

Denver Health & Hospital Authority Sales Tax Fund Agreement

February 26, 2025

Safety, Housing, Education & Health Committee

Empowering Denver's communities to live better, longer

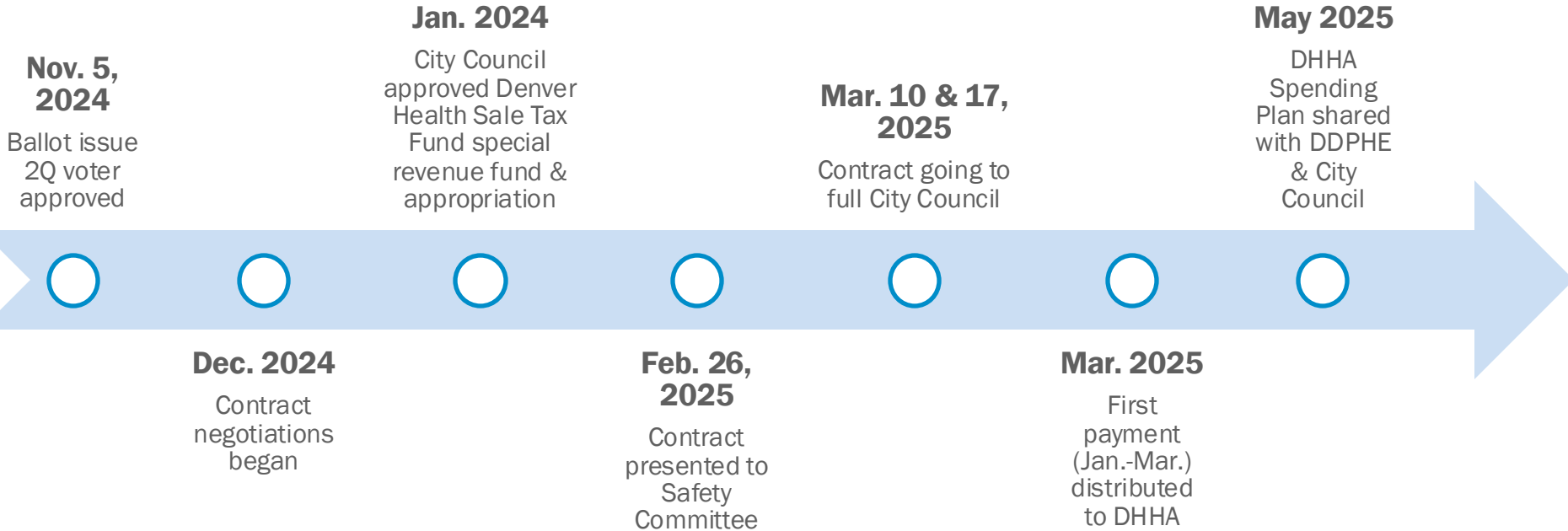
Agenda

- **Introductions**
- **Background**
 - Timeline
 - Ballot Issue 2Q
- **Contract**
 - Overview
 - Accountability
 - Spending Plan Template
 - Admin Funding to the City
- **Questions**

Resolution

Approves an intergovernmental agreement contract with Denver Health & Hospital Authority for two years to administer the Denver Health Tax Fund for the purpose of funding and supporting Denver Health in its provision of: Emergency and Trauma Care; Primary Medical Care; Mental Health Care; Drug and Alcohol Use Recovery; and Pediatric Care services, all of which are within the ongoing care and services being provided by Denver Health in and by its hospital, clinics and care teams, citywide (ENVHL-202578269).

Background– Timeline



Contract Term: Jan.1 - Dec. 31, 2026

Ballot Issue 2Q passed November 5, 2024

Authorizes sales and use tax increase by thirty-four one-hundredths percent (34 cents on a \$100-dollar purchase), estimated \$60-70M to be used to fund:

**Emergency and
trauma care**



**Primary medical
care**



**Mental health
care**



**Drug and alcohol
use recovery**



**Pediatric
care**



Contract - Overview

- Recites many of the ordinance requirements and prescriptions
- **Duration:** Jan. 1, 2025– Dec. 31, 2026 (2-year contract)
- **Contract Value:**
 - City collects sales tax on spending agency's behalf
 - DDPHE distributes funds to spending agency on monthly basis
 - No contract maximum because amount will vary annually based on sales tax collections (estimating \$60-70M/year)
 - DHHA will participate in annual budget process through DDPHE; creates annual spending plan approved by the DHHA Board and shared with DDPHE, Mayor's Office & City Council

Contract – Disbursement & Reconciliation

- DHHA submits monthly distribution request (invoice) to DDPHE
- Monthly distributions to DHHA, 1/12 of estimated annual total revenue, immediate payment terms
- For 2025 three months (Jan.-Mar.) will be distributed in Mar. once contract is executed and approved
- Unspent funds can be carried forward into a future year to be expended for the same purposes
- Annual reconciliation process after city's single audit is complete

Contract - Accountability

Annual Spending Plan: categories and amounts of anticipated expenditures, associated metrics

Annual Reports:

Audited financial statements

Report of the use of funds per category and accounting of associated expenses

Report on metrics

Present to DDPHE & City Council twice annually (Mar. & Aug.)

Spending Plan Template

Denver Health Sales Tax Fund Annual Spending Plan 2025				
Date Approved by the DHHA Board:				
2025 Estimated Sales Tax Revenue: \$				
Prior Year Carry Forward: \$				
Total: \$				
Purpose	Percentage/ Dollars	Priorities	Target Completion	Metrics
Primary Care Services				
Pediatric Care Services				
EMS & Trauma				
Behavioral Health & Mental Health Programs				
Alcohol & Drug Programs				
Administrative Expenses				

Contract – Open Records

- All materials provided or created by the City under this Agreement may be subject to the Colorado Open Records Act (CORA). If a request is made, the City will notify Denver Health, Denver Health will review and object as appropriate to the release of any patient or confidential information.
- If a lawsuit is filed to force disclosure, the City will submit the materials to the court for review. Denver Health must either intervene to protect its confidential information or waive any objections to disclosure

City Administrative Funds

- DDPHE Executive Director will designate a liaison that will be the City's representative for this agreement and associated activities
- Up to 1% of the DHHA sales tax revenue annually is available to the City to administer the sales tax fund, oversee the agreement, manage accountability, and support related coordination within the city and with DHHA
- The City will develop a proposed annual administrative spending plan for these funds and will share this alongside DHHA's annual spending plan
- The City will report on the amount expended to administer and oversee the fund on the same schedule that Denver Health reports its annual expenditures.
- Any unspent city administrative funds at the end of each year will be distributed to DHHA

Questions?

Meggan Parezo
Division Director
Department of Public Health & Environment

Donna Lynne
CEO
Denver Health & Hospital Authority