



January 10, 2023

To: Mayor Hancock and Denver City Council Members

From: Tanya, Taylor and Heather, Policy Matters

Subject: 2023 State Budget Preview

Happy New Year! Governor Jared Polis submitted his FY 2023-24 budget request to the Joint Budget Committee (JBC) and the legislature on November 1, 2022, and supplemental package on January 3, 2023. Based on the December revenue forecast the request includes \$42.59 billion Total Funds (down \$1.12 billion from FY 2022-23) and \$16.68 billion (down \$1.07 billion from FY 2022-23). Additionally, there are \$1.86 billion total funds and \$1.92 billion general funds in placeholders and obligations.

The Joint Budget Committee membership has changed drastically. The committee is composed of five new members, with only Chair Senator Rachel Zenzinger (D-Jefferson) returning. New members include Vice Chair Representative Shannon Bird (D-Adams), Senator Jeff Bridges (D-Arapahoe), Representative Emily Sirota (D-Denver), Senator Barbara Kirkmeyer (R-Weld) and Representative Rod Bockenfeld (R-Arapahoe). We are very pleased to have a city of Denver representative in Emily Sirota on this powerful committee. The influx of new members has resulted in a slower budgeting process, but the members have been receptive to our lobbying, thus far.

In the Fall, the Policy Matters team met with Jay Morein and his team from the Denver Department of Human Services to discuss their priorities for the 2023 legislative session. After our initial discussions, and in anticipation of the large number of new members of the Joint Budget Committee, we also met with JBC staff analysts Tom Dermody and Emily Hansen to set the stage for our budget lobbying.

The following is a breakdown of the budget items we are actively tracking for the City and County of Denver.

Adult Protective Services

The Colorado Department of Human Services requests, **\$1.6 million TF including \$1.3 million GF and \$300,000 local matching funds to true-up the Adult Protective Services (APS) Program staffing levels across the State.**

Behavioral Health

The Colorado Department of Human Services requests, **7 million GF and 25 FTE ongoing for the delivery of high-quality competency and restoration services.**

Child Welfare

***We do want to note we were disappointed to see the Governor's budget request did not include key areas such as appropriate funding of the County Block Grant and Child Welfare FTE. Therefore, the meetings with Joint Budget Committee s will prove to be incredibly valuable as they provide their figure setting recommendations.

The Colorado Department of Human Services requests, **\$541,573 total funds, including \$162,500 General Fund**, to more equitably and effectively connect children and youth in child welfare **to physical and behavioral health services through Medicaid.**

The Colorado Department of Human Services requests, **\$1.1 million through TANF and 1 FTE to provide employment services to a minimum of 300 low- income, non-custodial parents** (NCPs) across Colorado, through the Improved Payments and Child Success (IMPACS) program. The program is scheduled to end as of June 2023.

The Colorado Department of Human Services requests, a net-zero adjustment including a **transfer of \$281,249 total funds/General Fund and 3.0 FTE from Division of Child Welfare (DCW) Administration to the Division of Youth Services (DYS) Administration** in FY 2023-24 and ongoing to align the FTE and funding.

The Colorado Department of Human Services requests, a **one-time reduction of \$535,787 General Fund to the Hotline for Child Abuse and Neglect (Hotline).**

The Colorado Department of Human Services submitted a supplemental request that would **create the Child Support Collections Fund**, which enables any unspent appropriations for the Child Support Pass-through to be able to supplement the pass-through appropriation in years when collections exceed the appropriation.

The Colorado Department of Human Services submitted a supplemental request for **\$182,300 TF and 1.5 FTE in 2022-23 and ongoing** spending authority for a newly created cash fund, **the Child Welfare Licensing Cash Fund.**

The Colorado Department of Human Services submitted a supplemental request for **\$473,057 additional cash fund spending authority in FY 2022-23** and ongoing for the Excess Federal Title IV-E Reimbursements Cash Fund pursuant to Section 26-1-111 (2)(d)(II)(B), C.R.S. The purpose of the cash fund is to **supplement the Adoption Assistance program.**

The Colorado Department of Youth Services requests, **\$626,623 in additional spending authority in FY 2022-23 and beyond for the Title IV-E Administrative Costs Cash Fund created in Senate Bill 19-258: Child Welfare Prevention and Intervention Funding.**

County Administration

The Colorado Department of Human Services submitted a supplemental request for \$7,510,485 total funds, including \$2,642,882 General Fund and 10.5 FTE in FY 2023-24; and \$9,092,195 and 11.0 FTE in FY 2024-25; **to leverage technological solutions to increase timeliness and accuracy and enhance the application experience for vulnerable Colorado households who are seeking public assistance.**

The Department of Health Care Policy & Financing submitted a supplemental request to implement several key initiatives in response to findings identified by the Department of Justice (DOJ) that Colorado is violating Title II of the Americans with Disabilities Act (ADA). The initiatives are focused on **providing more information to members on their options to prevent unnecessary institutionalization, providing effective transition services out of the nursing facilities, expanding access to the community-based service system, and increasing access to integrated community-based housing opportunities.**

The Department of Health Care Policy & Financing submitted a supplemental request for **\$2.2 million TF for FY 2022-23 and \$18.5 million for FY 2023-24 to keep temporary county eligibility workers employed due to another extension of the Public Health Emergency (PHE) through January 2023.** The Department also requests funding to hire term-limited hearing officers and temporary clerks at the Office of Administrative Courts within the Department of Personnel and Administration (DPA) as well as hire additional temporary Department eligibility and appeals staff so that it has adequate resources to review the anticipated increase in member state appeals at the end of the PHE.

Housing

The Department of Local Affairs requests, **\$1,659,303 General Fund and 0.8 FTE in FY 2023-24, increasing to \$3,417,069 General Fund and 1.6 FTE in FY 2024-25, to expand funding for housing vouchers** to support persons with disabilities that require long-term services and support.

The Department of Local Affairs requested **\$540,471 and 4.0 FTE in FY24 for the Manufactured Buildings Program.**

Infrastructure

The Office of the Governor requests, **\$21.3 million cash fund to implement SB22-215: Infrastructure Investment and Jobs Act Cash Fund.**

Provider Rates

Unlike in year's past, the Governor's budget request did not include an Across the Board (ATB) provider rate increase. Instead, departments received varying department wide rate increases and targeted rate increases. Most notably the Department of Human Services received a **3 percent across the board increase, while the Department of Health Care Policy and Finance (HCPF) only received a 0.5 provider rate percent increase.**

HCPF did see targeted rate increases including \$39 million Total Funds including \$20 million General Fund for **Nursing Facility Rate Increases** and \$57 million Total Funds and

\$19.5 million General Funds for the **Denver Minimum Wage Increase** for Base Wage Home and Community Based Services (HCBS) workers.

SNAP

The Colorado Department of Human Services requests, a net-neutral adjustment of **\$622,173 total funds, including \$311,087 General Fund and \$311,086 federal Supplemental Nutrition Assistance Program (SNAP) funds to increase program staffing by 5.6 FTE in FY 2023-24.** This increase is offset by repurposing underspent funds in the Electronic Benefits Transfer Service (EBTS) appropriation, which reflects a lower cost negotiated vendor contract, beginning in FY 2023-24.

Youth Homelessness

The Colorado Department of Youth Services requests, **\$5 million TF, including \$5 million GF to address the factors that contribute to homelessness** and invest in opportunities for enhanced interventions to address the root causes of child and youth homelessness.

Looking Ahead

The First Regular Session of the Seventy-fourth General Assembly will convene on January 9, 2023. The JBC will begin considering Supplemental requests on January 17, 2023, with an expected package by the end of January. The JBC will then begin Figure Setting for the FY 2023-24 budget on January 27th and continue through March. The quarterly revenue forecast is set for March 16th with the finalization of the Long Bill package short their after. We expect the Long Bill to be introduced in the Senate the week of March 27th, barring any delays.

We look forward to representing the City and County of Denver on all these key issues and working with the Council members and the mayor's office. Thank you for your continued partnership and expertise. Please do not hesitate to reach out with questions as we embark on this legislative session.

Thank you,

Tanya Kelly-Bowry, Taylor Hickerson and Heather Retzko