\$49,844,623	\$145,730	0.29%
Department of Labor and Employment	\$10,092,733	\$9,851,631	(\$241,102)	(2.39%)
Department of Law	\$53,606,154	\$53,606,154	\$0	0.0%
Legislative Department	\$1,365,918	\$1,365,918	\$0	0.0%
Department of Local Affairs	\$12,565,874	\$13,904,163	\$1,338,289	10.65%
Department of Military and Veterans Affairs	\$4,143	\$4,143	\$0	0.0%
Department of Natural Resources	\$7,523,560	\$7,203,854	(\$319,706)	(4.25%)
Department of Personnel	\$178,476,706	\$182,865,716	\$4,389,010	2.46%
Department of Public Health and Environment	\$49,291,017	\$46,026,089	(\$3,264,928)	(6.62%)
Department of Public Safety	\$52,591,767	\$47,775,099	(\$4,816,668)	(9.16%)
Department of Regulatory Agencies	\$5,482,149	\$5,530,614	\$48,465	0.88%
Department of Revenue	\$6,149,821	\$10,850,411	\$4,700,590	76.43%
Department of Transportation	\$7,078,096	\$7,078,096	\$0	0.0%
Department of the Treasury	\$73,905,349	\$73,904,343	(\$1,006)	(0.00%)
<b>Subtotal Department Operating Requests</b>	<b>\$2,107,100,487</b>	<b>\$2,146,164,463</b>	<b>\$39,063,976</b>	<b>1.85%</b>
<b>TOTAL Reappropriated Funds</b>	<b>\$2,107,100,487</b>	<b>\$2,146,164,463</b>	<b>\$39,063,976</b>	<b>1.85%</b>

## Total Federal Funds

	2019-20 Current Appropriation	2020-21 Nov 1 Governor's Request	\$ Change	% Change
Department of Agriculture	\$3,909,565	\$3,949,106	\$39,541	1.01%
Department of Corrections	\$3,575,312	\$3,487,462	(\$87,850)	(2.46%)
Department of Education	\$619,445,796	\$619,919,233	\$473,437	0.08%
Governor - Lt. Governor - State Planning and Budgeting	\$6,897,440	\$6,688,884	(\$208,556)	(3.02%)
Department of Health Care Policy and Financing	\$6,057,784,830	\$6,226,469,238	\$168,684,408	2.78%
Department of Higher Education	\$25,884,840	\$25,930,694	\$45,854	0.18%
Department of Human Services	\$647,022,854	\$653,470,626	\$6,447,772	1.00%
Judicial Department	\$4,425,000	\$4,425,000	\$0	0.0%
Department of Labor and Employment	\$153,713,234	\$154,905,200	\$1,191,966	0.78%
Department of Law	\$2,354,094	\$2,354,094	\$0	0.0%
Department of Local Affairs	\$82,120,530	\$82,094,850	(\$25,680)	(0.03%)
Department of Military and Veterans Affairs	\$118,540,772	\$118,988,766	\$447,994	0.38%
Department of Natural Resources	\$26,682,640	\$26,812,949	\$130,309	0.49%
Department of Public Health and Environment	\$302,978,839	\$303,263,619	\$284,780	0.09%
Department of Public Safety	\$70,080,226	\$70,018,050	(\$62,176)	(0.09%)
Department of Regulatory Agencies	\$1,323,269	\$1,426,481	\$103,212	7.80%
Department of Revenue	\$1,036,329	\$1,073,589	\$37,260	3.60%
Department of Transportation	\$621,466,824	\$621,466,824	\$0	0.0%
<b>Subtotal Department Operating Requests</b>	<b>\$8,749,242,394</b>	<b>\$8,926,744,665</b>	<b>\$177,502,271</b>	<b>2.03%</b>
Placeholders for Legislation and Budget Adjustments	(\$83,391,693)	\$0	\$83,391,693	(100.00%)
1331 Approved Supplementals	\$360,229	\$0	(\$360,229)	(100.00%)
<b>TOTAL Federal Funds</b>	<b>\$8,666,210,930</b>	<b>\$8,926,744,665</b>	<b>\$260,533,735</b>	<b>3.01%</b>

## Total FTE

	2019-20	2020-21		
	Current	Nov 1	#	%
	Appropriation	Governor's	Change	Change
		Request		
Department of Agriculture	297.6	304.3	6.7	2.3%
Department of Corrections	6,279.3	6,495.0	215.7	3.4%
Department of Education	616.4	625.8	9.4	1.5%
Governor - Lt. Governor - State Planning and Budgeting	1,157.0	1,184.5	27.5	2.4%
Department of Health Care Policy and Financing	544.6	578.8	34.2	6.3%
Department of Higher Education	26,303.4	26,311.4	8.0	0.0%
Department of Human Services	5,115.6	5,203.0	87.4	1.7%
Judicial Department	4,869.8	4,913.5	43.7	0.9%
Department of Labor and Employment	1,292.8	1,293.6	0.8	0.1%
Department of Law	513.5	513.5	0.0	0%
Legislative Department	306.0	306.0	0.0	0%
Department of Local Affairs	189.7	204.8	15.1	8.0%
Department of Military and Veterans Affairs	2,579.1	2,580.2	1.1	0.0%
Department of Natural Resources	1,495.9	1,512.9	17.0	1.1%
Department of Personnel	426.7	404.3	(22.4)	(5.2%)
Department of Public Health and Environment	1,382.3	1,399.4	17.1	1.2%
Department of Public Safety	1,904.4	1,912.5	8.1	0.4%
Department of Regulatory Agencies	591.8	599.8	8.0	1.4%
Department of Revenue	1,564.4	1,591.1	26.7	1.7%
Department of State	145.9	145.9	0.0	0%
Department of Transportation	3,328.8	3,328.8	0.0	0%
Department of the Treasury	32.9	32.9	0.0	0%
<b>Subtotal Department Operating Requests</b>	<b>60,937.9</b>	<b>61,441.9</b>	<b>504.0</b>	<b>0.83%</b>

Decision Items List by Department					FY 2020-2021		
Request Title	Requires Legislation	Total Funds	FTE	General Fund	Cash Funds	Reappropriated Funds	Federal Funds
<b>Department of Agriculture</b>							
<b>Decision Items (Operating Requests)</b>							
R-1 Renewable Energy and Energy Efficiency (ACRE3) Funding	Yes	\$110,163	1.00	\$110,163	\$0	\$0	\$0
R-2 Organic Program Staff Expansion	No	\$168,566	1.90	\$168,566	\$0	\$0	\$0
R-3 Colorado Soil Health Program Funding	No	\$166,491	1.00	\$166,491	\$0	\$0	\$0
R-4 Sustainable Marijuana Certification Funding	No	\$94,655	1.00	\$0	\$94,655	\$0	\$0
R-5 Pet Animal Care Facilities Licensing Requirements	No	\$171,741	1.00	\$94,691	\$77,050	\$0	\$0
R-6 Lab Equipment Maintenance Agreement Funding	No	\$48,000	0	\$0	\$48,000	\$0	\$0
R-7 Indirect Cost Recovery Adjustment	No	\$226,930	0	\$0	\$113,465	\$113,465	\$0
R-8 Unused Spending Authority Adjustment	No	-\$382,528	0	\$0	-\$322,528	-\$60,000	\$0
R-9 Implementing Budget Efficiencies	No	-\$214,143	-1.00	-\$89,300	-\$124,843	\$0	\$0
<b>Subtotal Decision Items</b>		<b>\$389,875</b>	<b>4.90</b>	<b>\$450,611</b>	<b>-\$114,201</b>	<b>\$53,465</b>	<b>\$0</b>
<b>Non-Prioritized Requests</b>							
NP-1 Annual Fleet Vehicle Request	No	-\$8,737	0	-\$3,445	-\$5,168	\$0	-\$124
NP-2 OIT_FY21 Budget Request Package	No	-\$2,642	0	-\$1,899	-\$743	\$0	\$0
NP-3 Paid Family Leave	No	\$85,111	0	\$56,476	\$28,635	\$0	\$0
<b>Subtotal Non-Prioritized Requests</b>		<b>\$73,732</b>	<b>0.00</b>	<b>\$51,132</b>	<b>\$22,724</b>	<b>\$0</b>	<b>-\$124</b>
<b>Request Total for Department of Agriculture</b>		<b>\$463,607</b>	<b>4.90</b>	<b>\$501,743</b>	<b>-\$91,477</b>	<b>\$53,465</b>	<b>-\$124</b>
<b>Department of Corrections</b>							
<b>Decision Items (Operating Requests)</b>							
R-01 Medical Caseload	No	\$4,217,490	0	\$4,217,490	\$0	\$0	\$0
R-02 Nurse Staffing Pilot Program	No	\$216,919	1.90	\$216,919	\$0	\$0	\$0
R-03 Reducing Private Prison Use	Yes	\$7,201,864	210.40	\$7,037,544	\$164,320	\$0	\$0
R-04 Hepatitis C Treatment Cost Reduction	No	-\$10,145,760	0	-\$10,145,760	\$0	\$0	\$0
R-05 Jail Bed Caseload Reduction	No	-\$1,004,497	0	-\$1,004,497	\$0	\$0	\$0
R-06 Realign Funding for Offender Services	No	-\$4,581,144	0	-\$4,581,144	\$0	\$0	\$0
R-07 Correctional Industries Raw Materials Adjustments	No	-\$937,085	0	\$0	-\$655,567	-\$281,518	\$0
R-08 Reduce Reversions in Multiple Programs	No	-\$350,000	0	-\$350,000	\$0	\$0	\$0
R-09 Technical Adjustments	No	\$0	1.00	\$0	\$0	\$0	\$0
R-10 Reduce Unused Spending Authority for Various Programs	No	-\$228,887	0	\$0	-\$228,887	\$0	\$0
R-11 Radio Replacement	No	-\$1,875,000	0	-\$1,875,000	\$0	\$0	\$0
R-12 Statewide 0.5% Provider Rate Increase	No	\$669,163	0	\$657,952	\$0	\$11,211	\$0
<b>Subtotal Decision Items</b>		<b>-\$6,816,937</b>	<b>213.30</b>	<b>-\$5,826,496</b>	<b>-\$720,134</b>	<b>-\$270,307</b>	<b>\$0</b>
<b>Non-Prioritized Requests</b>							
NP-01 Annual Fleet Vehicle Request	No	-\$137,173	0	-\$134,543	-\$2,630	\$0	\$0
NP-02 OIT_FY21 Budget Request Package	No	\$172,477	0	\$171,543	\$934	\$0	\$0
NP-03 Paid Family Leave	Yes	\$3,671,815	0	\$3,568,417	\$103,398	\$0	\$0
<b>Subtotal Non-Prioritized Requests</b>		<b>\$3,707,119</b>	<b>0.00</b>	<b>\$3,605,417</b>	<b>\$101,702</b>	<b>\$0</b>	<b>\$0</b>
<b>Request Total for Department of Corrections</b>		<b>-\$3,109,818</b>	<b>213.30</b>	<b>-\$2,221,079</b>	<b>-\$618,432</b>	<b>-\$270,307</b>	<b>\$0</b>
<b>Department of Education</b>							
<b>Decision Items (Operating Requests)</b>							
R-01 Total Program Increase	Yes	\$110,601,636	0	\$7,393,370	\$103,208,266	\$0	\$0
R-02 Categorical Programs Inflation Increases	No	\$5,746,857	0	\$0	\$5,746,857	\$0	\$0
R-03 Colorado School for the Deaf and Blind Salary Increase	No	\$79,329	0	\$79,329	\$0	\$0	\$0
R-04 Colorado School for the Deaf and Blind Utilities	No	\$59,542	0	\$59,542	\$0	\$0	\$0
R-05 Concurrent Enrollment for Educators	Yes	\$539,190	0	\$539,190	\$0	\$0	\$0
R-06 Colorado Preschool Program Expansion	Yes	\$27,627,017	0	\$27,627,017	\$0	\$0	\$0
R-07 Departmental Infrastructure	No	\$664,425	6.20	\$318,561	\$0	\$345,864	\$0
R-08 CSI Mill Levy Equalization	No	\$10,000,000	0	\$5,000,000	\$0	\$5,000,000	\$0
R-09 Empowering Parents with School Information	No	\$499,745	1.80	\$499,745	\$0	\$0	\$0
R-10 Educator Evaluations	Yes	\$500,000	0.90	\$500,000	\$0	\$0	\$0
R-11 Grants for Early Childhood Facilities	Yes	\$10,000,000	0	\$0	\$10,000,000	\$0	\$0
R-12 Expanding Eligibility for School Improvement Funds	Yes	\$1,000,000	0	\$1,000,000	\$0	\$0	\$0
<b>Subtotal Decision Items</b>		<b>\$167,317,741</b>	<b>8.90</b>	<b>\$43,016,754</b>	<b>\$118,955,123</b>	<b>\$5,345,864</b>	<b>\$0</b>

Decision Items List by Department								FY 2020-2021
Request Title	Requires Legislation	Total Funds	FTE	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	
<b>Department of Education (Continued)</b>								
<b>Non-Prioritized Requests</b>								
NP-01 Annual Fleet Vehicle Request	No	\$2,529	0	\$2,529	\$0	\$0	\$0	
NP-02 OIT_FY21 Budget Request Package	No	\$9,848	0	\$5,933	\$1,504	\$2,411	\$0	
NP-03 DPA Paid Family Leave	No	\$67,392	0	\$57,379	\$0	\$10,013	\$0	
<b>Subtotal Non-Prioritized Requests</b>		<b>\$79,769</b>	<b>0.00</b>	<b>\$65,841</b>	<b>\$1,504</b>	<b>\$12,424</b>	<b>\$0</b>	
<b>Request Total for Department of Education</b>		<b>\$167,397,510</b>	<b>8.90</b>	<b>\$43,082,595</b>	<b>\$118,956,627</b>	<b>\$5,358,288</b>	<b>\$0</b>	
<b>Office of the Governor</b>								
<b>Decision Items (Operating Requests)</b>								
R-01 (CEO) Legal Services Increase	No	\$110,864	0	\$110,864	\$0	\$0	\$0	
R-01 (GOV) Move Education Leadership Funds	No	\$0	0	\$0	\$0	\$0	\$0	
R-01 (OIT) Colorado Digital Services	No	\$1,240,560	7.00	\$1,240,560	\$0	\$0	\$0	
R-02 (OIT) myColorado	No	\$1,540,521	3.00	\$0	\$0	\$1,540,521	\$0	
R-03 (OIT) Statewide Data Sharing Pilot	No	\$279,075	2.00	\$0	\$0	\$279,075	\$0	
R-04 (OIT) Customer-focused tools for billing, reporting, an	No	\$679,188	0	\$0	\$0	\$679,188	\$0	
R-05 (OIT) Disaster Recovery Staff	No	\$400,000	2.00	\$0	\$0	\$400,000	\$0	
R-06 (OIT) Improve Network Stability and Connectivity	No	\$1,130,900	0	\$0	\$0	\$1,130,900	\$0	
R-07 OIT Information Technology Service and Support Mgmt	No	\$1,250,000	0	\$0	\$0	\$1,250,000	\$0	
R-08 (OIT) Mainframe Services Budget Efficiency Savings	No	-\$222,714	0	\$0	\$0	-\$222,714	\$0	
R-09 (OIT) Central Administration Budget Efficiency Savings	No	-\$473,728	-2.00	\$0	\$0	-\$473,728	\$0	
R-10 (OIT) Network Services Budget Efficiency Savings	No	-\$209,000	0	\$0	\$0	-\$209,000	\$0	
R-11 (OIT) OIT Long Bill Reorganization	No	\$0	0	\$0	\$0	\$0	\$0	
R-12 (OIT) Applications Budget Efficiency Savings	No	-\$541,802	-1.00	-\$67,098	-\$31,938	-\$442,766	\$0	
R-13 (OIT) IT Server Management Budget Efficiency Savings	No	-\$1,945,120	0	\$0	\$0	-\$1,945,120	\$0	
R-14 (OIT) Voice and Data Services Budget Efficiency Savings	No	-\$2,200,000	0	\$0	-\$1,200,000	-\$1,000,000	\$0	
R-1 (OEDIT) Extend Procurement Technical Assistance Center	Yes	\$220,000	0	\$0	\$220,000	\$0	\$0	
R-2 (OEDIT) Small Business Development Center Increase	No	\$140,000	0	\$140,000	\$0	\$0	\$0	
R-3 (OEDIT) Extend Rural Jump Start	Yes	\$40,492	0.50	\$40,492	\$0	\$0	\$0	
R-4 (OEDIT) Office of Outdoor Recreation Line Item	No	\$0	3.00	\$0	\$0	\$0	\$0	
R-5 (OEDIT) PTAC Technical Adjustment	No	-\$220,000	0	-\$220,000	\$0	\$0	\$0	
R-6 (OEDIT) Administrative Funds Technical Adjustment	No	-\$4,585	0	\$0	-\$2,435	\$0	-\$2,150	
R-7 (OEDIT) Creative District Interest Spending Authority	No	\$10,786	0	\$0	\$10,786	\$0	\$0	
<b>Subtotal Decision Items</b>		<b>\$1,225,437</b>	<b>14.50</b>	<b>\$1,244,818</b>	<b>-\$1,003,587</b>	<b>\$986,356</b>	<b>-\$2,150</b>	
<b>Non-Prioritized Requests</b>								
NP-01 (Gov's Office) Annual Fleet Vehicle Request	No	\$12,203	0	\$12,203	\$0	\$0	\$0	
NP-01 (OIT) Annual Fleet Vehicle Request	Yes	\$23,207	0	\$0	\$0	\$23,207	\$0	
NP-02 (Gov) OIT_FY21 Budget Request Package	No	-\$162	0	-\$162	\$0	\$0	\$0	
NP-02 (OIT) OGCC Electronic Filing System (DNR R-1)	No	\$147,840	0	\$0	\$0	\$147,840	\$0	
NP-03 (OIT) Improve Customer Service (HCPF R-6)	No	\$3,001,446	1.00	\$0	\$0	\$3,001,446	\$0	
NP-04 (OIT) JAI Operations & Maint. (CDHS R-14)	No	\$6,627,766	0	\$0	\$0	\$6,627,766	\$0	
NP-05 (OIT) Replace Phone Systems (CDHS R-15)	No	\$917,525	0	\$0	\$0	\$917,525	\$0	
NP-06 (OIT) Staffing for EHR Support (CDHS R-18)	No	\$274,576	2.00	\$0	\$0	\$274,576	\$0	
<b>Subtotal Non-Prioritized Requests</b>		<b>\$11,004,401</b>	<b>3.00</b>	<b>\$12,041</b>	<b>\$0</b>	<b>\$10,992,360</b>	<b>\$0</b>	
<b>Request Total for Office of the Governor</b>		<b>\$12,229,838</b>	<b>17.50</b>	<b>\$1,256,859</b>	<b>-\$1,003,587</b>	<b>\$11,978,716</b>	<b>-\$2,150</b>	

Decision Items List by Department							FY 2020-2021
Request Title	Requires Legislation	Total Funds	FTE	General Fund	Cash Funds	Reappropriated Funds	Federal Funds
<b>Department of Health Care Policy and Finance</b>							
<b>Decision Items (Operating Requests)</b>							
R-01 Medical Services Premiums	No	\$307,654,186	0	\$118,712,084	\$111,034,880	\$0	\$77,907,222
R-02 Behavioral Health Programs	No	\$41,588,549	0	\$13,337,312	\$7,561,171	\$0	\$20,690,066
R-03 Child Health Plan Plus	No	\$8,856,952	0	\$25,551,305	\$1,690,167	\$0	-\$18,384,520
R-04 Medicare Modernization Act State Contribution	No	\$17,929,806	0	\$17,929,806	\$0	\$0	\$0
R-05 Office of Community Living	No	\$35,370,073	0	\$17,697,932	-\$489,128	\$0	\$18,161,269
R-06 Improve Customer Service	No	\$3,428,079	4.30	\$1,046,792	\$552,719	\$8	\$1,828,560
R-07 Pharmacy Pricing and Technology	Yes	\$4,561,775	5.00	\$1,152,570	\$654,693	\$0	\$2,754,512
R-08 Accountability and Compliance Improvement Resources	No	\$3,085,585	11.50	\$658,086	\$194,286	\$0	\$2,233,213
R-09 Bundled Payments	No	\$743,065	1.90	\$63,224	\$68,307	\$0	\$611,534
R-10 Provider Rate Adjustment	Yes	\$2,090,599	0	\$538,753	\$266,277	\$0	\$1,285,569
R-11 Patient Placement and Benefit Implementation- SUD	No	-\$85,566,035	0	-\$16,622,834	-\$5,519,687	\$0	-\$63,423,514
R-12 Work Number Verification	No	-\$22,577,733	0	-\$3,791,252	-\$1,436,052	\$0	-\$17,350,429
R-13 Long-Term Care Utilization Management	No	\$1,746,531	0	\$431,632	\$5,002	\$0	\$1,309,897
R-14 Enhanced Care and Condition Management	No	\$433,636	1.00	\$143,099	\$73,715	\$0	\$216,822
R-15 Medicaid Recovery & Third Party Liability Modernization	No	-\$12,301,943	5.80	-\$3,468,482	\$2,074,120	\$0	-\$10,907,581
R-16 Case Management & State-only Programs Modernization	No	\$402,372	3.80	-\$69,366	\$0	\$0	\$471,738
R-17 Program Capacity for Older Adults	Yes	\$558,020	0.90	\$184,146	\$94,864	\$0	\$279,010
R-18 Public School Health Services Program Expansion	No	\$75,000	0	\$0	\$0	\$0	\$75,000
R-19 Leased Space	No	\$111,119	0	\$46,070	\$9,490	\$0	\$55,559
R-20 Safety Net Provider Payments Adjustment	No	\$0	0	\$0	\$0	\$0	\$0
<b>Subtotal Decision Items</b>		<b>\$308,189,636</b>	<b>34.20</b>	<b>\$173,540,877</b>	<b>\$116,834,824</b>	<b>\$8</b>	<b>\$17,813,927</b>
<b>Non-Prioritized Requests</b>							
NP-01 Joint Agency Interoperability Operations & Maintenance	No	\$4,015,032	0	\$2,007,516	\$0	\$0	\$2,007,516
NP-02 Youth Services Caseload Adjustment	No	-\$139,615	0	-\$69,807	\$0	\$0	-\$69,808
NP-03 Adjust Medicaid Funding for Eligibility	No	-\$1,900,000	0	-\$950,000	\$0	\$0	-\$950,000
NP-04 DHS Annual Fleet Vehicle	No	-\$23,290	0	-\$11,644	\$0	\$0	-\$11,646
NP-05 OIT_FY21 Budget Request Package	No	\$116,209	0	\$53,696	\$5,774	\$0	\$56,739
NP-06 Paid Family Leave	No	\$505,041	0	\$246,802	\$2,518	\$757	\$254,964
NP-07 CDPHE Provider Rate Adjustment	No	\$3,677	0	\$1,838	\$0	\$0	\$1,839
NP-08 Legal Services Adjustment (DPA)	No	-\$177,100	0	-\$33,856	-\$54,696	\$0	-\$88,548
NP-09 Human Resources Staffing (DHS)	No	\$111,255	0	\$55,627	\$0	\$0	\$55,628
NP-10 Post Affordable Care Act Reductions (DHS)	No	-\$637,000	0	-\$318,500	\$0	\$0	-\$318,500
NP-11 Realign Regional Center Appropriations (DHS)	No	\$0	0	\$0	\$0	\$0	\$0
<b>Subtotal Non-Prioritized Requests</b>		<b>\$1,874,209</b>	<b>0.00</b>	<b>\$981,672</b>	<b>-\$46,404</b>	<b>\$757</b>	<b>\$938,184</b>
<b>Request Total for Department of Health Care Policy and Finance</b>		<b>\$310,063,845</b>	<b>34.20</b>	<b>\$174,522,549</b>	<b>\$116,788,420</b>	<b>\$765</b>	<b>\$18,752,111</b>
<b>Department of Higher Education</b>							
<b>Decision Items (Operating Requests)</b>							
HC-01 COP Relief and Financial Sustainability	Yes	\$999,970	2.00	\$0	-\$30	\$1,000,000	\$0
HC-02 Community Museum Cash Funds for Earned Revenue	No	\$121,895	0	\$0	\$121,895	\$0	\$0
R-01 State Funding Increase for Public Higher Education	No	\$46,716,222	0	\$26,297,477	\$0	\$20,418,745	\$0
R-02 Tuition Spending Authority	No	\$94,223,846	0	\$0	\$94,223,846	\$0	\$0
R-03 Fort Lewis Native American Tuition Waiver	No	\$1,869,734	0	\$1,869,734	\$0	\$0	\$0
R-04 College Credit for Work Experience	Yes	\$204,180	1.00	\$204,180	\$0	\$0	\$0
R-05 Accountability Dashboard	No	\$165,436	1.50	\$165,436	\$0	\$0	\$0
R-06 Area Technical College Grant Program	No	\$3,171,650	0	\$3,171,650	\$0	\$0	\$0
R-07 Chief Educational Equity Officer	No	\$150,950	1.00	\$150,950	\$0	\$0	\$0
R-08 Division of Private Occupational Schools	No	\$200,000	0	\$0	\$200,000	\$0	\$0
R-09 Early Childhood Talent Pipeline Scholarship	No	\$4,311,785	1.00	\$4,311,785	\$0	\$0	\$0
R-10 Loan Forgiveness for Early Childhood Educators	Yes	\$544,358	1.50	\$544,358	\$0	\$0	\$0
R-11 Colorado Opportunity Scholarship Initiative	No	\$3,000,000	0	\$3,000,000	\$0	\$0	\$0
<b>Subtotal Decision Items</b>		<b>\$155,680,026</b>	<b>8.00</b>	<b>\$39,715,570</b>	<b>\$94,545,711</b>	<b>\$21,418,745</b>	<b>\$0</b>



## Attachment 7: Decision Item List by Department

Decision Items List by Department					FY 2020-2021		
Request Title	Requires Legislation	Total Funds	FTE	General Fund	Cash Funds	Reappropriated Funds	Federal Funds
Department of Higher Education (Continued)							
<b>Non-Prioritized Requests</b>							
NP-01 OIT - FY21 Budget Request Package	No	-\$5,835	0	\$0	-\$5,495	-\$340	\$0
NP-02 Paid Family Leave	No	\$1,401,371	0	\$1,401,371	\$0	\$0	\$0
<b>Subtotal Non-Prioritized Requests</b>		<b>\$1,395,536</b>	<b>0.00</b>	<b>\$1,401,371</b>	<b>-\$5,495</b>	<b>-\$340</b>	<b>\$0</b>
<b>Request Total for Department of Higher Education</b>		<b>\$157,075,562</b>	<b>8.00</b>	<b>\$41,116,941</b>	<b>\$94,540,216</b>	<b>\$21,418,405</b>	<b>\$0</b>
Department of Human Services							
<b>Decision Items (Operating Requests)</b>							
R-01 Comprehensive Approach to Improving Child Care Quality	No	\$5,619,496	7.20	\$2,809,748	\$0	\$0	\$2,809,748
R-02 Early Intervention Caseload Growth	No	\$3,231,940	0	\$3,231,940	\$0	\$0	\$0
R-03 Colorado Child Care Assistance Program Direct Services	No	\$6,762,446	0	\$940,292	\$2,666,581	\$0	\$3,155,573
R-04 L2 Operating and Staffing	No	\$4,819,669	42.30	\$4,819,669	\$0	\$0	\$0
R-05a Drug Detection Devices, Canine and Staffing	No	\$1,016,000	10.00	\$1,016,000	\$0	\$0	\$0
R-05b Splitting Lookout Mountain into Distinct Facilities	No	\$747,748	7.00	\$747,748	\$0	\$0	\$0
R-05c Supervisor Salary Increase	No	\$1,170,411	0	\$1,170,411	\$0	\$0	\$0
R-05d Youth Service Day Reporting	No	\$725,000	0	\$725,000	\$0	\$0	\$0
R-05e Youth Services Candidate Assessment	No	\$75,000	0	\$75,000	\$0	\$0	\$0
R-06 Family First Prevention Services Act and Trails	No	\$3,575,996	12.40	-\$3,376,547	\$0	\$0	\$6,952,543
R-07a Youth Facilities Refurbishment and Safety	No	\$682,192	0	\$682,192	\$0	\$0	\$0
R-07b Homelike Environment at Lookout	No	\$908,321	0	\$908,321	\$0	\$0	\$0
R-08 Scholarships for Early Childhood Educators	No	\$600,000	0.90	\$500,000	\$0	\$0	\$100,000
R-09 Expansion of Evidence-Based Home Visiting	No	\$521,605	0.90	\$521,605	\$0	\$0	\$0
R-10 Child Support Pass-through	Yes	\$800,182	0	\$800,182	\$0	\$0	\$0
R-11 Respite Care Task Force Funding Adjustments	No	\$374,770	0	\$374,770	\$0	\$0	\$0
R-12 Subsidized Employment Continuation	No	\$4,000,000	0	\$0	\$0	\$0	\$4,000,000
R-13 County Child Welfare Staffing: Phase 6	No	\$3,062,702	0	\$2,250,324	\$306,270	\$0	\$506,108
R-14 Joint Agency Interoperability Operation and Maintenance	No	\$12,120,172	0	\$2,326,384	\$0	\$9,507,438	\$286,350
R-15 Human Resources Staffing	No	\$1,258,245	7.70	\$477,265	\$58,944	\$502,824	\$219,212
R-16 Child Welfare Provider Rate Increase	No	\$2,549,481	0	\$1,223,751	\$509,896	\$0	\$815,834
R-17 Records and Reports Fund Adjustments	No	\$648,048	6.00	\$422,847	\$225,201	\$0	\$0
R-18 Staffing for Electronic Health Record Support	No	\$274,576	0	\$274,576	\$0	\$0	\$0
R-19 Replace Phone Systems	No	\$917,525	0	\$917,525	\$0	\$0	\$0
R-20 Child Welfare Legal Representation	No	\$10,295,646	0	\$0	\$10,295,646	\$0	\$0
R-21 Youth Services Expenditure Alignment	No	-\$3,222,298	0	-\$3,082,683	\$0	-\$139,615	\$0
R-22 Adjust Medicaid Funding for Eligibility	No	-\$1,900,000	0	\$0	\$0	-\$1,900,000	\$0
R-23 Adjust Leased Space Funding Grand Junction	No	-\$48,558	0	\$0	\$0	-\$48,558	\$0
R-24 Adjust Old Age Pension Funding Based on Caseload	No	-\$22,268,490	0	\$0	-\$22,268,490	\$0	\$0
R-25 Refinance Substance Use Treatment Services	No	-\$2,800,000	0	-\$1,300,000	\$0	-\$1,500,000	\$0
R-26 Adjust Veteran Community Living Center Reserves	No	\$0	0	-\$3,469,922	\$3,469,922	\$0	\$0
R-27 Redirect Intrastate Redistribution Funding	No	-\$1,500,000	0	\$0	\$0	\$0	-\$1,500,000
R-28 Post Affordable Care Act Reductions	No	-\$1,284,000	0	-\$647,000	\$0	-\$637,000	\$0
R-29 Reduce Duplicative Activities	No	-\$380,000	0	\$0	-\$380,000	\$0	\$0
R-30 Revert Evaluation Funding of Discontinued Program	No	-\$50,000	0	\$0	-\$50,000	\$0	\$0
R-31 Increased Efficiency of Resource and Referral Funding	No	-\$630,350	0	-\$315,175	\$0	\$0	-\$315,175
R-32 Realign Regional Center Appropriations	No	\$600,000	0	\$600,000	\$0	\$0	\$0
R-33 Adjust Excess Reserves Older Coloradans Cash Fund	No	\$0	0	-\$3,000,000	\$3,000,000	\$0	\$0
R-34 Mental Health Long Bill Technical Correction	No	\$0	0.00	\$0	\$0	\$0	\$0
R-35 Community Provider Rate Increase	No	\$4,647,651	0	\$2,721,608	\$738,969	\$52,868	\$1,134,206
<b>Subtotal Decision Items</b>		<b>\$37,921,126</b>	<b>94.40</b>	<b>\$15,345,831</b>	<b>-\$1,427,061</b>	<b>\$5,837,957</b>	<b>\$18,164,399</b>
<b>Non-Prioritized Requests</b>							
NP-01 Annual Fleet Vehicle Request	No	-\$207,507	0	-\$44,017	-\$12,340	-\$105,261	-\$45,889
NP-02 Annual Legal Allocation	No	\$1,706,439	0	\$748,933	\$72,267	\$616,478	\$268,761
NP-03 Paid Family Leave	No	\$2,935,547	0	\$1,997,692	\$28,365	\$711,860	\$197,630
NP-04 OIT_FY21 Budget Request Package	No	\$453,114	0	\$106,286	\$26,176	\$223,300	\$97,352
NP-05 Provider Rate Increase	No	\$1,896,341	0	\$0	\$0	\$1,896,341	\$0
<b>Subtotal Non-Prioritized Requests</b>		<b>\$6,783,934</b>	<b>0.00</b>	<b>\$2,808,894</b>	<b>\$114,468</b>	<b>\$3,342,718</b>	<b>\$517,854</b>
<b>Request Total for Department of Human Services</b>		<b>\$44,705,060</b>	<b>94.40</b>	<b>\$18,154,725</b>	<b>-\$1,312,593</b>	<b>\$9,180,675</b>	<b>\$18,682,253</b>

Decision Items List by Department						FY 2020-2021	
Request Title	Requires Legislation	Total Funds	FTE	General Fund	Cash Funds	Reappropriated Funds	Federal Funds
<b>Judicial</b>							
<b>Non-Prioritized Requests</b>							
Judicial 2% Placeholder	No	\$12,332,690	0	\$12,332,690	\$0	\$0	\$0
<b>Subtotal Non-Prioritized Requests</b>		<b>\$12,332,690</b>	<b>0.00</b>	<b>\$12,332,690</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Request Total for Judicial</b>		<b>\$12,332,690</b>	<b>0.00</b>	<b>\$12,332,690</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Department of Labor and Employment</b>							
<b>Decision Items (Operating Requests)</b>							
R-01 Expand Access to Work Based Learning	No	\$1,200,000	0	\$0	\$1,200,000	\$0	\$0
R-02 My Colorado Journey	No	\$750,000	0	\$750,000	\$0	\$0	\$0
R-03 School to Work Alliance Unused Spending Authority	No	-\$191,617	0	\$0	\$0	-\$191,617	\$0
R-04 Adjust Federal Social Security Reimbursements	No	-\$178,043	0	\$0	\$0	\$0	-\$178,043
R-05 Business Enterprise Cash Fund Spending Authority	No	-\$200,000	0	\$0	-\$200,000	\$0	\$0
R-06 Statewide 0.5% Provider Rate Increase	No	\$35,698	0	\$34,004	\$0	\$0	\$1,694
<b>Subtotal Decision Items</b>		<b>\$1,416,038</b>	<b>0.00</b>	<b>\$784,004</b>	<b>\$1,000,000</b>	<b>-\$191,617</b>	<b>-\$176,349</b>
<b>Non-Prioritized Requests</b>							
NP-01 Annual Fleet Vehicle Request	No	\$564	0	\$0	\$564	\$0	\$0
NP-02 FY2021 OIT Budget Request Package	No	\$19,851	0	\$994	\$14,197	\$0	\$4,660
NP-03 Annual Legal Services Allocation	No	-\$44,047	0	\$0	\$0	\$0	-\$44,047
NP-04 FY2020-21 PAID FAMILY LEAVE	No	\$545,397	0	\$33,965	\$205,957	\$0	\$305,475
<b>Subtotal Non-Prioritized Requests</b>		<b>\$521,765</b>	<b>0.00</b>	<b>\$34,959</b>	<b>\$220,718</b>	<b>\$0</b>	<b>\$266,088</b>
<b>Request Total for Department of Labor and Employment</b>		<b>\$1,937,803</b>	<b>0.00</b>	<b>\$818,963</b>	<b>\$1,220,718</b>	<b>-\$191,617</b>	<b>\$89,739</b>
<b>Department of Law</b>							
<b>Non-Prioritized Requests</b>							
Law 2% Placeholder	No	\$374,355	0	\$374,355	\$0	\$0	\$0
<b>Subtotal Non-Prioritized Requests</b>		<b>\$374,355</b>	<b>0.00</b>	<b>\$374,355</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Request Total for Department of Law</b>		<b>\$374,355</b>	<b>0.00</b>	<b>\$374,355</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Legislature</b>							
<b>Non-Prioritized Requests</b>							
Legislature 2% Placeholder	No	\$1,103,955	0	\$1,103,955	\$0	\$0	\$0
<b>Subtotal Non-Prioritized Requests</b>		<b>\$1,103,955</b>	<b>0.00</b>	<b>\$1,103,955</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Request Total for Legislature</b>		<b>\$1,103,955</b>	<b>0.00</b>	<b>\$1,103,955</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Decision Items List by Department					FY 2020-2021		
Request Title	Requires Legislation	Total Funds	FTE	General Fund	Cash Funds	Reappropriated Funds	Federal Funds
<b>Department of Local Affairs</b>							
<b>Decision Items (Operating Requests)</b>							
R-1 Rural Economic Development Initiative Funding Increase	No	\$257,248	0	\$257,248	\$0	\$0	\$0
R-2 Field Services Staff Increase	No	\$216,320	2.70	\$0	\$0	\$216,320	\$0
R-3 Affordable Housing Administrative Reappropriation	No	\$172,620	2.00	\$0	\$0	\$172,620	\$0
R-4 Crime Prevention Initiative Unused Funds Adjustment	No	-\$1,000,000	0	-\$1,000,000	\$0	\$0	\$0
R-5 Gray & Black Market Marijuana Unused Funds Adjustment	No	-\$4,000,000	0	\$0	-\$4,000,000	\$0	\$0
R-6 Transfer State Demography Office to New Line	No	\$0	0.00	\$0	\$0	\$0	\$0
R-7 Moffat Tunnel District Spending Authority Adjustment	No	-\$95,000	0	\$0	-\$95,000	\$0	\$0
<b>Subtotal Decision Items</b>		<b>-\$4,448,812</b>	<b>4.70</b>	<b>-\$742,752</b>	<b>-\$4,095,000</b>	<b>\$388,940</b>	<b>\$0</b>
<b>Non-Prioritized Requests</b>							
NP-01 Annual Fleet Vehicle Request	No	-\$8,753	0	-\$7,880	\$0	-\$873	\$0
NP-02 OIT_FY 2021 Budget Request Package	No	\$27,500	0	\$7,590	\$4,531	\$9,333	\$6,046
NP-03 Paid Family Leave	No	\$11,203	0	\$6,720	\$0	\$0	\$4,483
<b>Subtotal Non-Prioritized Requests</b>		<b>\$29,950</b>	<b>0.00</b>	<b>\$6,430</b>	<b>\$4,531</b>	<b>\$8,460</b>	<b>\$10,529</b>
<b>Request Total for Department of Local Affairs</b>		<b>-\$4,418,862</b>	<b>4.70</b>	<b>-\$736,322</b>	<b>-\$4,090,469</b>	<b>\$397,400</b>	<b>\$10,529</b>
<b>Department of Military Affairs</b>							
<b>Decision Items (Operating Requests)</b>							
R-01 Western Region One Source - Service Reception and Triag	No	\$71,534	0.90	\$71,534	\$0	\$0	\$0
R-02 DMVA Energy Study Project	No	\$72,870	0	\$72,870	\$0	\$0	\$0
R-03 Technical Re-Estimate for National Guard Tuition Asst	No	-\$175,000	0	-\$175,000	\$0	\$0	\$0
<b>Subtotal Decision Items</b>		<b>-\$30,596</b>	<b>0.90</b>	<b>-\$30,596</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Non-Prioritized Requests</b>							
NP-01 Annual Fleet Vehicle Request	No	-\$29,913	0	-\$17,948	\$0	\$0	-\$11,965
NP-02 OIT FY21 Budget Request Package	No	-\$4,485	0	-\$4,485	\$0	\$0	\$0
NP-03 Paid Family Leave	No	\$26,574	0	\$10,630	\$0	\$0	\$15,944
<b>Subtotal Non-Prioritized Requests</b>		<b>-\$7,824</b>	<b>0.00</b>	<b>-\$11,803</b>	<b>\$0</b>	<b>\$0</b>	<b>\$3,979</b>
<b>Request Total for Department of Military Affairs</b>		<b>-\$38,420</b>	<b>0.90</b>	<b>-\$42,399</b>	<b>\$0</b>	<b>\$0</b>	<b>\$3,979</b>
<b>Department of Natural Resources</b>							
<b>Decision Items (Operating Requests)</b>							
R-01 Electronic Oil and Gas Filing System	No	\$147,840	0	\$0	\$147,840	\$0	\$0
R-02 Improve Public Safety Through Avalanche Forecasting	No	\$337,697	3.00	\$0	\$337,697	\$0	\$0
R-03 South Platte River Water Accounting Coordinator	No	\$96,309	1.00	\$96,309	\$0	\$0	\$0
R-04 Accounting and Procurement Support Staff	No	\$288,323	3.00	\$0	\$0	\$288,323	\$0
R-05 True-up of Orphaned Well and Emergency Spending Auth	No	-\$1,761,000	0	\$0	-\$1,761,000	\$0	\$0
R-06 Legal Services for Open Records Requests	No	\$191,880	0	\$0	\$191,880	\$0	\$0
R-07 Water Conservation Specialist	No	\$116,524	1.00	\$0	\$116,524	\$0	\$0
R-08 Watershed and Flood Protection Specialist	No	\$0	1.00	\$0	\$0	\$0	\$0
R-09 Optimizing Inactive Mines Program Spending Authority	Yes	\$0	0.00	\$0	\$0	\$0	\$0
R-10 True-up of Coal Program Spending Authority	No	-\$164,500	-1.00	\$0	-\$34,545	\$0	-\$129,955
R-11 Vehicle for Water Commissioner	No	\$6,208	0	\$6,208	\$0	\$0	\$0
<b>Subtotal Decision Items</b>		<b>-\$740,719</b>	<b>8.00</b>	<b>\$102,517</b>	<b>-\$1,001,604</b>	<b>\$288,323</b>	<b>-\$129,955</b>
<b>Non-Prioritized Requests</b>							
NP-01 OIT_FY21 Budget Request Package	No	\$358,533	0	\$91,841	\$346,237	-\$81,389	\$1,844
NP-02 Annual Fleet Vehicle Request	No	\$185,772	0	\$17,478	\$170,928	-\$1,936	-\$698
NP-03 Paid Parental Leave	No	\$209,401	0	\$31,979	\$166,095	\$6,163	\$5,164
<b>Subtotal Non-Prioritized Requests</b>		<b>\$753,706</b>	<b>0.00</b>	<b>\$141,298</b>	<b>\$683,260</b>	<b>-\$77,162</b>	<b>\$6,310</b>
<b>Request Total for Department of Natural Resources</b>		<b>\$12,987</b>	<b>8.00</b>	<b>\$243,815</b>	<b>-\$318,344</b>	<b>\$211,161</b>	<b>-\$123,645</b>

Decision Items List by Department								FY 2020-2021
Request Title	Requires Legislation	Total Funds	FTE	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	
<b>Department of Personnel and Administration</b>								
<b>Decision Items (Operating Requests)</b>								
R-01 Paid Family Leave	No	\$0	0	\$0	\$0	\$0	\$0	\$0
R-02 Telematics for State Fleet Vehicles	No	\$404,643	1.00	\$0	\$0	\$404,643	\$0	\$0
R-03 CORE Information Security Audit Finding	No	\$79,376	0	\$0	\$0	\$79,376	\$0	\$0
R-04 Streamlining Electronic Document Processing	No	\$15,910	0	\$3,605	\$0	\$12,305	\$0	\$0
R-05 Annual Fleet Vehicle Request	No	\$1,416,155	0	\$0	\$0	\$1,416,155	\$0	\$0
R-06 Technical Correction SB 19-135 Appropriation	No	\$0	0	\$0	\$0	\$0	\$0	\$0
R-07 Unused Authority for License Plate Registrations	No	-\$1,000,000	0	\$0	-\$1,000,000	\$0	\$0	\$0
R-08 Collections Services Refinance and Restructure	No	-\$1,284,435	-23.40	\$166,394	-\$1,763,923	\$313,094	\$0	\$0
R-09 Postage Spending Authority Reduction	No	-\$3,000,000	0	\$0	\$0	-\$3,000,000	\$0	\$0
R-10 Statewide Planning Svcs Unused Spending Authority	No	-\$980,000	0	-\$980,000	\$0	\$0	\$0	\$0
<b>Subtotal Decision Items</b>		<b>-\$4,348,351</b>	<b>-22.40</b>	<b>-\$810,001</b>	<b>-\$2,763,923</b>	<b>-\$774,427</b>	<b>\$0</b>	<b>\$0</b>
<b>Non-Prioritized Requests</b>								
NP-01 Annual Fleet Vehicle Request	No	\$5,555	0	\$0	-\$2,480	\$8,035	\$0	\$0
NP-02 OIT FY21 Budget Request Package	No	\$27,578	0	\$7,647	\$2,585	\$17,346	\$0	\$0
NP-03 Creation of a Contract Management Office	No	\$3,361	0	\$0	\$0	\$3,361	\$0	\$0
NP-04 Paid Family Leave	No	\$52,681	0	\$0	\$1,195	\$51,486	\$0	\$0
<b>Subtotal Non-Prioritized Requests</b>		<b>\$89,175</b>	<b>0.00</b>	<b>\$7,647</b>	<b>\$1,300</b>	<b>\$80,228</b>	<b>\$0</b>	<b>\$0</b>
<b>Request Total for Department of Personnel and Administration</b>		<b>-\$4,259,176</b>	<b>-22.40</b>	<b>-\$802,354</b>	<b>-\$2,762,623</b>	<b>-\$694,199</b>	<b>\$0</b>	<b>\$0</b>
<b>Department of Public Health and Environment</b>								
<b>Decision Items (Operating Requests)</b>								
R-01 Oil and Gas Enforcement, Compliance, and Permitting Ini	Yes	\$2,417,371	19.40	\$0	\$2,417,371	\$0	\$0	\$0
R-02 Immunization Outreach	No	\$2,500,000	0	\$2,500,000	\$0	\$0	\$0	\$0
R-03 Sustaining Essential Administrative Services	No	\$559,864	4.30	\$0	\$0	\$559,864	\$0	\$0
R-04 Technical Reductions to Spending Authority	No	-\$6,301,844	-1.00	\$0	-\$5,299,346	-\$1,002,498	\$0	\$0
R-05 Laboratory Facility Maintenance	No	\$301,593	0	\$0	\$0	\$301,593	\$0	\$0
R-06 Statewide 0.5% Provider Rate Increase	No	\$47,325	0	\$34,506	\$9,142	\$3,677	\$0	\$0
R-07 Eliminate Duplicative Waste Grease Program	Yes	-\$100,890	-0.70	\$0	-\$100,890	\$0	\$0	\$0
R-08 External Boards Support Reduction	Yes	-\$44,007	0	-\$44,007	\$0	\$0	\$0	\$0
<b>Subtotal Decision Items</b>		<b>-\$620,588</b>	<b>22.00</b>	<b>\$2,490,499</b>	<b>-\$2,973,723</b>	<b>-\$137,364</b>	<b>\$0</b>	<b>\$0</b>
<b>Non-Prioritized Requests</b>								
NP-01 Annual Fleet Vehicle Request	No	-\$80,350	0	\$0	-\$20,126	-\$20,000	-\$40,224	\$0
NP-02 OIT_FY21 Budget Request Package	No	\$6,380	0	\$0	\$0	\$6,380	\$0	\$0
NP-03 Annual Legal Services True-up Budget Request	No	\$57,298	0	\$0	\$0	\$57,298	\$0	\$0
NP-04 Paid Family Leave	No	\$429,684	0	\$70,006	\$144,125	\$44,893	\$170,660	\$0
<b>Subtotal Non-Prioritized Requests</b>		<b>\$413,012</b>	<b>0.00</b>	<b>\$70,006</b>	<b>\$123,999</b>	<b>\$88,571</b>	<b>\$130,436</b>	<b>\$0</b>
<b>Request Total for Department of Public Health and Environment</b>		<b>-\$207,576</b>	<b>22.00</b>	<b>\$2,560,505</b>	<b>-\$2,849,724</b>	<b>-\$48,793</b>	<b>\$130,436</b>	<b>\$0</b>

Decision Items List by Department					FY 2020-2021		
Request Title	Requires Legislation	Total Funds	FTE	General Fund	Cash Funds	Reappropriated Funds	Federal Funds
<b>Department of Public Safety</b>							
<b>Decision Items (Operating Requests)</b>							
R-01 Performance Based Contracting	No	\$231,041	2.00	\$231,041	\$0	\$0	\$0
R-02 Additional Resources for School Safety	No	\$453,987	4.00	\$0	\$453,987	\$0	\$0
R-03 State Recovery Section	No	\$314,722	4.00	\$314,722	\$0	\$0	\$0
R-04 Criminal Justice Training Fund	No	\$120,000	0	\$0	\$120,000	\$0	\$0
R-05 Technical Correction for H.B. 19-1275	No	\$0	0	\$0	\$0	\$0	\$0
R-06 Fire Inspector Overtime Compensation	No	\$141,523	0	\$0	\$113,238	\$28,285	\$0
R-07 Fire Prevention and Control Line Item Consolidation	No	-\$144,336	0.00	-\$144,336	\$0	\$0	\$0
R-08 Adjust Funding for Early Completion of Fire System	No	-\$573,404	-0.50	-\$573,404	\$0	\$0	\$0
R-09 Consolidate Line Items in Executive Director's Office	No	-\$71,572	-1.00	\$0	\$0	-\$71,572	\$0
R-10 Reduce Unused Disaster Emergency Fund Flood Recovery	No	-\$3,665,918	0	-\$1,832,959	-\$1,832,959	\$0	\$0
R-11 Reduce Unused Colorado State Patrol Spending Authority	No	-\$800,000	0	\$0	\$0	-\$800,000	\$0
R-12 Motor Vehicle Recyclers Spending Authority Reduction	No	-\$70,322	-1.00	\$0	-\$70,322	\$0	\$0
R-13 Office of Prevention & Security Consolidation	No	-\$8,319	0.00	\$0	-\$8,319	\$0	\$0
R-14 Reduce Administrative Services Spending Authority	No	-\$33,301	0	\$0	-\$33,301	\$0	\$0
R-15 Remove Unused Emergency Management Spending Authority	No	-\$10,988	0	\$0	-\$10,988	\$0	\$0
R-16 Reduce Unused Leased Space Spending Authority	No	-\$100,000	0	\$0	\$0	-\$100,000	\$0
R-17 Reduce Unused Spending Authority in Facility Inspection	No	-\$144,336	0	\$0	\$0	-\$144,336	\$0
R-18 Medical Marijuana Database Funding Efficiency	No	-\$16,000	0	\$0	\$0	-\$16,000	\$0
R-19 Senate Bill 17-096 Technical Correction	No	-\$16,224	-0.30	\$0	-\$16,224	\$0	\$0
R-20 Adjust Funds for Civil Asset Forfeiture Reforms Grant	No	-\$495,703	0	\$0	-\$495,703	\$0	\$0
<b>Subtotal Decision Items</b>		<b>-\$4,889,150</b>	<b>7.20</b>	<b>-\$2,004,936</b>	<b>-\$1,780,591</b>	<b>-\$1,103,623</b>	<b>\$0</b>
<b>Non-Prioritized Requests</b>							
NP-01 Annual Vehicle Adjustment	No	\$358,828	0	-\$157,100	\$558,775	-\$23,519	-\$19,328
NP-02 Paid Family Leave	No	\$86,105	0	\$10,333	\$75,772	\$0	\$0
NP-03 OIT FY21 Budget Request Package	No	\$25,358	0	\$25,358	\$0	\$0	\$0
<b>Subtotal Non-Prioritized Requests</b>		<b>\$470,291</b>	<b>0.00</b>	<b>-\$121,409</b>	<b>\$634,547</b>	<b>-\$23,519</b>	<b>-\$19,328</b>
<b>Request Total for Department of Public Safety</b>		<b>-\$4,418,859</b>	<b>7.20</b>	<b>-\$2,126,345</b>	<b>-\$1,146,044</b>	<b>-\$1,127,142</b>	<b>-\$19,328</b>
<b>Department of Regulatory Agencies</b>							
<b>Decision Items (Operating Requests)</b>							
R-01 Adjust Unused Telecommunications Spending Authority	No	-\$561,860	0	\$0	-\$561,860	\$0	\$0
R-02 Intrastate Pipeline Safety Enhancements	No	\$511,062	4.00	\$0	\$511,062	\$0	\$0
<b>Subtotal Decision Items</b>		<b>-\$50,798</b>	<b>4.00</b>	<b>\$0</b>	<b>-\$50,798</b>	<b>\$0</b>	<b>\$0</b>
<b>Non-Prioritized Requests</b>							
NP-01 Annual Fleet Vehicle Request	No	-\$27,484	0	\$0	-\$27,484	\$0	\$0
NP-02 Paid Family Leave	No	\$81,688	0	\$0	\$81,688	\$0	\$0
NP-03 OIT_FY21 Budget Request Package	No	\$46,820	0	\$0	\$46,820	\$0	\$0
<b>Subtotal Non-Prioritized Requests</b>		<b>\$101,024</b>	<b>0.00</b>	<b>\$0</b>	<b>\$101,024</b>	<b>\$0</b>	<b>\$0</b>
<b>Request Total for Department of Regulatory Affairs</b>		<b>\$50,226</b>	<b>4.00</b>	<b>\$0</b>	<b>\$50,226</b>	<b>\$0</b>	<b>\$0</b>

Decision Items List by Department					FY 2020-2021		
Request Title	Requires Legislation	Total Funds	FTE	General Fund	Cash Funds	Reappropriated Funds	Federal Funds
<b>Department of Revenue</b>							
<b>Decision Items (Operating Requests)</b>							
R-01 AID Fingerprinting Services	No	\$200,000	0	\$0	\$200,000	\$0	\$0
R-02 Utilization Reduction-Product Materials	No	-\$28,646	0	\$0	-\$28,646	\$0	\$0
R-03 Budget Efficiencies-Taxation and Compliance Division	No	-\$310,466	-4.95	\$0	-\$310,466	\$0	\$0
R-04 Budget Efficiencies-Taxpayer Services Division	No	-\$70,500	-1.00	\$0	-\$70,500	\$0	\$0
R-05 Budget Efficiencies-Gaming Division	No	-\$450,000	-3.00	\$0	-\$450,000	\$0	\$0
R-06 Resource Efficiencies-License Plate Services	No	-\$2,000,000	0	\$0	-\$2,000,000	\$0	\$0
R-07 Budget Efficiencies-Tax Conferee Office	No	-\$200,000	0	-\$200,000	\$0	\$0	\$0
R-08 Budget Efficiencies-Executive Director's Office	No	-\$50,000	-1.00	\$0	-\$50,000	\$0	\$0
R-09 Shift Spending to Cash Funds-Division of Motor Vehicles	No	\$0	0	-\$1,000,000	\$1,000,000	\$0	\$0
R-10 DMV Back Office Cashier Re-Alignment	No	\$0	0.00	-\$103,150	\$103,150	\$0	\$0
R-11 DMV Training Team Re-Alignment	No	\$0	0.00	\$0	\$0	\$0	\$0
R-12 Lottery Appropriation Re-Alignment	No	\$0	0	\$0	\$0	\$0	\$0
R-13 Departmental Staffing Realignment	No	\$0	0.00	\$0	\$0	\$0	\$0
<b>Subtotal Decision Items</b>		<b>-\$2,909,612</b>	<b>-9.95</b>	<b>-\$1,303,150</b>	<b>-\$1,606,462</b>	<b>\$0</b>	<b>\$0</b>
<b>Non-Prioritized Requests</b>							
NP-01 Annual Fleet Vehicle Request	No	-\$9,345	0	-\$2,302	-\$7,043	\$0	\$0
NP-02 OIT_FY21 Budget Request Package	No	\$847,537	0	\$577,307	\$270,230	\$0	\$0
NP-03 Paid Family Leave	No	\$296,356	0	\$112,558	\$181,202	\$293	\$2,303
NP-04 MyColorado	No	\$408,575	5.00	\$0	\$408,575	\$0	\$0
<b>Subtotal Non-Prioritized Requests</b>		<b>\$1,543,123</b>	<b>5.00</b>	<b>\$687,563</b>	<b>\$852,964</b>	<b>\$293</b>	<b>\$2,303</b>
<b>Request Total for Department of Revenue</b>		<b>-\$1,366,489</b>	<b>-4.95</b>	<b>-\$615,587</b>	<b>-\$753,498</b>	<b>\$293</b>	<b>\$2,303</b>
<b>Department of State</b>							
<b>Decision Items (Operating Requests)</b>							
R-01 Expanded Mailing Outreach to Eligible but Unregistered	No	\$135,000	0	\$0	\$135,000	\$0	\$0
<b>Subtotal Decision Items</b>		<b>\$135,000</b>	<b>0.00</b>	<b>\$0</b>	<b>\$135,000</b>	<b>\$0</b>	<b>\$0</b>
<b>Non-Prioritized Requests</b>							
NP-01 FY 2020-21 Annual Fleet Vehicle Request	No	\$2,064	0	\$0	\$2,064	\$0	\$0
NP-02 OIT FY 2020-21 Budget Request Package	No	\$3,593	0	\$0	\$3,593	\$0	\$0
NP-03 Paid Family Leave	No	\$11,876	0	\$0	\$11,876	\$0	\$0
<b>Subtotal Non-Prioritized Requests</b>		<b>\$17,533</b>	<b>0.00</b>	<b>\$0</b>	<b>\$17,533</b>	<b>\$0</b>	<b>\$0</b>
<b>Request Total for Department of State</b>		<b>\$152,533</b>	<b>0.00</b>	<b>\$0</b>	<b>\$152,533</b>	<b>\$0</b>	<b>\$0</b>
<b>Department of Transportation</b>							
<b>Decision Items (Operating Requests)</b>							
R-01 Administration Efficiency Savings	No	\$0	0	\$0	\$0	\$0	\$0
<b>Subtotal Decision Items</b>		<b>\$0</b>	<b>0.00</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Non-Prioritized Requests</b>							
NP-01 Annual Fleet Vehicle Request	No	\$0	0	\$0	\$0	\$0	\$0
NP-02 Paid Family Leave	No	\$0	0	\$0	\$0	\$0	\$0
NP-03 OIT_FY21 Budget Request Package	No	\$0	0	\$0	\$0	\$0	\$0
<b>Subtotal Non-Prioritized Requests</b>		<b>\$0</b>	<b>0.00</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Request Total for Department of Transportation</b>		<b>\$0</b>	<b>0.00</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Department of Treasury</b>							
<b>Non-Prioritized Requests</b>							
NP-01 OIT_FY21 Budget Request Package	No	\$761	0	\$381	\$380	\$0	\$0
Treasury 2% Placeholder	No	\$28,705	0	\$28,705	\$0	\$0	\$0
<b>Subtotal Non-Prioritized Requests</b>		<b>\$29,466</b>	<b>0.00</b>	<b>\$29,086</b>	<b>\$380</b>	<b>\$0</b>	<b>\$0</b>
<b>Request Total for Treasury</b>		<b>\$29,466</b>	<b>0.00</b>	<b>\$29,086</b>	<b>\$380</b>	<b>\$0</b>	<b>\$0</b>



## Economic Conditions

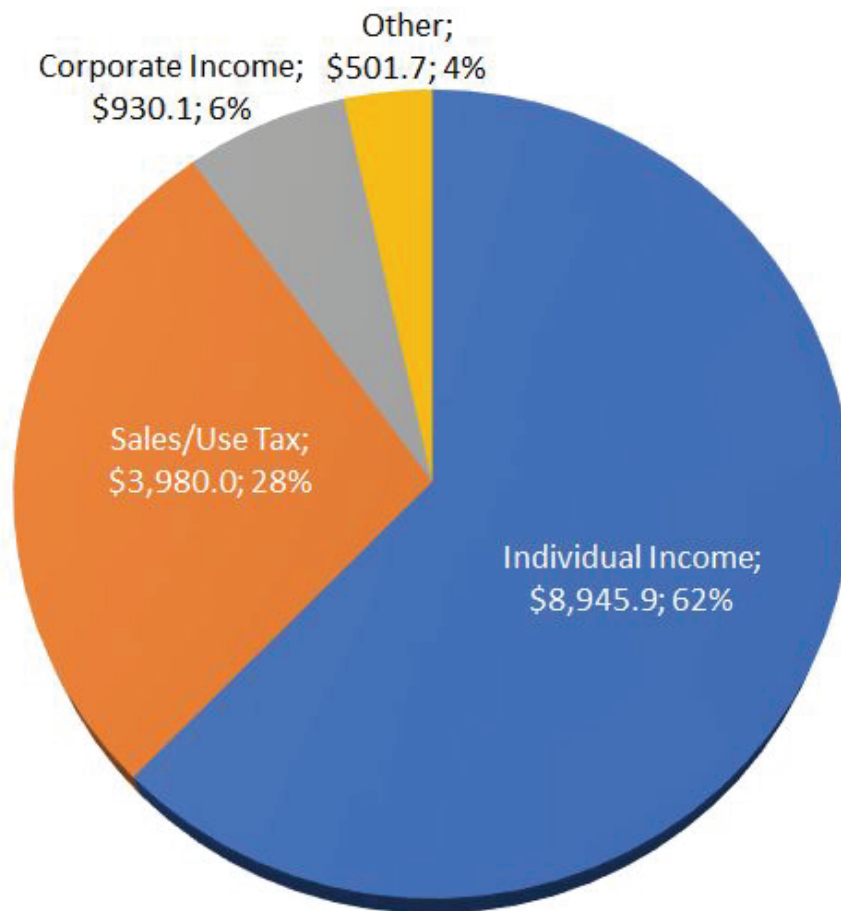
The following section discusses economic conditions for Colorado as well as General Fund and State Education Fund revenue received by the State based on the OSPB September 2019 forecast. The General Fund is the State's main account for funding its core programs and services, such as education, health and human services, public safety, and courts. It also helps fund capital construction and maintenance needs for State facilities and, in some years, transportation projects.

The largest revenue sources for the General Fund are income and sales taxes paid by individuals and businesses in the state, which are heavily influenced by the performance of the economy. General Fund revenue is expected to continue to increase in the current budget year and next with Colorado's sustained economic growth, but budget growth will be constrained by the TABOR cap.

In addition to the General Fund, some State programs and services are funded from cash funds and federal government funds. Cash funds receive revenue from certain taxes, user fees, and charges that are generally designated for specific programs. The State Education Fund is a cash fund that receives one-third of one percent of taxable income from Colorado taxpayers to help fund K-12 education.

***Income and sales taxes are the largest sources of General Fund revenue*** — The following pie chart shows the composition of revenue sources that are projected for both the State General Fund and State Education Fund for FY 2020-21, based on OSPB's September 2019 forecast. Income, sales, and use taxes make up more than 96 percent of General Fund revenues.

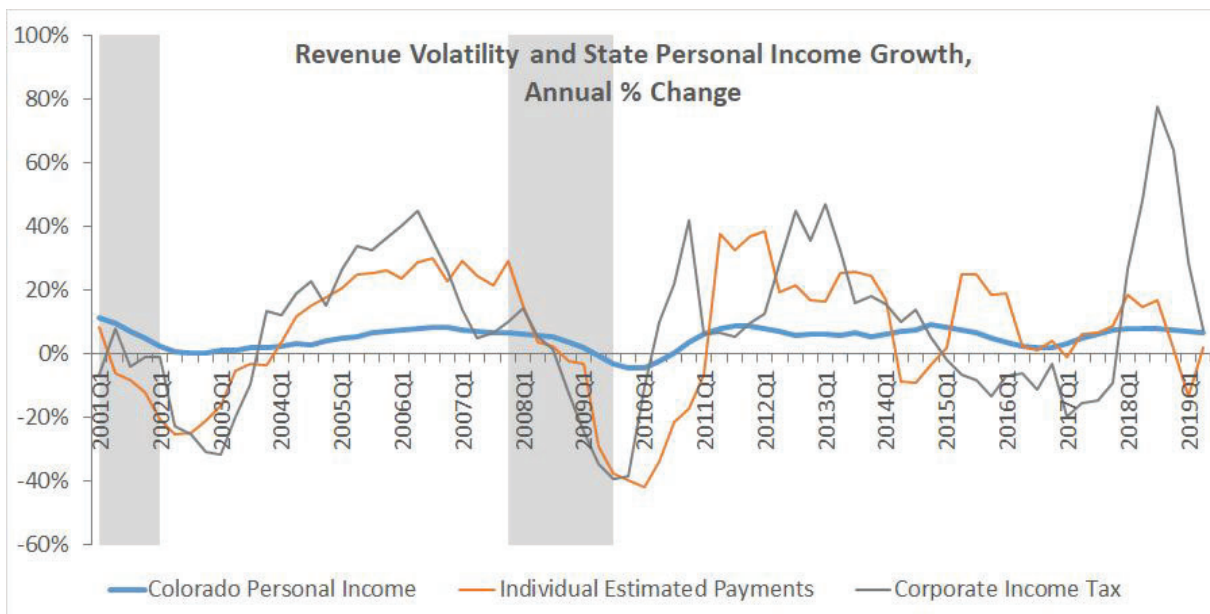
### General Fund and State Education Fund, \$s in Millions



**General Fund money diverted to the State Education Fund** — The State Education Fund (SEF) receives one-third of one-percent of total taxable income under the Colorado Constitution. Therefore, a portion of revenue from income taxes is diverted from the General Fund to the SEF every year. Because this revenue comes from taxable income, it follows the trends in the State’s individual income and corporate income tax revenue collections as shown below. The diversion is forecasted at \$740.7 million in FY 2020-21, an expected increase of 5.6 percent from FY 2019-20. In addition to the diversion of income tax revenue, policies enacted over the past several years have transferred other General Fund money to the State Education Fund.

***Economic conditions affect revenue to the General Fund and State Education Fund*** — General Fund revenue collections are heavily influenced by the performance of the economy. When more people earn and spend money, and businesses experience increased sales, State tax revenue grows. Conversely, State revenue declines during economic downturns; sometimes by large amounts as income and spending levels weaken.

Some General Fund revenue sources – notably corporate income taxes and individual income tax estimated payments – are highly volatile, which can cause larger fluctuations in revenue than is seen in overall economic conditions, as well as potentially large forecast errors. The following figure illustrates the volatility of these two revenue sources. The figure shows the annual percent change in quarterly corporate income tax revenue and individual income tax estimated payments, as compared to the the growth of personal income in Colorado.



The time period shown in the graph includes two national recessions, as indicated by the gray bars. During each of those recessions, General Fund revenue fell by over \$1 billion, or around 16 percent. These revenue declines were larger than the downturn in state personal income. This was largely due to the marked decline in the stock market and corporate profits during those periods that caused a drop in individual income tax estimated payments and corporate income tax collections.

***Current economic conditions*** — Colorado's economy has strengthened in recent months, but growth is expected to slow over the forecast period. Employment and

wage growth have been strong, encouraging consumer activity, but the tight labor market is also constraining business growth as employers struggle to attract and retain talented employees. Lower housing and energy price growth is reducing inflation. While the agricultural and manufacturing industries face headwinds due to the ongoing trade conflicts, Colorado's economic expansion is expected to continue.

While national job growth has slowed in recent months, Colorado's job growth has accelerated, from an average of 3,600 jobs per month in the first quarter of 2019 to an average of 8,000 jobs per month in the second quarter. This represents the strongest quarterly job growth since 2016. Wage growth has slowed slightly over the same period, from 6.3 percent in January to 5.4 percent in July, but remains at high levels.

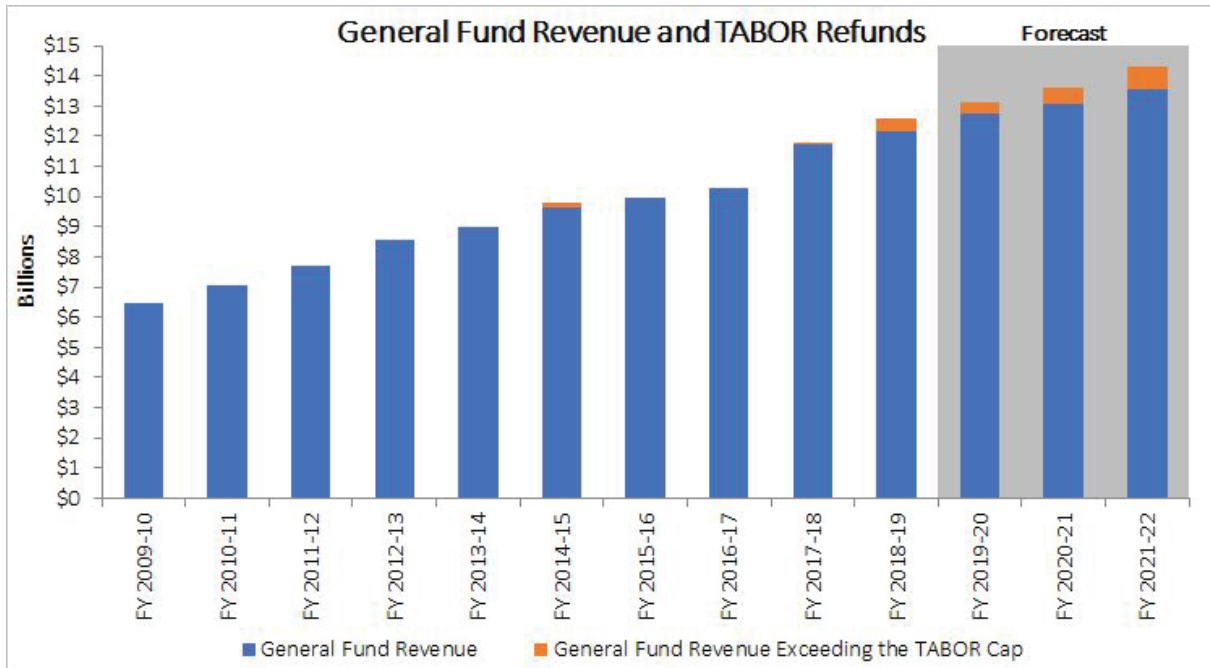


Source: U.S. Bureau of Labor Statistics

Although there are no clear indications of an economic downturn currently in the United States or Colorado, recessions are difficult to foresee. An economic downturn, marked by a drop in employment and income levels, losses in the stock market and declining corporate profits, would have adverse effects on General Fund and State Education Fund revenue and, therefore, the State budget. Material changes to revenue expectations may occur as future forecasts incorporate new information on trends in actual collections and economic conditions.

*Forecast for General Fund revenue* — Strong employment and wage growth in Colorado are supporting continued General Fund revenue growth as the economic expansion continues. The changes to the tax base resulting from the federal government's 2017 Tax Cuts and Jobs Act (TCJA) contributed to strong revenue growth in FY 2018-19 that are expected to continue to boost General Fund revenue

growth through FY 2021-22. OSPB's September 2019 forecast projects that General Fund revenue will grow by 4.1 percent in FY 2019-20 and 4.0 percent in FY 2020-21, after growing by 7.3 percent in FY 2018-19.



Source: OSPB September 2019 forecast

**Individual Income Tax** — Income tax paid by individuals is by far the largest source of tax revenue for the State. Representing 62 percent of total General Fund revenue, individual income tax collections grew at a robust rate of 8.8 percent in FY 2018-19. Growth is projected to moderate to 4.6 percent in FY 2019-20 and 3.7 percent in FY 2020-21.

Individual income tax is paid on most sources of household income, such as wages, investments, and royalties. Business income is also generally subject to the individual income tax, unless the business is organized as a C-corporation.

Strong employment and wage growth, along with base-broadening tax policy changes, such as the federal TCJA, have driven high individual income tax growth rates in recent years. Individual income tax revenue is expected to grow at a more moderate pace in FY 2019-20 and FY 2020-21 due to slower employment and wage growth and a moderation in capital gains income.

**Corporate Income Tax** — Certain businesses, called C-corporations, pay income tax through the corporate income tax system. Corporate income tax collections are

projected to decline 6.2 percent in FY 2019-20 after increasing 17.6 percent in FY 2018-19. Corporate income tax receipts are expected to rise 7.8 percent to \$930.1 million in FY 2020-21, due to continued economic expansion and the effects of the federal TCJA.

Corporate income tax revenue is among the most volatile sources of General Fund revenue due to business-specific filing considerations and the structure of the corporate income tax code. Corporate income taxes were boosted in FY 2018-19 by a large settlement agreement with a delinquent taxpayer and are being reduced in FY 2019-20 by amended returns and refund claims following recent tax policy rulings by the Colorado Supreme Court. Corporate income tax revenue growth is expected to continue at a moderate rate as the economic expansion continues. Future growth, however, will be constrained by higher business costs, especially for tariffs and employee compensation, which will reduce profit margins and lower tax liabilities.

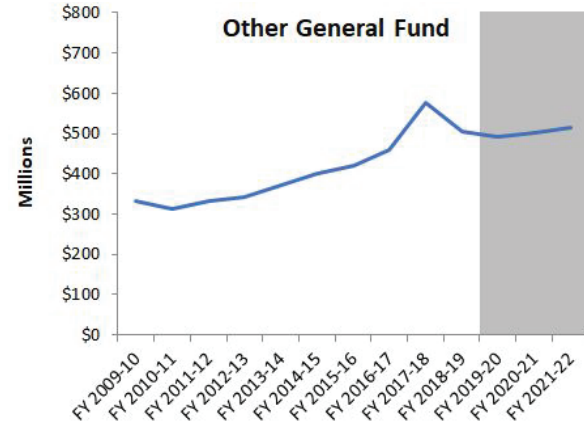
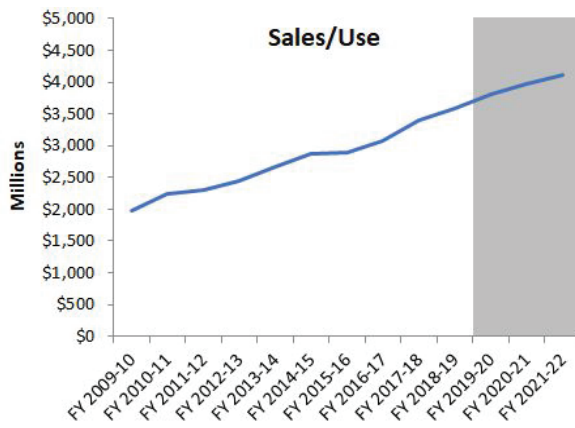
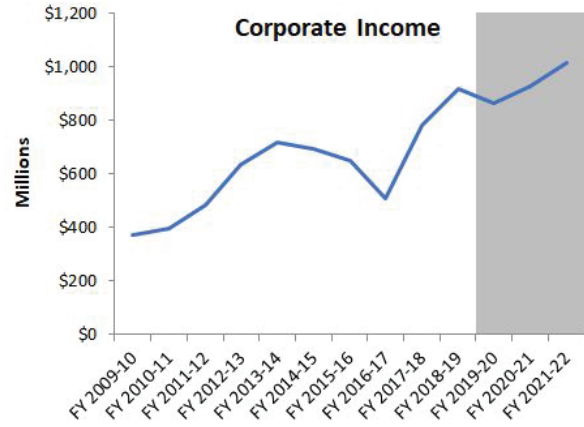
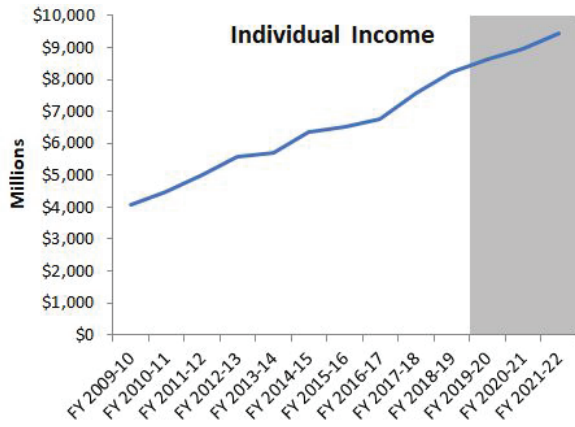
***Sales and Use Taxes*** — The State’s sales and use tax collections makes up about 28 percent of General Fund revenue. Most products and a small number of services are subject to these taxes; both households and businesses pay sales and use taxes. Sales tax revenue increased 4.9 percent in FY 2018-19 and is expected to increase an additional 7.3 percent in FY 2019-20 and 4.5 percent in FY 2020-21.

Colorado’s strong economic growth is providing consumers with more disposable income, which, combined with more business spending, is causing sales and use tax revenue to grow. The growth rates in FY 2019-20 and subsequent years are bolstered by sales tax collections from out-of-state retailers, which the Supreme Court allowed states to collect with its June 2018 ruling in *South Dakota v. Wayfair, Inc.* and which was then codified in Colorado law by H.B. 19-1240. Sales tax revenue will also be increased by H.B. 19-1245, which provided a tax benefit to small businesses while increasing overall sales tax collections.

***Other General Fund Revenue*** — Several smaller sources contribute all other General Fund revenue. These include excise taxes on cigarette, tobacco, and liquor products; taxes paid by insurers on premiums; pari-mutuel wagering; interest income; and fines and fees. Revenue from these sources is expected to grow modestly during the forecast period and is projected to total \$501.7 million in FY 2020-21.



Attachment 8: Economic Conditions



Source: OSPB September 2019 forecast